

**March 17, 2020**

**Disclosure Brochure**  
(Part 2A of Form ADV)

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This Form ADV2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Congress Wealth Management, LLC. If you have any questions about the contents of this Disclosure Brochure, please contact us at: (617) 428-7600, or by email at: [compliance@congresswealth.com](mailto:compliance@congresswealth.com). The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”), or by any state securities authority.

Additional information about Congress Wealth Management, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 149446.

## **Item 2. Material Changes**

### **Annual Update**

The Material Changes section of this Form ADV 2A (“Disclosure Brochure”) will be updated annually or when material changes occur since the previous released version.

### **Material Changes since the Last Annual Update.**

This Brochure dated March 17, 2020 provides information about the qualifications and business practices of Congress Wealth Management, LLC, (the “Advisor” or “CWM”).

The following material changes have been made to this Disclosure Brochure since the last distribution to Clients:

There have been no material changes regarding the qualifications and business practices of CWM, which are substantially the same as represented in this Firm’s previous Brochure, dated November 21, 2019.

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## Item 4. Advisory Business

### Firm Description

The Advisor was established in March 2009 as an independent registered investment advisor.

The Advisor offers personalized investment management services to individuals, high net worth individuals and families, trusts, estates, and charitable organizations, (each, a “Client”). The Advisor also provides these services to pension and profit-sharing plans, including plans subject to the Employee Retirement and Income Security Act (“ERISA”), other investment advisors, corporations, and/or other business entities. The Advisor also offers personalized, independent wealth management and financial planning services, which are intended to provide a comprehensive view of the Client’s entire financial situation. As noted below, the Advisor also offers family office services to Qualified Clients.

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. The Advisor’s fiduciary commitment is further described in the Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Generally, the Advisor considers itself a “manager of managers,” as a substantial portion of its Client funds are invested with investment managers, which the Advisor recommends.

As a “manager of managers,” the Advisor works primarily, but not exclusively, with Congress Asset Management Company, LLP (“Congress Asset”), an affiliated SEC registered investment advisor, to provide investment management services. See Item 10 - Other Financial Industry Activities and Affiliations of this Disclosure Brochure for more information regarding the Advisor’s relationship with Congress Asset.

The Advisor primarily uses Congress Asset as a “Core” investment manager for investing Client assets in U.S. equities, U.S. fixed income and, when appropriate, for investing Client assets in risk managed portfolios primarily comprised of exchange-traded funds (“ETFs”) that represent most major Core and Satellite asset classes. “Satellite” investments include REITs, energy master limited partnerships (“MLPs”), commodities, high yield bonds and emerging markets. Satellite investments offer the potential of higher levels of active alpha (returns derived from skilled active management) or exotic beta (exposure to risk factors with low correlation to global markets). CWM may also utilize other investment managers besides Congress Asset.

The Advisor also may recommend to Clients investments held in certain privately offered pooled investment vehicles for which CWM serves as investment manager (“CWM Funds”). The Advisor may also recommend to its more sophisticated and higher net worth Clients investment in a private fund advised by non-affiliated investment manager (collectively with CWM Funds, “Private Funds”).

The Advisor’s primary office is located at 155 Seaport Blvd, 3<sup>rd</sup> Floor, Boston, MA 02210. CWM also maintains satellite offices at 8-10 Wright Street, Westport, CT 06880, Pacific Arts Plaza, 3200 Park Center Drive - Suite No. 210, Costa Mesa, CA 92626, 7033 E. Greenway Parkway, Suite 155, Scottsdale, Arizona 85254 and 6639 Bay Laurel Dr, Suite B, Avila

Beach, CA 93424.

## **Principal Owners**

The Advisor is organized as a Massachusetts limited liability company. The principal owners of the Advisor are Harborview Partners 2012, LLC (the majority owner) and Lagan Wildwood Investments LLC. Details of the ownership are provided on Form ADV Part 1, which is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Types of Advisory Services**

The Advisor provides its Clients with regular and continuous investment advice, which is particularly tailored to each Client's investment needs. The Advisor provides various types of investment supervisory services where the Advisor retains investment discretion over the Client's assets, which are generally invested in separately managed accounts and/or pooled investment vehicles managed by third-party investment managers. The Advisor also offer non-discretionary investment services tailored to the Client's needs.

The Advisor's primary business is providing a wide range of wealth management services tailored to fit each Client's risk tolerance, financial goals, liquidity needs, time horizon and personal values. The Advisor also offers family office services for certain types of larger Clients requiring such services.

As of December 31, 2019, the Advisor managed \$2,320,940,879 in discretionary assets and \$11,271,331 in non-discretionary assets. As of December 31, 2019, total assets under management ("AUM") were \$2,332,212,807.

### *Wealth Management*

Generally, the Advisor is a manager of investment managers. The Advisor reviews a Client's time horizon, objectives, tax situation, income and liquidity needs and will recommend a portfolio asset allocation mix based on such criteria. Based on the suggested allocation, the Advisor will recommend certain investment manager[s] to the Client.

Generally, prior to the Advisor providing investment management services, each Client will have entered into separate investment management agreements with the Advisor and with each investment manager recommended by the Advisor (a "dual contract arrangement"). The agreement between the Client and the Advisor grants the Advisor discretion over the assets held and managed by the recommended investment manager[s]. A Client may also limit such discretion by the Advisor. For example, a Client may require the Advisor to obtain explicit approval prior to rebalancing an account. However, the investment manager[s] will require full investment discretion over Client accounts.

The investment manager[s] contracted by the Client, on recommendation of the Advisor, will invest each Client's assets in accordance with Client's objectives, subject to any restrictions agreed upon between the Client and each investment manager.

In some circumstances, the Advisor, at its discretion, may agree to enter into or maintain a "single contract arrangement," where the Client contracts directly with the Advisor for investment management services and, in-turn, the Advisor, pursuant to a sub-advisory agreement with Congress Asset (or an investment manager), obtains such investment management services on behalf of the Client.

The Advisor reviews each investment manager prior to recommending such investment manager to its Clients and again at least annually, to ensure that such manager continues to be capable of providing suitable investment management services to its Clients. Such review includes a review of: AUM; performance history; types of portfolios offered (strategies, methods of analysis and sources of information); portfolio management tenure; fees and expenses; risk versus return profile; portfolio turnover; account minimum; and/or disciplinary history. The Advisor receives no direct financial compensation from the investment managers it recommends. Investment managers have hosted educational seminars for Clients and may host future educational seminars for Clients.

If the Advisor believes an investment manager is no longer suited to provide services to a Client, the Advisor generally has the authority under the investment management agreement to terminate and replace an investment manager. The Client may also recommend or direct the Advisor to remove a particular investment manager from his or her account[s].

The Advisor will distribute to Clients a copy of the Disclosure Brochure for each investment manager managing a portion of the Client's assets, so that the Client sees additional details regarding the investment strategy and fees payable to such investment manager.

Client accounts are reviewed at least annually. In addition, Client accounts are rebalanced or reallocated, as needed, based on the Client's portfolio's performance, changing financial circumstances and any other relevant factors.

Although the investment management agreement between the Client and the Advisor is a continuing agreement, the length of service to the Client is at the Client's discretion. The Client or the Advisor may terminate an Agreement with written notice, thirty (30) days in-advance, to the other party.

As discussed more fully below in "Methods of Analysis and Investment Strategies," the Advisor primarily utilizes Congress Asset as an investment manager.

### *Family Office Services*

As an extension of the Advisor's wealth management services, the Advisor also provides specialized administrative services to businesses, estates and qualified Client families in assisting them with their complex needs, such as; estate planning, tax planning, charitable giving, wealth distribution and family budgeting. The Advisor's family office service delivers these services beginning with the integration of a Client's financial data to formulate a family office construct and strategic purpose. The Advisor then implements the family office through its wealth management capability and an engaged partnership with the Client's other financial service providers such as, certified public accountants, law firms and trust companies. Such firms may have an existing relationship with the Client or be appointed by the Client on recommendation by the Advisor. The Advisor receives no financial compensation from the firms it recommends.

Any legal or tax suggestions provided to Client will be for informational purposes only. Each Client should consult with the Client's third-party legal and tax professionals to determine whether any referenced legal or tax suggestions may be applicable to his or her situation.

### *Investment Portfolio Management*

CWM will provide continual portfolio management services for investing each CWM Fund portfolio in accordance with its investment objectives.

### *Non-Investment Advisory Services*

In addition to the Advisor's advisory services described above, the Advisor may act as sponsor, managing trustee, general partner or managing member to an unaffiliated Private Fund, which in-turn invest all of the Private Fund's investible assets directly in a portfolio of investments or in the interests of another Private Fund. In such cases, CWM is not the advisor to such unaffiliated Private Fund.

### **Tailored Relationships and Client Imposed Restrictions**

The Advisor works with each Client's risk tolerance, financial goals, liquidity needs, time horizon and personal values. Stated goals and objective are documented and may also include reasonable requirements and restrictions stipulated by the Client. Such requirements and restrictions may include investing in strategies incorporating environmental, social and governance screens or, for personal and/or religious considerations.

### **Financial Planning**

The Advisor also offers comprehensive financial planning services to Clients requiring such services. These services include comprehensive financial planning, fact-finding, goal setting, estate tax strategies, wealth distribution and plan implementation services. Financial planning services are be provided through the wealth management agreement or through a separate contract. Implementation of the recommendations of the financial plan are typically executed at the discretion of the Client.

## **Item 5. Fees and Compensation**

### **Description**

Generally, the Advisor bases its fees on a percentage of AUM. The Advisor and Client may agree on services outside of the wealth management agreement, which may be based on a fixed fee or hourly rate.

### *Wealth Management Fees*

Generally, in a dual contract arrangement, fees payable to the Advisor for wealth management services will range between 50 basis points and 100 basis points (annualized) multiplied by the total assets managed by the Advisor, payable quarterly in arrears. The Client would also be responsible for fees due the investment manager[s] with whom they have contracted with. (See "Other Fees" below).

For Clients who have entered a single contract arrangement, fees are only payable to the Advisor for wealth management services generally range between 65 basis points and 125 basis points, payable quarterly in arrears.

The Advisor's fees may vary, depending on the Client's circumstances (such as account size,



complexity, relationship to other accounts, and investment strategies and managers employed, etc.).

#### *Financial Planning Services*

Generally, financial planning services are part of the Advisor's wealth management service. However, Clients may engage the Advisor to construct a financial plan where such a plan represents a depth and breadth beyond normal financial planning services. Such fee is negotiable and will be assessed as a percent of assets, fixed fee or on hourly basis.

#### *Family Office Services*

Each agreement between the Advisor and the Client for family office services is negotiated based on the size, complexity and breadth of each Client's needs. Generally, such fees will be based on a percentage of AUM but may also be or include a fixed fee and/or hourly charges for services where a percentage fee on assets would not be appropriate.

#### *Private Funds*

CWM may receive a fee for providing investment advisory to CWM Funds and non-investment advisory services to Private Funds. Non-advisory services may include activity relating to fund administration, distribution and/or investor services. Such fee will be set-forth in each Private Fund's Operating Agreement. CWM may also receive reimbursement for certain expenses it occurs relating to the organization and distribution of Private Funds, pursuant to the provisions of each Private Fund's offering documents.

#### *Other Services Fees*

Upon mutual agreement between the Advisor and the Client, the Advisor will engage in advisory and non-advisory services not discussed in this document, where such fees will be negotiated.

#### *ERISA Accounts*

CWM is deemed to be a fiduciary to advisory Clients that are employee benefit plans or individual retirement accounts ("IRAs") pursuant to ERISA, and regulations under the Internal Revenue Code. As such, CWM is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation.

### **Fee Billing**

Generally, fees are billed quarterly, in arrears, meaning that the Advisor invoices Clients after each three-month billing period has occurred. Payment in full is expected upon invoice presentation. Fees based on the market value of the Client's assets are as of their value on the last day of the quarter. Fees are usually deducted from a designated Client account[s] at the custodian to facilitate billing. The Client must consent in advance to direct debiting of their investment account[s].

Fees assessed on a fixed or hourly basis are billed in arrears for work completed.

Clients are advised that all fees paid to the Advisor are separate and distinct from the fees and expenses charged by investment managers, investment funds and custodians recommended to Clients by the Advisor. The Client is responsible for all securities execution and custody fees charged by the Custodian, if applicable. Certain Custodians do not charge securities transaction fees for ETF and equity trades in a Client's account, provided that the



account meets the terms and conditions of the Custodian's brokerage requirements. However, the Custodians typically charge for mutual funds and other types of investments.

Clients for which investments in Private Funds may be appropriate (e.g., real estate partnerships, private equity funds and/or hedge funds) will normally be charged a management fee and other fees and expenses by the Private Fund. In addition, investment managers of these Private Funds may also charge a performance fee, once the private fund exceeds a target rate of return.

### **Past due Accounts and Termination of Client Agreements**

The Advisor reserves the right to stop work on any account where fees due to the Advisor are more than ninety (90) days overdue. In addition, the Advisor reserves the right to terminate any financial planning engagement where a Client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in the Advisor's judgment, to providing proper financial advice.

A Client may terminate their agreement with the Advisor within five (5) business days of signing their agreement without incurring any advisory fees. Furthermore, the Client or the Advisor may terminate their agreement at any time, upon thirty (30) days written notice to the other party.

Upon notice of termination from the Client, the Advisor will await further instructions from the Client as to when and how Client requests to liquidate and/or transfer the portfolio and remit the proceeds. Upon instructions received, the Advisor will instruct the Client's investment manager, brokers, dealers, mutual fund sponsors and others to liquidate and/or transfer the portfolio and remit proceeds to the Client. The Client will be invoiced for any investment management fees earned by the Advisor up to and including the effective date of termination.

The Advisor can make no representation regarding puts, holds or other investment features that may limit a Client's ability to liquidate or transfer all or a portion of the Client's portfolio.

## **Item 6. Performance-Based Fees**

### **Performance-Based Fees**

The Advisor does not charge a performance-based fee in relation to services it provides. However, the Advisor may recommend investment managers and investment funds, including Private Funds (including CWM Funds), which assess a performance-based fee. Such a recommendation to invest with an investment manager or investment fund with a performance-based fee arrangement would be preceded by an assessment by the Advisor as to the suitability and appropriateness of such an investment, relative to other similar investments, if any, which do not have a performance-based fee arrangement.

## **Item 7. Types of Clients**

### **Description**

The Advisor offers personalized investment management services to individuals, high net worth individuals and families, trusts, estates, charitable organizations, pension and profit-sharing plans, corporations, and other business entities. The amount of each type of Client is available on the Advisor's Form ADV Part 1A. These amounts change over time and are

updated at least annually by the Advisor. Client relationships vary in scope and length of service.

### **Account Minimums**

Generally, Clients wishing to hire the Advisor for wealth management services should have at least \$1 million in investable assets. The Advisor retains the right to waive such minimum, considering various facts including, but not limited to, long-standing relationships, anticipated additions to AUM, and the strategy and investment managers utilized. Account minimums for family office services are determined on a facts and circumstances basis, considering the complexity of the prospective client's needs.

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

### **Methods of Analysis and Investment Strategies**

#### *Wealth Management Clients and Family Office Clients*

The Advisor works closely with Clients to determine their investment goals and levels of risk tolerance. The Advisor's basic investment philosophy is rooted in the belief that long-term returns are determined primarily by asset allocation.

The Advisor works closely with Clients to determine their investment goals and levels of risk tolerance. The Advisor's basic investment philosophy is rooted in the belief that long-term returns are determined primarily by asset allocation. The Advisor attempts to construct an asset allocation designed to meet each Client's time horizon, risk tolerance, cash needs and other objectives. The Advisor will then implement such asset allocation for each Client. The Advisor uses a Core and Satellite approach to investment management. This approach allows the Advisor to manage each Client's portfolio to:

- Separate and manage various sources of portfolio risk to improve portfolio structure and efficiency;
- Add return generating opportunities and / or volatility-reducing asset classes to a portfolio; and
- Increase the likelihood of meeting their specific financial goals.

*Core strategies* provide efficient exposure to asset classes that are broadly representative of the market (much of this market representation comes in the form of equity and fixed income instruments). While implementation strategies vary, the Advisor believes that a combination of active, structured and passive strategies provide a solid core for most investors.

*Satellite strategies* generally deliver higher levels of active alpha (returns derived from skilled active management) or exotic beta (exposure to risk factors with low correlation to global markets) and can enhance expected returns. Examples include REITs, energy MLPs, commodities, high yield bonds, private equity, emerging markets securities, and interest rate management investments, such as interest rate and Index swaps and other derivative securities, which allow for active management of duration and yield.

#### *Third-party Investment Manager Due Diligence*

Each investment manager on the Advisor's platform is monitored throughout the year and reviewed at least annually. Each investment manager review is presented to the Advisor's Investment Oversight Committee ("IOC"). The IOC is chaired by the Advisor's Chief Investment Officer ("CIO") and, is responsible for recommending to the Advisor's management the hiring or removal of an investment manager. Investment manager reviews include discussions on investment performance, market events/trends, organizational changes and/or, new investment strategies.

Further, prior to adding an investment manager on the Advisor's platform, the Advisor will conduct an initial due diligence, which shall be presented to the IOC for evaluation. The IOC, in-turn, will either recommend, or not, the hiring of such investment manager.

### *Internally Advised Private Funds*

Consistent with all of our investment strategies, oversight of CWM Funds will be the responsibility of the IOC and the CWM Board of Directors.

### **Monitoring of Client Accounts**

The Advisor monitors the performance of the Clients' accounts at least annually in order to confirm the portfolio allocation remains in line with the Client's risk tolerance and investment objectives. The Advisor reviews broad asset class allocation, investment strategies within each asset class, as well as underlying security performance within each investment strategy.

### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline. Securities with greater interest rate sensitivity and longer maturities are generally subject to greater fluctuations in value.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events. Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region may adversely impact markets or issuers in other countries or regions.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to

be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties and most private equity funds are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Investment Model Allocation Risk:** With regard to risk managed portfolios, the investment manager's strategic allocation assumptions and market momentum signals which drive tactical allocation and decisions regarding cash balances, may be incorrect and may result in underperformance relative to other investments.
- **Foreign securities and emerging markets risk:** Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which may be magnified in emerging markets. Further, events and evolving conditions in certain economies or markets may alter the risks associated with investments tied to countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile.
- **ETF Risks:** The performance of exchange traded funds ("ETFs") is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.
- **Mutual Fund Risks:** The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

## **Item 9. Disciplinary Information**

### **Legal and Disciplinary**

On December 22, 2014, the SEC brought a settled fraud action against F-Squared Investments, Inc. (“F-Squared”), an unaffiliated investment manager. In connection with the resolution, F-Squared admitted, among other things, to making false claims regarding its AlphaSector strategy. More specifically, it falsely represented that: (a) the signals that formed the basis of its AlphaSector index returns had been used to manage Client assets from April 2001 to September 2008; and (b) the strategy significantly outperformed the S&P 500 Index during that period.

The Advisor had utilized the Alpha Sector investment strategy to manage a portion of its Clients’ assets from May 2009 to October 2013. During this period, less than 5% of assets under CWM’s management were invested pursuant to this strategy. In October 2013, CWM became aware of information that caused it to question the accuracy of F-Squared’s representations and promptly removed from its advertising materials all references to F-Squared’s performance prior to September 2008. Then, in December 2013, the Advisor ceased using the AlphaSector signals entirely and terminated its relationship with F-Squared.

The SEC conducted a sweep of investment advisers that had relied on F-Squared’s representations, and on August 25, 2016, it entered orders against 13 such advisers, including CWM. With respect to CWM, the SEC order found, in sum and substance, that despite its due diligence, CWM negligently relied on F-Squared representations in advertising F-Squared’s strategy, in violation of Section 206(4) of the Investment Advisers Act of 1940, as amended (“Advisers Act”) and Rules 206(4)-1(a)(5) and 204-2(a)(16) thereunder. Without admitting or denying the findings, CWM consented to the entry of a cease-and desist order imposing a \$100,000 penalty. A copy of the order can be found at <https://www.sec.gov/litigation/admin/2016/ia-4507.pdf>

Except for the matter discussed above, the Advisor has not been involved in legal, regulatory or disciplinary events related to past or present investment Clients.

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

### **Activities and Affiliations**

The Advisor is not affiliated with any custodian or non-advisory service provider, which performs services to the Advisor or its Clients. In addition, the Advisor does not engage in financial industry activities except for the advisory services performed and disclosed in this Brochure.

As discussed throughout this Disclosure Brochure, the Advisor is affiliated with Congress Asset. The Advisor has, historically, leveraged investment expertise and operations support from Congress Asset. Additionally, the affiliated entities are and have - at times - jointly paid for expenses, such as salaries and infrastructure costs. Congress Asset has also shared in certain CWM expenses including those resulting from the opening of CWM’s branch offices. Such arrangements are and have been at no cost to the Clients of either Congress Asset or the Advisor.

While considering a broad variety of investment options, the Advisor primarily selects and

retains the investment management services of Congress Asset to actively manage domestic equities and domestic investment grade fixed income. The Advisor believes that its relationship with Congress Asset operates at a level of transparency and access, which exceeds the levels of transparency and access provided by unaffiliated investment managers and is to the benefit of its Clients. Additionally, the fees charged by Congress Asset to the Advisor's Clients are typically lower than those of unaffiliated investment managers. The compensation of the Advisor's employees does not vary depending on the investment vehicles selected for Client[s] portfolios.

*Congress Asset Management Company, LLP ("Congress Asset")*

Congress Asset is an investment adviser registered with the SEC (CRD No. 105161; SEC No. 801-23386). Congress Asset is owned by Lagan Holding Company, a Massachusetts Business Trust. Lagan Holding Company wholly owns Lagan Wildwood Investments LLC, which is a minority owner of the Advisor. The Advisor may recommend or engage Congress Asset to manage all or a portion of a Client's investment portfolio.

As noted, CWM may recommend Congress Asset to its Clients. CWM Clients enter into a separate investment management agreement with Congress Asset via a dual contract arrangement for which CWM may retain discretion to increase or decrease assets managed by Congress Asset. A 'single contract' agreement exists where Congress Asset manages CWM Clients' assets pursuant to a sub advisory agreement between CWM and Congress Asset.

Certain senior officers of Congress Asset are also associated with CWM. Daniel Lagan, Chief Executive Officer and CIO of Congress Asset, and Christopher Lagan, Managing Director and Chief Operating Officer ("COO") of Congress Asset, are members of CWM's Board of Directors.

Paul A. Lonergan, President of CWM, is currently a non-voting member on the Management Committee of Congress Asset, and he receives compensation for his services.

The Advisor is sensitive to the perceived and potential conflicts, which may arise regarding its relationship with Congress Asset. To address these potential conflicts the Advisor and Congress Asset have taken the following actions:

- Executive management of each affiliate, including their respective Chief Compliance Officer ("CCO") maintain frequent and open communication, which facilitates identification, analysis and remediation of real and perceived conflicts;
- Each affiliate requires its employees to seek prior approval of any outside employment activity so that we can ensure that any conflicts of interests in such activities are properly addressed;
- Each affiliate periodically monitors these outside employment activities to verify that any conflicts of interest continue to be properly addressed; and
- Each affiliate educates its employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to Clients.



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

### Code of Ethics

All associates of the Advisor (herein our “Supervised Persons”) are required to comply with CWM’s Code of Ethics (“Code”), which provides a standard of business conduct and also imposes reporting requirements and restrictions on the purchase or sale of securities with regard to their own accounts and the accounts of certain affiliated persons. The Code is based on the overriding principle that CWM is a fiduciary to Clients and must act in their best interests at all times.

Each **Supervised Persons** also must not:

- Employ any device, scheme or artifice to defraud a Client;
- Make any untrue statements of a material fact to a Client or omit to state to a Client any material facts that are necessary to make the statements made (in light of the circumstances under which they are made) not misleading;
- Engage in any act, practice, or course of business, which operates or would operate as a fraud or deceit upon a Client;
- Engage in any manipulative practice with respect to a Client;
- Use their positions, or any investment opportunities presented by virtue of their positions, to their personal advantage or to the detriment of a Client; or
- Conduct personal trading activities in contravention of the Code or applicable legal principles or in such a manner as may be inconsistent with the duties owed to Clients as a fiduciary.

These general standards are meant as overriding guidelines to be adhered to in all current and emerging situations and are not limited to the detailed behavior specifically discussed in the Code. The Code also address other areas of business conduct including: duty of confidentiality, reporting suspected wrongdoing, gifts and entertainment, outside employment, insider trading and personal securities transactions.

In the event of a violation of the Code, the Advisor will impose such sanctions as deemed necessary and appropriate. Sanctions range from a letter of censure, suspension of employment without pay, referral to the appropriate regulatory agency or permanent termination of employment.

The Code is subject to periodic review by the CCO with regard to CWM’s business activities, associates and emerging risks. A copy of our Code is available to our advisory Clients and prospective clients. You may request a copy by email sent to [compliance@congresswealth.com](mailto:compliance@congresswealth.com), or by calling us at (617) 428-7600.

### Personal Trading

CWM seeks to ensure that personal trading activities of its associates, all of whom are Access Persons, do not conflict with the interests of CWM Clients. To guard against any potential



conflicts of interest with our Clients, CWM Access Persons are required to disclose annually, each securities account to CWM and to either provide or arrange for their brokerage firm to provide duplicate account statements and confirms necessary to allow CWM to keep the records required by the Advisers Act and rules thereunder.

The Code of Ethics also imposes restrictions on Access Persons personal securities transactions and accounts. Such restrictions include: (a) prohibitions on trading in securities while in possession of related material, nonpublic information (MNPI); (b) blackout periods; and (c) reporting of personal securities accounts, transactions and/or holdings to the CCO. The CCO will maintain Access Persons quarterly transaction reports and annual holdings disclosures in keeping with the firm's fiduciary and recordkeeping responsibilities.

As noted above, the full text of the Advisor's Code is available to Clients upon request.

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

The Advisor or individuals associated with the Advisor may buy or sell - for their personal account[s] - investment products identical to those recommended to Clients. However, no person employed by the Advisor may intentionally purchase or sell any security prior to transactions implemented for an advisory account, where such employees may benefit from transactions subsequently placed on behalf of advisory accounts.

The Advisor or the investment managers may recommend or use their discretion to effect a purchase or sale in securities of companies for which the Advisor, the investment managers or their affiliates act as a sponsor, adviser, investor and/or investment manager, including mutual funds advised or sub advised by Congress Asset.

In addition, the Advisor or the investment managers may also recommend or use their discretion to effect a transaction in their Client accounts, in securities of companies (or securities of affiliates of such companies) in which the Advisor, the investment managers or their affiliates or their personnel may have an ownership or management interest.

In connection with its investment activities, the Advisor may receive information that is not generally available to the public. The Advisor is not obligated to make such information available to its Clients or to use such information to effect transactions for its Clients. These procedures may limit CWM from being able to purchase or sell securities of the issuer to whom the material, non-public information pertains.

## **Item 12. Brokerage Practices**

### **General**

Excluding the CWM Fund, only the Client has authority to select the custodian/broker dealer for custodial services. The Advisor may make recommendations to the Client as to which custodians would be appropriate for the Client. However, the Client will engage the broker-dealer or custodian to safeguard Client assets. The Client may also instruct their investment manager[s] to direct trades to their custodian or to a particular broker dealer. Clients will not incur any extra fee or cost associated with using a custodian recommended or not recommended by the Advisor. However, the Advisor may be limited in the services it can

provide if the recommended Custodian is not utilized. The CWM Fund will be custodied as provided in its offering documents.

CWM will generally recommend that Clients establish their account[s] at TD Ameritrade Institutional ("TD Ameritrade"), Fidelity Clearing & Custody Solutions, a related entity of Fidelity Investments, Inc. (collectively "Fidelity"), or Charles Schwab & Co., Inc. ("Schwab") FINRA-registered broker-dealers and member SIPC. TD Ameritrade, Fidelity and Schwab will serve as the Client's "qualified custodians." CWM maintains an institutional relationship with TD Ameritrade, Fidelity and Schwab, whereby the Advisor receives economic benefits from TD Ameritrade, Fidelity and Schwab. Please see Item 14 below.

The Advisor participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade is a division of TD Ameritrade Inc., member FINRA/SIPC, and is an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services, which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through participation in the Program. Please see the disclosure under Item 14. below.

### **Research and Other Soft Dollar Benefits**

Currently, the Advisor does not receive research nor engage in soft dollar practices with brokers. Some investment managers to the Advisor's Clients engage in soft dollar practices in accordance with federal securities laws and the Investment Management agreement with the Advisor and/or the Client.

### **Directed Trading**

The Client and its custodian may require the investment manager to direct security trades to the custodian. In such cases, neither the Advisor nor the investment manager are able to negotiate commission rates or spreads, and may not be able to obtain the same execution it receives for other Clients. Directed trades may not be able to be "bundled" with other Clients' orders and receive a less favorable price. This means that directed-trade Clients may receive worse prices than non-directed Clients receive. Additionally, Clients who direct trades to a particular broker or dealer may pay higher commissions, greater spreads, or receive less favorable net prices than they would if the Advisor or investment manager[s] were able to select brokers or dealers.

## **Item 13. Review of Accounts**

### **Periodic Reviews**

Client accounts are monitored on an ongoing basis by each Client's financial adviser. A formal review of each Client account is performed at least annually. Arrangements for additional reviews are made on a case-by-case basis at the Client's request or as circumstances demand.

The Advisor will perform out of cycle review of Client accounts when conditions arise that trigger a review. Examples of such conditions are: changes in the tax laws, market events and/or changes in a Client's financial situation.

All Clients are advised that it remains their responsibility to notify the Advisor of any changes to their investment objectives, liquidity needs, time horizons, risk tolerance or financial situation.

### **Regular Reports**

Clients receive (from either the Advisor and/or the account custodian) monthly activity statements, quarterly performance reporting and year-end tax reporting.

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

### **Institutional Advisor Platforms**

#### *Participation in Fidelity Wealth Advisor Solutions®*

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

Under the WAS Program, FPWA acts as a solicitor for the Advisor, and the Advisor pays referral fees to FPWA for each referral received based on the Advisor’s AUM 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 advisor, and any referral from FPWA to the Advisor does not constitute a recommendation or endorsement by FPWA of the Advisor’s particular investment management services or strategies. More specifically, the Advisor 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. For referrals made prior to April 1, 2017, these fees are payable for a maximum of seven years. Fees with respect to referrals made after that date are not subject to the seven-year limitation. In addition, the Advisor has agreed to pay FPWA a minimum annual fee amount in connection with its participation in the WAS Program. These referral fees are paid by the Advisor and not the Client.

To receive referrals from the WAS Program, the Advisor must meet certain minimum participation criteria, but the Advisor 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 Advisor 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 Advisor 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 Advisor as part of the WAS Program. Under an agreement with FPWA, the Advisor has agreed that the Advisor will not charge Clients more than the standard range of advisory fees disclosed in its Form ADV Part 2A Brochure to cover solicitation fees paid to FPWA, as part of the WAS Program. Pursuant to these arrangements, the Advisor 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 Advisor’s fiduciary duties would so

require, and the Advisor 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 Advisor 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 Advisor's duty to select brokers on the basis of best execution.

### TD Ameritrade

As noted under Item 12. above, the Advisor participates in TD Ameritrade's institutional customer program, and the Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between the Advisor's participation in the program and the investment advice it gives to its Clients, although the Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving the Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to the Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by the Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit the Advisor but not its Client accounts. These products or services may assist the Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help the Advisor manage and further develop its business enterprise. The benefits received by the Advisor or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by the Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

### TD Ameritrade AdvisorDirect

The Advisor may receive Client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, the Advisor may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with the Advisor, and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise the Advisor and has no responsibility for the Advisor's

management of Client portfolios or the Advisor's other advice or services. The Advisor pays TD Ameritrade an on-going fee for each successful Client referral. For referrals that occurred through AdvisorDirect before April 10, 2017, this fee is usually a percentage (not to exceed 25%) of the advisory fee that the Client pays to the Advisor ("Solicitation Fee"). For referrals that occurred through AdvisorDirect on or after June 9, 2017 the Solicitation Fee is an annualized fee based on the amount of referred Client assets that does not exceed 25% of 1%, unless such Client assets are subject to a Special Services Addendum. In the case of a Special Services Addendum, the Solicitation Fee is an annualized fee based on the amount of referred Client assets that does not exceed 10% of 1%.

The Advisor will also pay TD Ameritrade the Solicitation Fee on any assets received by the Advisor from any of a referred Client's family members, including a spouse, child or any other immediate family member who resides with the referred Client and hired the Advisor on the recommendation of such referred Client. The Advisor will not charge Clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its Clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its Clients.

For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

The Advisor's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer Clients through AdvisorDirect to investment advisors that encourage their Clients to custody their assets at TD Ameritrade and whose Client accounts are profitable to TD Ameritrade. Consequently, in order to obtain Client referrals from TD Ameritrade, the Advisor may have an incentive to recommend to Clients that the assets under management by the Advisor be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. In addition, the Advisor has agreed not to solicit Clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. The Advisor's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for Client accounts.

### Schwab

CWM has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like CWM. As a registered investment advisor participating on the Schwab Advisor Services platform, CWM receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Advisor and many, but not all services provided by Schwab will benefit Clients. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

*Services that Benefit the Client* – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through Schwab, the Advisor may be able to access certain



investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, the Advisor may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

*Services that May Indirectly Benefit the Client* – Schwab provides participating advisors with access to technology, research, discounts and other services. In addition, the Advisor receives duplicate statements for Client accounts, the ability to deduct advisory fees, trading tools, and back office support services as part of its relationship with Schwab. These services are intended to assist the Advisor in effectively managing accounts for its Clients, but may not directly benefit all Clients.

*Services that May Only Benefit the Advisor* – Schwab also offers other services to CWM that may not benefit the Client. The services offered by Schwab include: educational conferences and events, financial start-up support, consulting services and discounts for various service providers. Were CWM to utilize any of these services it may create a financial incentive for the Advisor to recommend Schwab, which results in a potential conflict of interest. CWM believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

### **Other Incoming Referrals**

The Advisor may pay referral fees to other independent persons or firms ("Solicitors") for introducing Clients to the Advisor. Whenever the Advisor pays a referral fee, the Advisor requires the Solicitor to provide the prospective Client with a copy of this document (our Disclosure Brochure) and a separate disclosure statement that includes the following:

- the Solicitor's name and relationship with the Advisor;
- the fact that the Solicitor is being paid a referral fee by the Advisor;
- the amount of the fee paid or to be paid by the Advisor; and
- Whether the fees paid to the Advisor by the Client will be increased above the Advisors normal fee in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to the Advisor by Clients referred are not increased in order to compensate the Solicitor.

### **Referrals Out**

The Advisor does not accept referral fees or any form of remuneration from other professionals when a prospect or Client is referred to the professional.

## **Item 15. Custody**

The Advisor has certain Client relationships where it is deemed to have custody pursuant to Rule 206(4)-2 of the Advisers Act. For all such Client accounts: (i) the Advisor will obtain an annual surprise examination from an independent auditor; (ii) Client assets are held at qualified custodian[s] of the Client's choosing, who shall provide account statements directly to Clients, at least quarterly; and (iii) the Advisor will provide to each Client an account statement[s] at least quarterly, enabling Clients to compare such information to their custody statements. The Advisor will provide for an audit of each pooled investment vehicle by an

independent public accountant for which it manages and distributes the audited financial statements to each investor in the pooled investment vehicle.

### **Performance Reports**

Clients are urged to compare the account statements received directly from their custodian[s] to the performance report statements provided by the Advisor.

## **Item 16. Investment Discretion**

### **Discretionary Authority for Trading**

Generally, a Client grants the Advisor discretion over the assets held and managed by those third-party investment managers recommended by the Advisor. The Client may however withhold discretion or, place reasonable limitations on the Advisor's and/or investment manager's discretion. For example, a Client may specify that the percentage of their overall portfolio to be allocated to any one particular investment manager, or investment strategy, or a specific type of security, sector or industry may not exceed a certain limit.

### **Non-Discretionary Authority for Trading**

Under limited circumstances, the Advisor may manage accounts on a non-discretionary basis. In these instances, the Advisor provides recommendations to Clients and if recommendations are approved, the Advisor will implement in accordance with the Client's instructions.

## **Item 17. Voting Client Securities**

### **Proxy Voting**

Generally, Clients are expected to vote their own proxies. Clients may also delegate such authority to the investment managers they hire on recommendation of the Advisor. In cases, where Client assets are held in pooled investment vehicles (e.g., mutual funds, private funds), the investment manager to each such pooled investment vehicles, shall retain proxy voting authority.

In cases where the Advisor is the investment manager, such as for a CWM Fund, the Advisor shall vote proxies in the best economic interests of its Clients and in accordance with our established policies and procedures. The Adviser will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, and a copy of any document created by us that was material to making a decision how to vote proxies.

From time to time, conflicts may arise with regard to how the Adviser should vote or abstain a particular proxy vote. Generally, in such cases the Chair of the IOC and the CCO will be notified. If a true conflict is identified, a meeting of the IOC will be called to order to review the conflict and determine how the proxy will be voted in the Client's best interests.

We will neither advise nor act in legal proceedings involving companies whose securities are held in the Client's account[s], including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, when the Advisor acts as investment manager, Clients may direct



us to transmit copies of class action notices to them or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner. Clients can obtain a copy of our complete proxy voting policies and procedures by contacting the Adviser by telephone at (617) 428-7600, or by email at: [compliance@congresswealth.com](mailto:compliance@congresswealth.com) or in writing to Congress Wealth Management, LLC, 155 Seaport Blvd, 3<sup>rd</sup> Floor, Boston, MA 02210. If applicable, Clients may request, in writing, information on how proxies for his/her shares were voted.

### **Class Actions**

The Adviser does not advise or act for Clients in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held in a Client's Account.

## **Item 18. Financial Information**

### **Financial Condition**

The Adviser does not have any financial impairment that will preclude the Adviser from meeting contractual commitments to Clients. Neither the Adviser, nor any of its Advisory Persons, has been subject to a bankruptcy or financial compromise. A balance sheet is not required to be provided because the Adviser does not serve as a custodian for Client funds or securities, and does not require prepayment of fees of more than \$1,200 per Client, and six months or more in advance.

## **Business Contingency Plan**

The Advisor has adopted a Disaster Recovery and Business Contingency Plan (“BCP”) to provide guidance to its employees and service providers in the event of a business interruption.

The goal of the BCP is to provide recovery of critical business systems and information, and to provide a means of continued operations of critical business functions as soon as possible after the declaration of a business interruption.

The BCP intended to provide a framework to guide the recovery and continued functioning of the operations of CWM’s business activities. It is understood by that minor modifications may be made to activities specified within the plan as required by the specific emergency situation encountered at the time the event takes place. Significant deviations from the BCP must be authorized by the Advisor’s President or COO.

The Advisor tests the BCP at least annually. The BCP will also be modified when there is a material change to Advisor’s infra-structure, business or location.

The Advisor also reviews the BCP of its affiliated and non-affiliated service providers at least annually.

## **Information Protection and Cybersecurity**

The Advisor is sensitive and aware of the growing threat to the security and privacy of both the Advisor’s and its Clients’ classified information and assets. The Advisor acknowledges that each of its Clients trust the Advisor to protect their assets and personally identifiable information at all times. In response, the Advisor has adopted policies and procedures for the protection of Client assets and personally and identifiable information, and the technology and physical space of the Advisor.

Each associate of the Advisor receives ongoing information protection and cybersecurity training and is entrusted with the responsibility to carry out the requirements of the program’s policies and procedures. The program is overseen by its COO and monitored by the CCO.

## **Privacy**

The trust and confidence of our customers is important to the Adviser. For this reason, we are careful in the way we collect and handle non-public, personal information about our Clients (“Client Information”).

### **Information We Collect**

We may collect Client Information from the following sources:

- Information we receive on contracts or other forms, such as name, address, date of birth, and social security number
- Information relating to transactions with us, our affiliates and others, such as the purchase and sale of securities and account balances
- Information we receive from third parties, such as custodians, brokers and financial services firms, as required or permitted by law

## **Information We Disclose**

We disclose Client Information about our present or former Clients to third parties only to the extent required or permitted by law. Such sharing of Client Information is applied to:

- Everyday business purposes such as processing transactions, maintaining and or servicing your account
- Cooperating with regulatory authorities, responding to court orders and legal investigations
- Taking reasonable and necessary steps to prevent fraud, unauthorized transactions, etc.

## **Opting-Out**

The information we disclose is limited, and essential to servicing your account, protecting your privacy and meeting obligations under state and federal law. We do not disclose Client Information requiring a notice to you for limiting such disclosure, otherwise known as “opting-out”. However, should we wish to disclose additional Client Information of yours, we will only do so with your written permission as discussed below.

## **Opt-In Process for Sharing Additional Client Information**

In response to a Massachusetts law, clients must “opt-in” to share non-public personal information with non-affiliated third parties before any personal information is disclosed. Client opt-in is obtained through the Client’s execution of authorization forms provided by the third parties, by executing an Information Sharing Authorization Form, or by other written consent by the Client, as appropriate and consistent with applicable laws and regulations.

Our current business practices require us to obtain your affirmative written permission, before we disclose any Client Information outside of what is discussed above in the “Information We Disclose” section of this notice. In the event we wish to share such additional Client Information, we will provide you an Opt-In form describing the additional Client Information we seek to share, with whom we wish to share it with and for what purpose. Until such form is received by us from you, indicating your permission, such additional Client Information about you will not be shared.