



FORM ADV PART 2A

TACONIC ADVISORS INC.
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DATE OF BROCHURE: 10/27/2023

This Brochure provides information about the qualifications and business practices of **TACONIC ADVISORS INC.** ("Firm" or "Taconic"). If you have any questions about the contents of this Brochure, please contact us at: (845) 486-5039 or jkelly@taconicadvisors.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.

TACONIC ADVISORS INC. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about **TACONIC ADVISORS INC.** is available on the SEC's website at www.Adviserinfo.sec.gov.

Item 2 - Material Changes

The material changes section of this brochure will be updated when they occur.

Material Changes Since the Last Update:

Since the Firm's last ADV Annual Amendment on 02/21/2023, the Firm had the following changes:

- In October 2023, the Firm closed its office location in Poughkeepsie, NY and opened an office location at 6 Eliza Street, Beacon, NY. 12508

Full Brochure Available:

We may provide ongoing disclosure information about material changes as necessary and will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting John Kelly, CFP®/845-486-5039/jkelly@taconicadvisors.com.

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Item 4 – Advisory Business

Taconic Advisors Inc. (“Taconic”) is a fee-only financial planning firm that provides personalized financial planning and investment advisory services to individuals and families. Our principal office is located at 382 Main Street, Saugerties, NY 12477.

Taconic was founded in 2002. In 2016, Meredith Briggs became the majority owner. In 2023, John Kelly acquired an ownership interest in Taconic. Taconic offers a wide range of services. Specifically, Taconic distinguishes itself from traditional investment advisory firms by providing services to meet your investment needs, as well as tax and estate planning reviews, risk management, retirement planning, and business development needs.

Taconic and Client will enter into an agreement that details the scope of the relationship and responsibilities of both Taconic and Client. Financial planning and investment advice services provided under the agreement are tailored to the stated objectives of the Client(s). For investment advice Taconic will work with the client to identify the client’s financial needs, investment goals and objectives, risk tolerance and time horizons. The result will be comprehensive advice that will allow the client to achieve their unique financial goals and objectives while assuming the appropriate level of risk. Client portfolios will be tailored to meet the client’s specific individual needs. The client will have the opportunity to place reasonable restrictions on the investment in certain securities or the types of securities to be held in the portfolio.

Taconic provides the following two types of services:

- 1. Limited Scope Financial Planning :** The services offered under this engagement are limited in their scope to only those financial planning areas specifically outlined in the agreement and do not include implementation of any suggestions or the ongoing or continuous supervision or management of the Client’s securities, cash, or other assets. Clients are under no obligations to follow, either wholly or in part, any recommendations or suggestions provided by Taconic, and Taconic is under no obligation to affect any transactions through Taconic. The engagement ends upon the delivery of Taconic’s recommendations to the client.
- 2. Open Retainer :** This service combines ongoing investment management and financial planning services over the course of a year. Following the first year of service (“Initial Term”), this service renews automatically annually for another year-long term until either Taconic or the client terminates the agreement

As a part of the ongoing investment management services offered in the Open Retainer Service, Clients grant Taconic discretionary authority to manage their accounts to execute investment recommendations in accordance with the objectives of the Client as communicated to Taconic, without the Client's prior approval of each specific transaction.

Sub-Advisor : As a part of the ongoing investment management services offered in the Open Retainer Service, Taconic will delegate all, or a portion, of the Client’s portfolio implementation to a third-party registered investment adviser (“Sub-Advisor”) for ongoing supervision and investment management services. Advisor will direct Sub-Advisor to

provide ongoing investment management to Client's assets in an investment account held by an independent qualified custodian. Client will receive a copy of the Sub-Advisor's disclosure statements before any services are provided to the Account.

Taconic will choose the Sub-Advisor's investment strategy and determine the appropriateness of the strategy for the Client based upon Client's stated investment objectives, risk tolerance and any restrictions in their account. The Sub-Advisor will invest and rebalance the Client's account from time to time in accordance with Client's investment objectives. The Sub-Advisor will provide its services on a discretionary basis and will not give advance notice or seek the Client's consent before conducting transactions in their account. Both Taconic and the Sub-Advisor are authorized to give instructions to the custodian with respect to all investment decisions. The Client acknowledges that any Sub-Advisor is independent of and not owned, affiliated with or sponsored by Taconic. Taconic is authorized to terminate or change Sub Advisors when, in our sole discretion, we believe such termination or change is in your best interest.

Open Retainer Services also include personalized financial planning services. Ongoing financial planning services consist of one or more of the following, based on the stated needs of the client:

- Analysis of Client's Financial Position
- Organization of Client's Financial Records
- Projection of Client's Cash Needs for various spending scenarios
- Identification of the lawful means of reducing Client's tax liability
- Analysis and advice regarding Client's income needs in retirement
- Analysis and advice regarding Client's current investment portfolio
- Analysis and advice regarding Client's insurance needs
- Analysis of financial implications in Client's estate planning

Taconic does not participate in or sponsor wrap fee programs.

When Taconic provides investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

As of December 31, 2022, Taconic managed approximately \$156,425,977 in assets on a discretionary basis.

Item 5 – Fees and Compensation

Open Retainer Services

Taconic charges an annual, fixed fee payable on a quarterly basis, in advance, for the Open Retainer Service. Fees are based on a formula that reflects the complexity of the Client's financial needs and the scope of the services to be provided using the Client's total income, assets, and overall complexity of the Client's financial situation. Fees are not negotiable. The range of fees for Taconic's open retainer services is generally \$5,000- \$30,000.

In the event that a client begins this service on a date other than the start of a calendar quarter, Taconic will prorate the initial payment to align the billing with the calendar quarter. In the event that Taconic or a Client terminate services during a calendar quarter, Taconic will promptly refund any unearned, prepaid advisory fees from the effective date of the termination through the end of the billing period. Clients authorize Taconic to deduct its fee directly from the their accounts at the independent custodian. Taconic may, in its sole discretion, allow clients to make payment by check or other means of electronic payment.

Fees are reviewed annually. Following the Initial Term, Taconic may amend its fee. The current fee will continue for thirty (30) days after Taconic notifies the Client, in writing, of the change in the fee. The new fee becomes effective after thirty (30) days unless Client notifies Taconic in writing to terminate the Agreement.

In the Open Retainer Service, the client will also agree to compensate Taconic for out of pocket expenses incurred in performing professional services, including long distance phone calls, overnight mail and tax return processing fees.

Limited-Scope Financial Planning Service

Taconic charges a fixed fee determined by the scope of the services requested by the Client in the agreement and the complexity of the Client's financial situation. Taconic collects one half of the fee upon the Client's signing the agreement, and the remainder of the fee is due and payable upon the conclusion of the in-person consultation meeting. Fees are not negotiable. The range of fees for Taconic's Limited Scope Financial Planning Services is generally \$1,100 - \$5,000.

Should the Client choose to terminate these services before receiving Taconic's recommendations, Taconic will determine the fee for the services based upon the work completed at the time of termination. Any prepaid but unearned fees will be promptly refunded by Taconic. Any fees that have been earned but not yet paid by Clients will be due and payable. Whether fees have been earned or unearned will be determined by Taconic at Taconic's sole discretion.

Taconic may amend its fee, subject to the Client's consent and right to terminate the agreement, based upon the discovery of new information that changes the scope and complexity of the service. Taconic will notify the Client in advance of any additional fee and the Client will necessarily agree to the fee before the additional services will begin.

Sub-Advisor Fee

The Sub-Advisor charges its fee for the provision of ongoing investment management services separately and in addition to Advisor's fee above. The Sub-Advisor's fee is outlined in the Sub-Advisor's ADV Part 2 and Part 3 that clients receive. Taconic has negotiated the Sub-Advisor's fee on behalf of its Clients. The Sub Advisor's fee is set forth in the Client's advisory agreement with Taconic. The Sub-Advisor's fee is payable quarterly, in advance, using the value of the Assets under its management at the end of each quarter. Client authorizes Sub-Advisor to deduct the Sub-Advisory fee directly from Client's Account held at the independent qualified custodian. For Accounts established with Sub-Advisor in the middle of a calendar quarter, Sub-Advisor will prorate its fee from the date the Client's Account was funded. Upon termination, the Sub Advisor will refund any unearned fees on a pro-rated basis.

Other Fees and Expenses

In addition to Taconic's fee, clients may incur certain other fees and charges to implement Taconic's recommendations. Additional charges and fees will be imposed by custodians, brokers, third party investment and other third parties, such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Taconic's fee.

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

Taconic does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Taconic primarily provides personalized financial planning and investment advisory services to individuals and families. We strive to work with people from all different walks of life. As such, we maintain no minimum net worth or asset requirements. As discussed above, your chosen relationship agreement and fee will be based upon your individual circumstances.

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

The main sources of information Taconic may rely upon when researching and analyzing securities will include traditional research materials such as financial newspapers and magazines, annual reports, prospectuses, filings with the SEC, as well as research materials prepared by others. Taconic also subscribes to various professional publications deemed to be consistent and supportive of Taconic's investment philosophy.

Moreover, Taconic approaches investment portfolio analysis and implementation based on internal factors such as your tax situation, overall risk tolerance, current financial situation, and your personal goals and aspirations. After identifying these items, your portfolio will be structured around your individual needs.

In general, Taconic adheres to passive investment strategies that attempt to: 1) diversify client portfolios across markets and asset classes, 2) manage risk, 3) control costs, and 4) minimize taxes.

In general, Taconic recommends no-load mutual funds (i.e., mutual funds that have no sales fees), exchange traded funds, U.S. government securities, money market accounts, and certificates of deposit. However, in the course of providing investment advice, Taconic may address issues related to other types of assets that you may already own. Any other products that may be deemed appropriate for you will be discussed, based upon your goals, needs and objectives.

Any investing in securities involves risk of loss that clients should be prepared to bear. While Taconic will use its best judgment and good faith efforts in rendering services to client, not every investment decision or recommendation made by Taconic will be profitable. Taconic cannot warrant or guarantee any particular level of account performance, or that an Account will be profitable over time. Client assumes all market risk involved and understands that investment decisions are subject to various market, currency, economic, political, and business risks.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Taconic or the integrity of Taconic's management. Taconic has no information to disclose applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

The sub-advisor we use for clients' accounts, Asset Dedication, is a SEC registered investment adviser. Asset Dedication, is not affiliated with, nor jointly owned with or owned by Taconic.

Taconic is a member of the Alliance of Comprehensive Planners (ACP). This non-profit organization provides training and support through an alliance of fee-only comprehensive financial advisors. As a member of the ACP, Taconic has the right to use proprietary products and systems designed by the ACP. The ACP offers education in the form of in-person, web- and tele-conferences (which may provide continuing education credits) and services produced by collaborative efforts of the fee-only financial advisors.

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

Taconic seeks to avoid material conflicts of interest. Accordingly, neither Taconic nor its investment adviser representatives nor its team members receive any third party direct monetary compensation (i.e., commissions, 12b-1 fees, or other fees) from brokerage firms (custodians) or mutual fund companies.

However, some additional services and non-direct monetary or other forms of compensation may be offered and provided to Taconic as a result of its relationships with custodian(s) and/or providers of mutual fund products. For example, Taconic's employees

may speak to brokerage representatives to confirm rules related to retirement accounts. Taconic believes that the services and benefits provided to it by brokerage firms (custodians) and mutual fund providers do not materially affect the investment management recommendations made to clients. However, in the interest of full disclosure of any potential conflicts of interest, we discuss the possible conflicts herein.

Although Taconic believes that its business methodologies, ethics rules, and adopted policies are appropriate to eliminate, or at least minimize, potential material conflicts of interest, and to appropriately manage any material conflicts of interest that may remain, clients should be aware that no set of rules can possibly anticipate or relieve all potential material conflicts of interest. In any event, Taconic will disclose to Clients any material conflict of interest relating to Taconic, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

Our Code of Ethics

Taconic has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. Any supervised persons of Taconic must acknowledge the terms of the Code annually, or as amended. The Code of Ethics is available to you upon request.

Participation or Interest in Client Transactions and Personal Trading

Taconic does not participate in securities in which it has a material financial interest. Taconic and its related persons, as a matter of policy, do not recommend to clients, or buy or sell for client accounts, securities in which the firm or its related persons has a material financial interest.

Taconic or individuals associated with Taconic may buy and sell some of the same securities for their personal accounts that Taconic recommends to its Clients for their personal accounts. This will happen for reasons not related to the strategies adopted by the Taconic's Clients. The Code of Ethics is designed to assure that the personal securities transactions will not interfere with making decisions in the best interest of Clients while, at the same time, allowing employees to invest for their own accounts.

Certain classes of securities, such as open-ended mutual funds, are designated as exempt transactions, meaning employees may trade these without prior permission because such trades would not materially interfere with the best interest of Taconic's clients. Nonetheless, because the Code of Ethics permits employees to invest in the same securities as clients, there is a possibility that employees might somehow benefit from the market activity of a client. Accordingly, when applicable, employee trading is monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Taconic and its clients.

Taconic will disclose to Clients any material conflict of interest relating to Taconic, its representatives, or any of its employees that could reasonably be expected to impair the rendering of unbiased and objective advice. Taconic will notify Clients in advance of its policies in respect to officers trading for their own account including the potential conflict of interest that arises when recommending securities to Clients in which Taconic or its principal holds a position.

Item 12 – Brokerage Practices

Taconic will recommend a broker-dealer/custodian for Client's accounts. When recommending a broker-dealer/custodian Taconic will comply with its fiduciary duty to obtain best execution and with the Securities Exchange Act of 1934, and will take into account such relevant factors as:

- Price;
- The broker-dealer's facilities, reliability and financial responsibility;
- The ability of the broker-dealer to effect transactions, particularly with regard to such aspects as timing, order size and execution of order;
- The research and related brokerage services provided by such broker or dealer to the Taconic, notwithstanding that the account may not be the direct or exclusive beneficiary of such services; and
- Any other factors the Taconic considers to be relevant.

Pursuant to Section 28(e) of the Securities Exchange Act of 1934, Taconic will receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits").

Research products and services may include access to a proprietary research system, access to third party providers of pricing and performance information, and software applications.

The receipt of such products and services presents a conflict of interest in that Taconic may have an incentive to select or recommend a broker-dealer based on Taconic's interest in receiving the research or other products or services, rather than on the clients' interest in receiving most favorable execution. The research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense. As a result of receiving these services, Taconic has an incentive to continue to use or expand the use of our current custodian. Our firm examined this potential conflict of interest when we chose to enter into the relationship and determined that the relationship is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

With respect to bonds, the Sub Advisor may purchase bonds through bond broker/dealers in order to obtain a better price for the client and then have the bonds delivered into/from

Client's brokerage account. This practice is enabled through the trade away services of various broker/dealers. This is the only case in which the Sub Advisor selects a broker/dealer to be used without specific client consent. When these services are utilized, the Client's Custodian charges the Client a service fee per order ("Trade Away Service Fee") entered at an executing broker/dealer by the Sub Advisor. The Trade Away Service Fee will be charged to Client's account.

Aggregating and Allocating Trades

The Sub Advisor will aggregate multiple client orders to obtain what the sub-advisor believes will be the most favorable price or lower execution costs at the time of the execution.

Item 13 - Review of Accounts

Meredith W. Briggs, CFP® is responsible for reviewing and assessing financial recommendations made to retained Clients on an "as needed" basis at least once year (for rebalancing) unless a trigger event requires more frequent review (market movement, life change, etc.). A written investment plan and risk analysis is reviewed and redrafted every two years. Factors triggering review may include significant changes in your financial condition, changes in the fundamentals of the companies or entities issuing securities, price fluctuations and significant economic or industry developments.

Total net worth information is requested from retained Clients annually and summarized by Taconic. No performance reporting is provided for investments. Clients receive account statements and transaction reports directly from their account's independent custodian.

Item 14 - Client Referrals and Other Compensation

Taconic is a fee-only financial planning firm and does not sell insurance or investment products, nor does it accept commissions as a result of any product recommendations. Taconic does not pay referral or finder's fees, nor does it accept such fees from other firms.

Item 15 - Custody

Taconic will only have custody to the extent it deducts its advisory fees from client accounts and as a result of third-party Standing Letters of Authorization ("SLOAs") on file with our client's custodian. Clients authorize Taconic to directly debit advisory fees from their account in the advisory agreement that they sign with the Firm. For those client accounts for which Taconic maintains a third-party SLOA on file with a qualified custodian, Taconic follows the safeguards noted in the SEC's No-Action Letter of February 21, 2019 and therefore is not subject to a surprise annual audit for custody related to third-party SLOAs.

Clients will receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets detailing the assets in the account and any transactions, including fee deductions. Taconic urges all clients to carefully review such statements and compare such official custodial records to any statements that we may provide to you. Taconic may also provide clients with periodic reports on client's account. These reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 - Investment Discretion

Taconic will execute the sale and/or purchase of investments by Clients on a discretionary basis. Discretion refers to Taconic's ability to initiate investment actions in a Client account without obtaining permission from a client each time a transaction occurs. Clients provide Taconic with discretionary authority in the agreement they sign with the Firm. Clients have the opportunity to place reasonable restrictions on the investment in certain securities or the types of securities to be held in the portfolio.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Taconic does not have any authority to and does not vote proxies on behalf of retained Clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. At the request of a client, Taconic may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered Investment Advisors are required to provide you with certain financial information or disclosures about their financial condition. Taconic does not require the prepayment of \$1200 or more in fees six (6) months or more in advance, and it 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.