FLP

# FORM ADV, PART 2A FIRM BROCHURE

F.L.Putnam Investment Management Company
6 KIMBALL LANE| LYNNFIELD MA 01940
800.344.3435

DATE OF BROCHURE

**October 2, 2026**

FLP

This brochure provides information about the qualifications and business practices of F.L.Putnam Investment Management Company. If you have questions about the contents of this brochure, please contact us at (800) 344-3435 and/or flputnam@flputnam.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.

Additional information about F.L.Putnam Investment Management Company also is available on the SEC's website at www.adviserinfo.sec.gov.

# Item 2 Material Changes

Since our last annual updating amendment dated March 31, 2026, we have made the following material changes:

- Revised Item 4. Advisory Services to reflect that we are no longer owned by F.L. Putnam Securities Company with which we merged recently and that no person or entity owns more than 25% of FLP.
- Revised Item 8. Methods of Analysis, Investment Strategies and Risk of Loss to describe FLP's use of artificial intelligence tools for limited investment research purposes that are not permitted by FLP policy to replace human decision-making by qualified professionals. Also revised Item 8. Methods of Analysis, Investment Strategies and Risk of Loss to describe FLP's additional Large Cap Growth Strategy.
- Revised Item 4. Advisory Services, Item 5. Fees and Compensation, and Item 12. Brokerage Practices to describe FLP's participation in Wrap Programs and Model Portfolio delivery services. The Item 12 amendment describes the adjustments to our trade rotation with the addition of Wrap Programs and Model Portfolio delivery services.

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# Item 4 Advisory Business

**A. Description of Advisory Firm**

F.L.Putnam Investment Management Company (FLP) provides discretionary and non-discretionary investment management services and family office solutions, and non-discretionary investment advisory, investment consulting, and financial planning services. We have a diverse clientele that includes individuals and their families as well as foundations, endowments, secondary schools, educational institutions, religious organizations, corporations, registered investment companies, registered investment advisers, and multi-family offices.

We were founded in 1983 and have been registered as an investment adviser with the Securities and Exchange Commission since 1984. Registration as an investment adviser does not imply a certain level of skill or training.

No single person or company owns more than 25% of FLP.

We have offices in California, Massachusetts, Maine, Michigan, New Hampshire, New York, Rhode Island, Virginia, and Wisconsin.

For advisory clients covered by the Employee Retirement Income Security Act ("ERISA"), FLP acknowledges that it is a "fiduciary" within the specific meaning of that term under ERISA. FLP further acknowledges that it is a fiduciary for all clients to whom we deliver investment advice.

**B. Types of Advisory Services**

Our primary business activity is to provide investment management and investment advisory services to individual and institutional clients on a discretionary basis and financial planning services for individuals and their families. We provide investment advisory services to registered investment companies, including the AOG Institutional Fund. We provide investment management services to some clients on a non-discretionary basis. Additionally, we assist clients with a wide range of investment consulting services, and we provide Family Office Solutions. We do not provide brokerage services involving the buying and selling of financial products such as mutual funds, annuities, private investment offerings, or insurance for transaction-based compensation.

**C. Tailored Investment Management and Advisory Services**

- *Investment Management and Advisory Services*

Our investment management and investment advisory services are tailored to the individual needs of each client based on information that each client has provided to us. We provide ongoing and continuous reviews of investment management accounts for institutional and non-institutional clients. Clients may impose investment restrictions on investing in certain securities or types of securities or may direct FLP to hold certain securities.

Each non-institutional client with managed assets in excess of $750,000 is typically assigned a team consisting of a client advisor, an investment advisor, and a client account administrator and receives Financial Planning Services as described below. Smaller relationships are assigned a relationship manager and a client account administrator.

Our first step in working with clients is to gather information that will help define realistic investment goals, determine income needs, and assess the appropriate level of investment risk and loss a client is willing and/or able to assume.

Each client's allocation to equities, fixed income, cash, and alternative investments is based upon their individual goals and objectives, taking into consideration their investment time horizon, risk tolerance, return requirements, and income and liquidity needs as well as other considerations that are unique to that client. The result of this process is a portfolio design that is constructed around each client's goals with the flexibility to address shorter-term risks and opportunities as they emerge.

We leverage internally managed and third-party investment strategies to create customized portfolios to meet each client's unique needs. These options span equity, fixed income, and alternative investment asset classes, delivered through individual securities, exchange traded funds ("ETFs"), third-party managers, and externally managed mutual funds.

We will select the AOG Institutional Fund ("AOGFX") for some client accounts. As described below, FLP is the investment adviser to AOGFX and is compensated for its investment management of AOGFX based upon a percentage of the assets of the fund. Because this fee for fund investment management will be higher than the investment management fee otherwise assessed to clients for FLP's management of the assets in their account not allocated to the fund, FLP has a conflict of interest when we select AOGFX for our clients. As in all cases, when managing assets on behalf of its clients, FLP will only make a client investment in AOGFX when it believes such investment is in the best interests of its clients and aligns with their respective investment objectives, restrictions, and goals. See Item 5. Fees and Compensation below for more information about fees and our practice of not charging FLP investment management and investment advisory fees on FLP client assets invested in AOGFX.

FLP also selects the AFA Asset Based Lending Fund ("AFA Fund") for some client accounts. FLP acts as a consultative sub-adviser without any discretionary authority over the AFA Fund and receives a flat, fixed fee annually for services to the AFA Fund. Because we receive a fee for our advisory services provided to the AFA Fund, we have a conflict of interest when we select or recommend the AFA Fund for our clients. As in all cases, when managing assets on behalf of its clients, FLP will only select or recommend a client investment in the AFA Fund when FLP believes such investment is in the best interests of each client and aligns with their respective investment objectives, restrictions, and goals. Our fees from the AFA Fund do not change when we select the AFA Fund as a client investment.

FLP uses a third-party platform to facilitate discretionary management of assets held in client accounts that are part of defined contribution plans (including, for example, 401k and HSA participant accounts) ("Held Away Accounts"). Through the third-party platform, FLP does not have direct access to any client log-in credentials. FLP is not affiliated with the platform and receives no compensation from the platform. FLP pays a fee to the platform provider. For clients who hire FLP to manage their defined contribution plans, a link is provided to the client that allows them to connect their account(s) to the platform. Once a client account(s) is connected to the platform, FLP will have access to review the current account allocations and investment options, and to rebalance or reallocate the account based upon the client's investment goals and risk tolerance. FLP will review the account on an ongoing basis and will make changes to the account to meet the requirements of each client based on information that the client has provided to us.

FLP has a long-standing practice in socially responsible investing. Many clients are concerned with the religious, ethical, social justice, environmental, and other non-financial aspects of their investments. These concerns differ from client to client. Clients can exclude or include activities from their investment portfolios. Within portfolios applying a socially responsible investing approach, we select investments that we believe will provide the potential for a favorable return but are also consistent with those beliefs and ethical preferences that clients have made known to us. FLP provides clients with periodic reports describing the applicable non-financial aspects of companies in their portfolios. Clients must request these services.

We continuously communicate with our clients, but clients must notify us about any changes in their financial circumstances and needs so that we can take these changes into consideration when managing their portfolio(s).

- *Financial Planning*

FLP offers financial planning services, which may cover investment analysis, income tax planning, insurance analysis, retirement planning, education funding, estate planning, cash flow analysis, assistance with budgeting, and preparation of personal balance sheets, as well as numerous other items related to a client's financial profile and other life events. Financial planning services are provided in conjunction with our investment management and advisory services or on a standalone basis. Based upon a review of information and data provided by the client, a written plan or other agreed-upon deliverable will be prepared that includes our analysis of each client's current financial conditions, proposed changes, or recommendations. We recommend that clients review their financial plan at least annually or following any significant change to their personal or financial circumstances. We do not provide any accounting, tax, or legal advice and we do not prepare any tax returns or legal documents in connection with the implementation of any financial plan.

Standalone financial planning services are rendered only after a written agreement for such services has been executed. The written agreement specifies the parties to the agreement, the date of the agreement, its duration, how and on what terms the agreement may be terminated, and the scope of the services to be provided. After delivery of a written plan or other financial planning product, each standalone financial planning client is responsible for the implementation, acceptance, or rejection of the recommendations included in the written plan or other financial planning product. FLP does not have a duty to update the financial plan or recommendations, unless such duty is specifically addressed in our client agreements. If there are any material changes in the client's financial circumstances and needs during a project, clients must update FLP so that we can take these changes into consideration prior to completing the project.

- *Advisory & Outsourced Chief Investment Officer Services*

FLP offers both investment advisory services and fully discretionary *Outsourced Chief Investment Officer Services* (OCIO")-style investment management solutions to institutions including charitable organizations, endowments, and corporations. The discretionary structure places day-to-day investment decision-making, implementation, rebalancing, and risk oversight with FLP, guided by a collaboratively developed Investment Policy Statement ("IPS").

In addition to full OCIO service, FLP also provides non-discretionary advisory and consulting arrangements for institutions that prefer to retain ultimate decision-making authority—often investment committees that wish to preserve hands-on oversight. In these engagements, FLP supplies strategic guidance, asset allocation recommendations, manager research, and performance evaluation, while the client maintains final approval over trades, rebalancing, and policy adjustments.

At the beginning of a relationship, we review an IPS, or work with a client to develop an IPS. The IPS will serve as the guide to building a portfolio including setting return targets and expectations, time horizon, appetite for risk, spending policy, and liquidity requirements. We tailor portfolios that are highly aligned with each institution's mission. Through individual equity and fixed income security selection, allocation to sustainable investing strategies, or avoidance of certain types of investments, we work with an investment committee to develop an investment strategy that supports an institution's overarching objectives. We design or advise on an asset allocation strategy that diversifies an institution's holdings across a range of asset classes, with the goal of optimizing the portfolio given each institution's unique risk/return and spending profile. This long-term allocation range provides some flexibility to accommodate tactical changes in response to shifting market conditions. We will address a wide range of investment options across asset classes, including alternative investments such as private equity or credit. To address the risk/return requirements of each institution, we may utilize active or passive strategies through funds or separately managed accounts. We closely monitor each institution's portfolio over time and will make ongoing adjustments and recommendations in an effort to align the portfolio with an institution's goals and objectives. This process includes tracking holdings, rebalancing an institution's portfolio to manage tactical positioning, diversification, and risk monitoring.

Each institutional client is typically assigned a team consisting of a primary portfolio manager, a supporting investment advisor, and a client account administrator.

- *Separately Managed Accounts*

FLP provides separately managed account ("SMA") services on a fully discretionary basis. Clients using only FLP's SMA services do not receive additional investment advisory services described above. After gaining an understanding of a client's particular investment objectives, assets are invested in accordance with one of FLP's SMA equity or fixed income strategies, including our socially responsible and thematic sustainable strategies. Clients may impose investment restrictions on investing in certain securities or types of securities. See Item 8. Methods of Analysis, Investment Strategies and Risk of Loss below for a brief description of FLP's proprietary equity and fixed income strategies.

- *Wrap Programs and Model Portfolio Services*

FLP serves as a discretionary investment manager in wrap fee programs (each a "Wrap Program") sponsored by unaffiliated financial firms (each a "Wrap Sponsor"). Clients may select FLP as their investment manager from managers available through a Wrap Program. FLP manages each wrap fee account (each a "Wrap Account") in accordance with the Client's investment objectives as provided by the Wrap Sponsor to FLP and will generally accommodate Client-imposed restrictions, provided they do not materially interfere with FLP's ability to manage the Wrap Account.

FLP also provides model investment portfolios (each a "Model Portfolio") to outside financial institutions (each a "Model Provider") for use in their programs. Each Model Portfolio reflects FLP's investment recommendations for portfolio composition — including security selection and weightings — and are generally consistent with those being made simultaneously for FLP's discretionary Clients in the same investment strategy. Model Providers have discretion over whether to implement FLP's recommendations, in whole or in part. As securities and weightings change in the Model Portfolio, updates are communicated to the Model Providers in accordance with FLP's trade rotation practices described in Item 12. Brokerage Practices.

- *FLP Atrato Consulting*

FLP Atrato Consulting offers customized services to clients, including investment advisory, due diligence, portfolio construction, risk analysis, and monitoring of new or existing portfolios. FLP Atrato Consulting provides various financial consulting services including, but not limited to, third-party manager due diligence, evaluation, selection and monitoring, advisor oversight, asset allocation advice, client reporting, investment policy design, and portfolio review services.

FLP Atrato Consulting assists its clients in identifying various private investment funds by performing manager due diligence and by constructing and monitoring customized portfolio solutions. In addition, FLP works with independent wealth managers and advisors to augment their capabilities in providing alternative investment advisory solutions to their underlying clients. Clients invest directly in a private fund and enter a direct contractual relationship with such private fund or its general partner.

FLP Atrato Consulting services are provided by FLP to the AFA Asset Based Lending Fund ("AFA Fund"). FLP is an investment sub-adviser to the AFA Fund without any discretionary authority.

- *Family Office Solutions*

FLP offers Family Office Solutions, which may include investment analysis, investment management, and family office administration. Family Office Solutions include articulating goals, establishing family office structures, defining roles and decision-making responsibilities, formalizing communication, and creating consolidated reporting. We will analyze terms and fees of existing investments, calculate asset class exposures, and recommend changes as needed. Our Family Office Solutions clients will have full access to our investment advisory and investment management capabilities described above. We do not provide any accounting, tax, or legal advice and we do not prepare any financial statements, tax returns, or legal documents in connection with the implementation of any Family Office Solutions.

- *AOG Institutional Fund ("AOGFX")*

AOGFX is a Delaware statutory trust that is registered under the Investment Company Act of 1940, as amended (the "1940 Act"). AOGFX operates as an interval fund. An FLP employee is an officer of AOGFX and FLP is retained by AOGFX to serve as its investment adviser, subject to the supervision of AOGFX's Board of Trustees. In this role, FLP provides continuous asset management services to the fund, including coordinating the day-to-day investment and operational activities of the fund, and working with the fund's service providers. AOGFX invests in assets designed to provide exposure to a mix of private, institutional, illiquid alternative/non-traditional investments, supplemented by a liquid investment allocation. The fund invests in both income-producing assets and assets selected for long-term capital appreciation. AOGFX invests in a variety of alternative investment vehicles including private equity, venture capital, private credit and debt instruments, and real estate. FLP actively sources investment opportunities for the fund, leveraging its investment research and due diligence experience.

- *Information About DPL Financial Partners*

DPL Financial Partners, LLC ("DPL") is a third-party provider of a platform of insurance consultancy services to its clients with a current or future need for insurance products. DPL offers FLP membership to its platform for a fixed annual fee and, through DPL's licensed insurance agents who are also registered representatives of The Leaders Group, Inc. ("The Leaders Group"), an unaffiliated SEC-registered broker-dealer and FINRA member, offer FLP a variety of services relating to fee-based insurance products. These services include, among others, providing FLP with applications to assist in evaluating insurance needs, educating and acting as a resource to members regarding insurance products generally and specific insurance products owned by their clients or that their clients are considering purchasing, and providing members access to and product marketing support regarding fee-based products that insurers have agreed to offer through DPL's platform. For providing platform services to FLP, DPL receives service fees from the insurers that offer their fee-based products through the platform and a fee from FLP for being a member of the platform. These service fees are based on the insurance premiums received by the insurers.

DPL is licensed as an insurance producer in Kentucky and other jurisdictions where required to perform the platform services. Its representatives are also licensed as insurance producers, appointed as insurance agents of the insurers offering their products through the platform, and registered representatives of The Leaders Group. Since FLP can earn fees for the investment management of a portfolio within the insurance product a client selects, to the extent FLP believes the client will hire FLP to manage the investment options contained within an insurance product, FLP has a conflict of interest in recommending such insurance product.

**D. Participation in Wrap Fee Programs**

For Wrap Programs and Model Delivery Services, FLP typically does not review investment guidelines and restrictions with Clients. Rather, the Wrap Sponsor and Model Providers review investment guidelines and restrictions with Clients. For Wrap Accounts, those investment guidelines and restrictions are communicated to FLP by the Wrap Sponsor. We manage Wrap Accounts according to that information as we do with other accounts. See also Item 12. Brokerage Practices, which explains that FLP arranges trades in Wrap Programs and delivers Model Portfolios to Model Providers after FLP begins implementation of investment decisions for non-wrap fee accounts that are invested in the same strategy. FLP receives a portion of the wrap fee charged by the Program Sponsor. See Item 5. Fees and Compensation for more information about FLP fees

**E. Amount of Client Assets Managed on a Discretionary Basis**

The amount of assets under our discretionary management as of December 31, 2025: $9,639,734,328

The amount of assets under our non-discretionary management as of December 31, 2025: $75,698,845

The additional amount of assets under our advisement as of December 31, 2025: $4,278,492,475

Our assets under advisement include unmanaged assets of clients to whom we provide regular advisory recommendations concerning specifically identified assets, advisory services of FLP Atrato Consulting providing investment reviews and recommendations on an ongoing consulting basis, and additional unmanaged assets regularly advised through our Family Office Solutions.

# Item 5 Fees and Compensation

**A. Compensation for Advisory Services**

For investment management fees, clients will be billed quarterly in advance based upon the value (market value or fair market value in the absence of market value) of the client's account at the end of the previous quarter. Advisory Fees are negotiable under certain circumstances. We also may combine two or more portfolios with similar objectives for a single client for the purpose of computing fees.

We use the following annual fee schedules in most cases.

- *Investment Management and Investment Advisory Services Fee Schedule*

Annually (fees paid quarterly in advance):

1.100% of the first $2,000,000 of market value, plus
0.925% of the next $3,000,000 of market value, plus
0.800% of the next $5,000,000 of market value, plus
0.600% of the balance

Any assets allocated to AOGFX are not assessed investment management fees by FLP but rather are assessed fees (including investment management fees) by the fund itself. Clients will never be billed twice on the same assets. FLP will rebate any fees paid in advance that are allocated to AOGFX in the quarter immediately following allocation to the fund. Because the fee we will receive for investment management of AOGFX will be higher than the investment management fee otherwise assessed to clients for FLP's management of the assets of their account not allocated to the fund, FLP has a conflict of interest when we recommend AOGFX to our clients. As in all cases, when managing assets on behalf of its clients, FLP will only make an investment in AOGFX when we believe such investment is in the best interests of its clients and aligns with their respective investment objectives, restrictions, and goals.

- *Financial Planning Fees*

There are no additional financial planning service fees for clients meeting a specific assets-under-management threshold (currently $750,000). FLP retains the right to waive or reduce the qualifying threshold.

Stand-alone, complete financial planning services are provided as a fixed fee. The fee for Financial Planning is:

$5,000 for clients with total assets of less than $5 million
$7,000 for clients with total assets of $5-10 million
$10,000 minimum for clients with assets over $10 million with fixed fee to be customized based on client circumstances

Many of our financial planning service agreements are for partial plans and therefore a portion of the above fee schedule. One-third of the fee is payable on signing a financial planning agreement, one-third on completion of a data review and presentation meeting, and the final one-third on completion of the work and delivery of services. For planning that concerns certain life events, FLP will charge hourly and require a 75% retainer of the estimated work at the beginning of the engagement. An estimate will be prepared based on an hourly rate that will range from $150-$400 per hour, which will be disclosed to the client at the time of engagement. Any retainer amounts not earned will be returned to clients and additional hourly fees above the estimate may occur.

FLP will not charge any client more than $1,200 in advance for work that is not expected to be or cannot be delivered in six months or less. If a retainer is charged in an amount greater than $1,200 and not earned within six months, any unearned amounts will be refunded to the client.

- *OCIO & Advisory Institutional Client Fee Schedules*

Annually (fees paid quarterly in advance):

0.880% of the first $2,000,000 of market value, plus
0.740% of the next $3,000,000 of market value, plus
0.640% of the next $5,000,000 of market value, plus

For institutions over $10,000,000
0.600% on the first $10,000,000 of market value, plus
0.500% on the next $15,000,000 of market value, plus
0.400% of the balance

- *Separately Managed Account Fee Schedules*

Annually (fees paid quarterly in advance):

SMA Equity Fee Schedule: 0.65% flat fee on the market value of the Account
SMA Fixed Income Fee Schedule: 0.50% flat fee on the market value of the Account
SMA Short Duration Fixed Income Fee Schedule: 0.25% flat fee on the market value of the Account

- *Wrap Programs and Model Portfolios*

In each Wrap Program, the Wrap Sponsor charges the client an all-inclusive fee covering investment management, trade execution, custody, and other services. FLP receives a portion of this wrap fee from the Wrap Sponsor as compensation for its investment management services. The specific fee rate is negotiated separately with each Wrap Sponsor and set forth in FLP's agreement with that Wrap Sponsor. As a result, the fees FLP receives vary across Wrap Programs.

In Model Programs. FLP receives a model delivery fee from Model Providers, generally calculated as a percentage of AUM invested in FLP's model. Because FLP provides investment recommendations but does not exercise discretion over individual client accounts, i.e. the Model Providers are responsible for implementing trades, model delivery fees are generally lower than fees received from fully discretionary wrap programs. The specific fee rate is negotiated separately with each Model Provider and set forth in FLP's agreement with that Model Provider. As a result, the fees FLP receives vary across Model Programs.

FLP typically receives 0.25% to 0.50% annually of assets being advised in Wrap Program or Model Delivery services, charge quarterly. The timing and specific conditions of fees for these programs are disclosed in the Wrap Sponsor or Model Provider's disclosures and agreements with clients.

- *AOGFX*

Pursuant to the investment management agreement between FLP and AOGFX, FLP receives an investment management fee of 1.49% per annum, such fee being assessed by the fund and paid to FLP monthly in arrears.

- *FLP Atrato Consulting*

FLP Atrato Consulting fees are generally assessed as an annual fee based on a fixed retainer along with certain specific due diligence engagements that are billed on a project-by-project basis. The fixed retainer is typically negotiated based on the size and complexity of the mandate, although they tend to be between 20-75 basis points of assets under advisement. Fees are typically invoiced and paid quarterly in advance. FLP Atrato Consulting fees may be fixed fees, negotiated annual fees, or based on the value of assets under advisement.

- *Family Office Solutions*

Fees for Family Office Solutions are tailored to the specific services agreed upon in the service agreement. Fees may be wholly or partially based on the Investment Management and Investment Advisory fee schedules above and may include a fixed monthly retainer. Investment Management and Investment Advisory fees based on assets under management will typically be deducted from client accounts as described below. Fixed fees are charged monthly in advance and typically range from $10,000-40,000 per month.

**B. Deduction of Advisory Fees from Client Accounts**

Client portfolio assets are held by an independent bank or broker-dealer. In most client accounts, advisory fees are deducted quarterly in advance by the custodian and paid to FLP. Clients may arrange to pay management fees from another source, in which case FLP would bill the client directly in advance on a quarterly basis. Unless agreed otherwise, all assets held within a client's portfolio, including cash positions, are included in the firm's advisory fee calculation.

Standalone financial planning fees, investment consulting fees, FLP Atrato Consulting, and fixed Family Office Solution fees are not typically deducted from clients' assets but rather are billed directly to the client. Fees for annuities management and Held Away Accounts may be collected from other client accounts to which FLP has access.

**C. Other Types of Fees or Expenses**

FLP purchases no-load mutual funds and ETFs for certain clients' accounts in order to provide exposure to different market segments. In certain circumstances, clients may hold load funds (i.e., funds that charge a sales fee or commission fee) based upon legacy positions established prior to becoming an FLP client. Clients holding no-load or load mutual funds will incur fees associated with the mutual funds and ETFs that are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. These fees and expenses are separate from, and in addition to, FLP's investment management fees.

Clients generally will incur additional fees and expenses for custody and brokerage costs. For more information on our brokerage practices, please see Item 12. Brokerage Practices.

Private funds often charge higher fees than public mutual funds. The fees and expenses paid by each private fund are disclosed in each fund's offering documents. Clients should thoroughly review the offering documents of each private fund before investing to understand all fees and expenses that apply to an investment in each private fund.

Unless agreed otherwise, any client portfolios that utilize margin are billed on the gross value of the portfolio without netting the margin balance. This presents a conflict because we earn a higher fee and have a disincentive to advise clients to reduce or eliminate their margin balance and an incentive to advise clients to use a margin balance.

**D. Pre-Payment of Fees & Refund**

Clients typically pay fees quarterly in advance. Stand-alone financial planning, consulting, and Family Office Solutions are billed in accordance with each respective agreement's terms, which typically requires a portion of the overall fee to be paid in advance. If a contract is terminated before the end of a billing period, any collected but unearned fees will be refunded and any earned but unpaid fees will be due. For fees billed quarterly based on a percentage of assets under management, FLP will determine the amount of the refund by determining a daily fee rate (fee for the quarter divided by the number of calendar days in the quarter) and multiplying that by the number of days in the quarter FLP managed the clients' assets. For other services, FLP will determine the unearned fees based on the terms of the agreement and the amount of execution completed.

**E. Compensation for the Sale of Securities**

Neither FLP nor any of its supervised persons receive compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

We do not charge performance-based fees and therefore do not manage accounts with and without performance fees similarly, or side-by-side.

# Item 7 Types of Clients

FLP provides discretionary and non-discretionary investment management, investment advisory, and investment consulting services to a diverse clientele that includes individuals and their families as well as foundations, endowments, secondary schools, educational institutions, religious organizations, corporations, family offices, trusts, affiliated and non-affiliated registered investment companies, and other investment advisers. We provide financial planning services to individuals and their families, including professionals, business owners, and others seeking financial planning assistance.

Our minimum relationship size for discretionary investment advisory accounts combined with financial planning services is $750,000.

Our minimum account size for Equity SMA strategies is $250,000. Our minimum account size for taxable Fixed Income SMA strategies is $300,000 and $500,000 for tax-exempt Fixed Income SMA strategies. There is also a $1,000,000 minimum account size for the Short Duration Fixed Income SMA strategy.

Family Office Solutions are typically available to families with greater than $25,000,000 in investable assets.

Minimums for Wrap Programs and Model Portfolios are determined by the Wrap Sponsors and Model Providers.

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

**A. Methods of Analysis, Investment Strategies, and Risk of Loss**

- *Information Sources*

We obtain information on securities, including certain risk metrics, and data on economic and market trends, from a variety of sources. These sources include independent research firms, reports from securities firms, trade journals, annual and interim reports from corporations, rating services, electronic news and quotation services, and financial newspapers and magazines.

- *Investment Philosophy*

We believe the key to a successful long-term investment strategy is a combination of broad macro-economic research and detailed security specific research coupled with a broad understanding of global economic, financial, and market trends.

- *Asset Allocation*

Our strategic asset allocation framework is diversified across global equity, fixed income, and alternative investment asset classes. The strategic weights provide a disciplined and long-term approach to portfolio construction over a market cycle of greater than 10 years, while the tactical adjustments allow flexibility to reflect our assessment of investment opportunities in global financial markets over the next 12-18 months.

The risks associated with the asset allocation framework structured for each client include market and economic risk, and risks relating to individual asset classes represented within the asset allocation framework as noted below.

- *Financial Planning*

The financial planning process will focus on the identification and assessment of goals as they relate to a client's assets and liabilities. A variety of illustrations will be made using average return and Monte Carlo simulations to determine the feasibility of certain goals and outcomes. A holistic analysis can also take place, focusing on risk tolerance, insurance needs, investment sentiment, estate planning, and prioritization of goals.

- *Equities*

We look to purchase securities of high-quality issuers when they are trading at attractive prices, with the expectation that they will be long-term investments. We offer multiple approaches that can be tailored to meet our client's individual needs and circumstances.

When selecting equity securities in our Core strategies we seek to identify companies that:

- Have expected growth that exceeds industry and/or market averages
- Appear to be undervalued relative to their growth prospects, the overall market, and/or their respective industries
- Demonstrate financial strength based on numerous financial ratios

When selecting equity securities in our Sustainable Investment strategies we seek to identify companies that:

- Demonstrate high quality, based on financial strength and Socially Responsible Investment metrics, as determined by internal analysis and third-party resources
- Have growth prospects that exceed industry and/or market averages, or the historical growth profile of the company
- Appear to be undervalued relative to their growth prospects, the overall market and/or their respective industries
- Comply with strategy or client-specific exclusionary or inclusionary screens

When selecting equity securities in our Equity Income strategies we seek to identify companies that:

- Have an expected dividend rate that exceed industry and/or market averages, or meets certain hurdles
- Appear to be undervalued relative to their growth prospects, the overall market, and/or their respective industries
- Demonstrate financial strength based on numerous financial ratios

When selecting equities in our Focused Growth US Equity strategy we seek to identify companies that:

- Are largely considered to be leaders in emerging growth opportunities
- Tend to be concentrated in the technology, healthcare, consumer, and service industries
- Exhibit unit volume growth with pricing power

When selecting equities in our Large Cap Growth we seek to identify companies that:

- Have strong, competitive positions and sustainable business models
- Offer the potential for above-average growth
- Appear undervalued relative to their growth prospects, the overall market, and/or their respective industries

When selecting equities in our Artificial Intelligence Focused US Equity strategy we seek to identify companies that:

- Are positioned to benefit from the accelerating capabilities, deployment, and adoption of Artificial Intelligence (AI)
- Appear to occupy structurally advantaged positions within the AI ecosystem, including companies with proprietary technologies, differentiated data, or durable barriers to competitive entry
- Appear to be undervalued relative to peers over a multi-year investment horizon

We are a global all-cap/core equity manager. Our clients' equity portfolios tend to be diversified amongst securities and industries, although we also manage undiversified mandates when appropriate. Sector exposure and single corporate issuer exposure are managed. In addition to the security selection criteria above, securities may be selected for portfolio construction or risk management purposes.

➢ *Fixed Income (Bonds)*

When selecting individual bonds for client portfolios, we factor in specific qualities such as credit rating, yield, relative value, liquidity, issuer fundamentals, issuer risk profile, and effective maturity date. An analysis of the business cycle and the macroeconomic environment is also considered and may affect overall sector and subsector weightings. Each of the following attributes addresses how we would approach management and security selection broadly. Each portfolio is tailored to individual client needs and restrictions. These can create deviations from our standard approach, including, but not limited to, longer or shorter maturities, longer or shorter duration at either the security or strategy level, and allocations to high-yield bonds.

| | |
|---|---|
| Rating: | We concentrate on issuers whose obligations are rated "investment grade" (AAA, AA, A or BBB) by one of the three major Nationally Recognized Statistical Rating Organizations (NRSRO), namely S&P, Moody's, and Fitch. The trajectory of an issuer's rating is also considered. We emphasize issuers whose credit ratings we expect to remain stable or improve over time. |
| Yield: | We consider whether the yield on a specific bond will help achieve the strategy objectives and if it sufficiently compensates the client for issuer specific of macro-economic risks. |
| Relative Value: | We analyze a security's credit spread to determine its relative value. A bond's credit spread is compared to its own historical values as well as to its peers and industry sector. |
| Liquidity: | We select bonds with above-average liquidity, which allows us to buy and sell different sizes in varying market conditions. We examine a bond's relative liquidity versus its sector universe and industry sector. We emphasize bonds with deal sizes greater than $500 Million. |
| Fundamentals: | Credit fundamentals are an important part of fixed income security analysis. We analyze balance sheet strength, cash flow durability, and a company's competitive position. Financial leverage, cash flow coverage, and the ability to repay debt obligations are key factors. |
| Risk profile: | For corporate issuers, we review certain risk management data from internal sources and external providers. |
| Maturity: | In our taxable and tax-exempt strategies, we select debt maturities with final maturities (or call dates) that are no longer than fifteen years from the date of purchase. In our cash management strategies, we select individual bonds that are no longer than three years in maturity. Selected ETFs and mutual funds may have securities with maturities longer than the stated guidelines above, but the overall effective duration of these vehicles is typically fewer than ten years. |

➢ *Fixed Income Investment Strategies*

Each of the following strategies includes how we generally approach management and security selection broadly. Each strategy is tailored to individual client needs and restrictions. These can create deviations from our standard approach, including, but not limited to, longer or shorter maturities, longer or shorter duration at either the security or strategy level, and allocations to high-yield bonds.

- Taxable Fixed Income
    - An intermediate-duration strategy of taxable bonds. Individual securities are rated investment-grade. Funds and ETFs in other asset classes are used to supplement as needed. Macro-economic conditions and credit analysis drive the security selection and sector allocation. A qualitative review of the issuer is used to identify material risks.
- Strategic Municipal Income
    - An intermediate-duration strategy comprised mostly of tax-exempt municipal bonds. Individual securities are rated investment-grade. Funds and ETFs are used to supplement the strategy as needed. Investments in taxable securities are utilized when appropriate if the tax-equivalent yields are beneficial to the intended strategy outcomes. Municipal bonds are purchased based on yield, client state of residence, yield curve positioning, and the financial stability of the underlying issuer or revenue stream.
- Short Duration Fixed Income – Individual Bonds
    - A short-term portfolio of investment-grade individual bonds with final maturities less than three years from the date of purchase. The strategy seeks to earn an incremental yield over US Treasury Bills, money-market funds, and bank deposit rates.
- Short Duration Fixed Income – Optimized ETFs and Funds
    - A short-duration portfolio of ETFs and mutual funds that are optimized to achieve specific risk and return characteristics. Typical constraints include limiting effective duration, expected volatility, and maximum drawdown. The strategy seeks to earn an attractive yield compared to US Treasury Bills, money-market funds, and bank deposit rates, but with a more liquid, flexible approach. The average quality of the strategy is investment grade.

➢ *Mutual Funds and ETFs*

FLP will recommend mutual funds and ETFs for certain clients as part of our portfolio construction, based upon each portfolio's objectives, including asset allocation and liquidity. In certain cases, mutual funds and ETFs will be utilized to supplement broader investment theses and in others, they will be the sole means to gain exposure to certain market segments or indices. Certain mutual funds, including Interval Funds such as the AOG Institutional Fund, can have different liquidity profiles which allow for limited purchase and sale periods. FLP will recommend mutual funds and ETFs only after performing qualitative and quantitative research on those vehicles with a view to ensuring that they are appropriate for the client's needs. Each of the funds will be subject to ongoing due diligence by the investment team.

➢ *Alternative Investment Funds*

FLP will recommend alternative investment funds for certain clients based upon individual portfolio needs, including asset allocation and liquidity. FLP will recommend alternative funds only after performing qualitative and quantitative research on those vehicles with a view to ensuring they are appropriate for the client's needs. These funds will be subject to ongoing due diligence.

- *Optimized Indexing*

FLP uses models and software applications to implement the Optimized Indexing strategies on behalf of certain clients. The goal of the Optimized Indexing strategies is to provide returns that are consistent with a specific index, despite ongoing tax loss harvesting and/or restricting a portion of the index's typical constituents. In these strategies, clients may decide on a set of SRI restrictions that will be applied to a specific benchmark. Client portfolios are constructed using optimization methodologies and techniques and will hold fewer stocks than the given benchmark. For taxable clients, portfolios are rebalanced using a tax-efficient approach that seeks to minimize capital gains by maximizing tax loss harvesting. FLP's methodology in delivering the Optimized Indexing incorporates various factors including but not limited to liquidity, capitalization, risk, transactions costs, quantitative factors like quality, value, momentum, volatility, and taxes when making investment decisions. Clients work with FLP to determine the appropriate customized screen based on their needs.

**B. Material Risks of Investment Strategy or Method of Analysis**

Our investment strategy is based on a combination of individual security research and the evaluation of global financial and economic conditions as well as other trends. We believe our research process helps us to identify and evaluate individual security risks. We make every attempt to identify and manage risk through careful research, group discussion, and appropriate diversification.

FLP incorporates risk mitigation tools in its investment management and research process that accompany our analysis of public company financial statements. We use this analysis to discern where other risks may exist and factor these findings into our investment selection process.

- *Risk of Loss*

While we rely on methods of analysis and investment strategies that are based on research and a team approach to continually improve our views of the market and client holdings, all investing involves the risk of loss of a client's principal investment that each client should be willing to bear.

- *Active Management Risk*

FLP's investment strategy relies upon our ability to correctly assess macro-economic, financial, and market trends. If FLP fails to correctly make those assessments, a client's portfolio can under or outperform relative to its targets.

- *Investment Strategy Risk*

Each client is invested in a specific strategy or strategies, depending upon the factors described herein. Each of these strategies will perform differently depending upon the market conditions present during the period that the client is invested in the strategy. Certain strategies will outperform, and others will underperform during different market periods.

- *Financial Planning Risk*

Any investment recommendations should be considered carefully by the client as we do not warrant or guarantee any financial plan, or the performance or results of any investment as may be recommended in the financial plan and the risk of loss is solely the risk of the client. All recommendations are made based on representations of each client's financial circumstances, objectives, needs, and goals as of the date of their engagement with FLP and are based on key assumptions regarding current federal and state laws (including tax and estate tax laws), interest rates, and the overall economic outlook of the financial markets (the "Key Factors"). Any changes to the Key Factors or to the representations made by a client relative to their financial circumstances, objectives, needs and goals, can impact the effectiveness of our recommendations, plan, or services and, in some circumstances, can render the plan ineffective. Clients should not rely on the plans provided if there are material changes to the Key Factors.

- *Interest Rate Risk*

A fixed income security's price is inversely impacted by interest rates. As rates increase, the value of the securities will likely decline. Conversely, as interest rates decrease, the value of the securities will likely increase. Securities that are longer dated have a greater sensitivity to changes in interest rates.

- *Dividend Payment Risk*

Companies selected based upon their history of dividend payments may discontinue or reduce future dividend payments. This can result in a decreased total return as it relates to these investments.

- *Foreign Issuer Securities Risk*

In general, investment in foreign issuer securities entails additional risks such as limited transparency and accounting oversight; varying frequency; availability and quality of financial information; limited enforcement opportunities by US regulators; currency; political and economic risks; and limited shareholder rights and/or remedies.

- *Sale of Securities Risk*

We purchase securities with the expectation that they will be long-term investments but will sell any security when such a sale appears appropriate. Factors that may prompt us to sell a security include:

- Achievement of a price objective
- Deterioration in the trend of earnings estimates
- Deteriorating company or industry fundamentals
- Identification of a substitute investment likely to improve risk or return profile of the portfolio
- Negative "surprises"
- Dividend cut
- Violation of a 200-day moving average or other technical measures
- Strategy or client-specific exclusionary criteria
- Portfolio construction or diversification purposes

We rarely engage in short-term trading, short sales, margin transactions, or the purchase or sale of derivatives (with the exception of covered call options) but may do so in response to the request of a client or due to prevailing market conditions. Any time that we sell a security, there is a risk that an equally or more attractive security, in our estimation, will not be available. If we are directed by a client to sell securities, depending upon the liquidity needed, we may be forced to sell securities that we believe have a greater intrinsic value than reflected by their current market price.

- *Socially Responsible Investment Risk*

Socially Responsible Investing involves the exclusion of certain securities based upon ethical criteria mandated by clients. There are potential limitations associated with allocating a portion of an investment portfolio based upon these exclusions (e.g., clients that have a mandate to avoid, when possible, investments in such products as alcohol, tobacco, firearms, oil drilling, gambling, etc.). The number of these securities may be limited when compared to those that do not maintain such a mandate. The securities that do not trigger these limitations could underperform broad market indices. Investors must accept these limitations, including the potential for underperformance. Correspondingly, the number of mutual funds and ETFs applying the same or similar restrictions as a client may want to incorporate into their investment mandates are fewer when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by FLP), there can be no assurance that investment in securities or funds based upon these exclusions will be profitable or prove successful.

- *Third-Party Manager and Private Fund Risk*

FLP performs due diligence on managers of private investment funds. In addition to publicly available information such as filings with the Securities and Exchange Commission and articles in newspapers and magazines, FLP uses private data, analytics, and research materials prepared by third-party providers. FLP also uses and maintains a proprietary database of qualitative and quantitative information on investment vehicles, benchmarks, and indices.

Although FLP conducts significant due diligence on third-party managers and/or private funds, it has no control over the day-to-day operations of any of its selected managers or funds. Consequently, FLP would not necessarily be aware of certain activities at the underlying fund level, including without limitation the funds' managers engaging in unreported risks, investment "style drift," or even fraud. As a result, there can be no assurance that funds recommended by FLP will conduct their business in a manner that is consistent with FLP's expectations.

- *Interval Fund Risk*

Certain mutual funds selected by FLP, specifically interval funds including the AOG Institutional Fund, should be considered illiquid investments in that liquidity is typically limited to some periodic basis, as more fully described in the interval fund's prospectus. Shares of the interval funds are subject to substantial restrictions on transferability and may only be transferred or sold in accordance with the interval fund's organizing documents and the repurchase policy.

- *Optimized Indexing Risks*

Although the goal in employing an Optimized Index strategy is to match, as closely as possible, the returns of a specific index, FLP may not be successful in reaching that goal due to a number of factors. In the design and implementation of our Optimized Indexing strategies, we rely on quantitative models, information, and data supplied by third parties, in addition to our own research ("Inputs"). If the Inputs we use are incorrect, incomplete, or corrupted, or if there were changes in the methodologies employed by any third parties, any decisions FLP made in reliance on that data would be impacted.

In implementing its Optimized Index strategies, FLP employs certain models that are predictive. This means that they rely on assumptions generated from certain historical data. Clients bear the risk that these assumptions will not bear out in the future, which will mean that their portfolios will not perform in accordance with their targets. The models that FLP employs are subject to change. FLP will monitor changes made by the model providers that might impact future client performance. FLP may determine that certain models are more effective than others at achieving client investment goals and will migrate to those models at a future point in time.

In an Optimized Indexing strategy, clients will typically hold fewer securities than those in the index itself. This may lead to greater volatility due to concentration risk.

- *Artificial Intelligence (AI) Risk*

FLP uses AI tools to support certain administrative functions and investment research tasks. These tasks include summarizing or analyzing financial information relevant to portfolio companies and prospective investments. These tools are intended to enhance efficiency rather than replace human analysis or judgment. FLP has adopted written policies distinguishing permissible and impermissible uses of AI tools by firm personnel and has established an AI Working Group Advisory Council. FLP does not use artificial intelligence to make discretionary investment decisions, select individual securities, or determine portfolio construction. All investment decisions are made by qualified investment professionals. Artificial intelligence outputs may be incomplete, inaccurate or biased and therefore are carefully reviewed before reliance. Errors in AI-generated summaries or analyses could result in investment decisions based on incorrect information. The legal and regulatory environment applicable to the use of AI intelligence continues to evolve, which may require changes to our practices or increase compliance costs.

**C. Material Risk of Recommendation Primarily of a Particular Type of Security**

We do not recommend that client portfolios primarily hold a particular type of security.

# Item 9 Disciplinary Information

**A. Criminal or civil action in a domestic, foreign, or military court of competent jurisdiction**

We have no disciplinary information to report.

**B. Administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority**

We have no disciplinary information to report.

**C. Self-regulatory organization proceeding**

We have no disciplinary information to report.

# Item 10 Other Financial Industry Activities and Affiliations

**A. Registration as Broker-Dealer or Registered Representative of Broker-Dealer**

We are not a broker-dealer, and our employees are not registered representatives of a broker-dealer.

**B. Registration as Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor, or Associated Person**

We are not a futures commission merchant, commodity pool operator, commodity trading advisor, or have any associated person of such entities.

**C. Description of Relationship or Arrangement Material to Advisory Business or Clients with Certain Related Persons**

- *Darwin Trust Company of New Hampshire, LLC*

Darwin Trust Company of New Hampshire, LLC ("DTC) is a wholly owned subsidiary of FLP that provides, trust, custody and tax services. As such, FLP has a conflict of interest when it recommends the use of DTC for these services to our clients. DTC additionally would have a conflict of interest when it recommends or selects FLP as an investment adviser for its clients. Certain employees of FLP also provide services on behalf of DTC ("Trust Activities"). FLP and DTC maintain a service agreement whereby those employees are subject to certain policies and procedures applicable to their Trust Activities. The services provided pursuant to the service agreement include the management of the day-to-day operations of DTC. Certain employees of FLP may additionally receive referral fees for referring business to DTC. This creates a conflict of interest for those employees when they make that recommendation.

- *AOG Institutional Fund ("AOGFX")*

AOGFX is a Delaware statutory trust that is registered under the Investment Company Act of 1940, as amended (the "1940 Act"). AOGFX operates as an interval fund. FLP has been retained by AOGFX to serve as its investment adviser, subject to the supervision of AOGFX's Board of Trustees. In this role, FLP provides continuous asset management services to the fund, including coordinating the day-to-day investment and operational activities of the fund, and working with the fund's service providers. AOGFX invests in assets designed to provide exposure to a mix of private, institutional illiquid alternative/ non-traditional investments, supplemented by a liquid investment allocation. The fund invests in both income-producing assets and assets selected for long-term capital appreciation. AOGFX invests in a variety of alternative investment vehicles including private equity, venture capital, private credit and debt instruments, and real estate. FLP actively sources investment opportunities for the fund, leveraging its investment research and due diligence experience investing in alternative investments. FLP is compensated for its investment management of the fund based upon a percentage of the assets of the fund. Because we receive this fee, and because this fee will be higher than the investment management fee otherwise assessed to clients for FLP's management of the assets of their account not allocated to the fund, FLP has a conflict of interest when we recommend AOGFX to our clients. As in all cases, when managing assets on behalf of its clients, FLP will only make a client investment in AOGFX when it believes such investment is in the best interests of its clients and aligns with their respective investment objectives, restrictions and goals.

**D. Recommendation or Selection of other Investment Advisors and Receipt of Compensation**

When we recommend or select other investment advisors for clients, we do not receive any compensation directly or indirectly from those advisors and we do not have any other business relationships with those advisors. Our fees for investment management services are as described above in Item 5.

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

**A. Description of Code of Ethics**

We have adopted a *Code of Ethics* with standards of conduct intended to ensure that all employees conduct themselves with integrity and honesty while carrying out their fiduciary obligations to clients. As fiduciaries, we always strive to act in the best interests of our clients. Therefore, our employees must place the interests of our clients before their own or the interests of FLP, maintain the confidentiality of client information, and use independent professional judgment in making investment decisions. All employees are required to disclose any personal material interest that they or an immediate family member may have in a publicly traded company or any entity that conducts business with FLP. The Code of Ethics also sets standards for professionalism and competence. All employees are required to comply with all applicable securities laws and are prohibited from insider trading or communicating material non-public information in violation of law.

All employees must acknowledge in writing that they have received a copy of the Code of Ethics and any amendments. Employees must also promptly report violations of the Code of Ethics to the Chief Compliance Officer or CEO of the company.

A copy of the complete Code of Ethics will be provided to any client or prospective client upon request.

**B. Financial Interest in Securities**

FLP does not buy securities from, or sell securities to, our clients. FLP does not act as a general partner in a partnership in which FLP solicits client investments.

FLP acts as an investment sub-adviser to the AFA Asset Based Lending Fund. FLP is compensated for its advisory services to the fund on a flat fee basis. Because we receive a fee for our advisory services provided to the fund, we have a conflict of interest when we recommend that fund to our clients. As in all cases, when managing assets on behalf of its clients, FLP will only make, or recommend, a client investment in the AFA Asset Based Lending Fund when it believes such investment is in the best interests of its clients and aligns with their respective investment objectives, restrictions and goals.

FLP is also the investment adviser to AOGFX. FLP is compensated for its investment management of the fund based upon a percentage of the assets of the fund. Because we receive this fee, and because this fee will be higher than the investment management fee otherwise assessed to clients for FLP's management of the assets of their account not allocated to the fund, FLP has a conflict of interest when we recommend AOGFX to our clients. As in all cases, when managing assets on behalf of its clients or making recommendations to clients, FLP will only act in the best interests of its clients to align with investment objectives, restrictions and goals. See Item 5. Fees and Compensation for more information. FLP does not charge an additional investment management and investment advisory fee for client assets invested in AOGFX beyond the advisory fee received directly from AOGFX. We also provide clients with a separate fee disclosure statement regarding AOGFX.

**C. Investing in the Same Securities as Clients**

FLP's employees invest in the same securities we recommend to clients. This is a conflict of interest because FLP employees could attempt to seek price advantages over clients. We address this conflict through our Code of Ethics and our personal trading policies, which are summarized as follows.

All personal securities transactions will be conducted in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility. Front running is strictly prohibited and employees must not take inappropriate advantage of their positions.

All employees are required to follow restrictions on personal trading such as a "blackout period" for restricted securities and must get approval before making any IPO or limited offering securities transactions. Securities are posted to a restricted list when a portfolio manager has decided to trade the security in a client account and the trade meets specified criteria. Employees may not trade for their own account in a security posted to a restricted list during a "blackout period" for that security. All employees must periodically report personal securities transactions and holdings for review by our Chief Compliance Officer.

**D. Investing at the Same Time as Clients**

FLP's employees invest at or about the same time as clients in securities that we recommend to, and buy and sell for, client accounts. This is a conflict of interest because FLP employees could attempt to seek price advantages over clients. See Item 11.C. above for a description of our practices designed to avoid this conflict of interest. Some FLP employees' accounts are client accounts, and these accounts are treated no more or less favorably than other client accounts. See Item 12.B. below for more information about our order aggregation practices.

# Item 12 Brokerage Practices

**A. Factors in Selection of Broker-Dealers for Client Transactions and Determining Reasonableness of Compensation**

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, we will recommend the use of one of several broker-dealers consistent with our fiduciary duty. The factors considered by our firm when making this recommendation are the broker's ability to provide professional services, our experience with the broker-dealer, the broker dealer's reputation, and the broker-dealer's quality of execution services and costs of such services, and the custodial platform provided to clients, among other factors.

If a client, when undertaking an advisory relationship with our firm, already has a pre-established relationship with a broker and instructs us to execute all transactions through that broker-dealer, it should be understood that under those circumstances, we will not have the authority to negotiate commissions, obtain volume discounts, and best execution may not be achieved. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients since our firm may not be able to aggregate orders to reduce transaction costs or the client may receive less favorable prices.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker-dealer if we believe that this choice would hinder the firm's fiduciary duty to the client and/or its ability to service the account.

Typically, with respect to equity transactions, due to trade-away costs, we will place trades with the broker that serves as custodian for each client's assets. Therefore, we will not survey or shop the brokerage marketplace for best execution on a transaction-by-transaction basis unless we believe the pricing benefits may outweigh the trade-away costs. As such, a disparity in pricing will occur between clients' transactions at separate custodians.

For clients with bank custodians and for fixed income transactions, we transact with broker-dealers with the intent to obtain reasonable brokerage commissions along with superior execution and service.

Unless a client designates a securities broker-dealer(s) to be used for a client's account, we place trade orders through such broker-dealers based on the following factors:

- execution quality and efficiency;
- combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- reasonable commission rates, markups, and/or other transaction costs, if applicable, which may not always be the lowest available at any given time;

- financial strength, stability, and competence of the brokerage firms under consideration;
- efficiency;
- ability to carry out the transaction in cases involving a large amount of the security to be traded;
- availability and willingness to stand ready to execute difficult transactions;
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- availability of investment research and tools that assist us in making investment decisions;
- prior service to us and our clients; and
- availability of other products and services that benefit us and our clients.

Although we currently have no formal soft-dollar arrangements, after considering the above factors, we may also consider our receipt of brokerage and research services, which may include sophisticated computer-generated reports and analyses covering a broad range of information which we may use in developing our investment strategies. Products or services provided to us have included research reports on particular industries or companies, economic surveys and analysis, recommendations as to specific securities, and other services and products (data, news, analytics, quotation equipment, models, forecasts of global markets, valuation and market analysis) providing lawful and appropriate assistance to us in our investment decision making. Clients may be charged markups or other applicable transaction costs, if any, higher than those charged by other broker-dealers when FLP arranges client transactions through brokers that provide research to FLP without directly charging FLP for such research.

When we obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products, or services. We therefore have an incentive to select a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving most favorable execution.

In situations where we have brokerage discretion, we may direct brokerage transactions for clients' portfolios to brokers-dealers who provide research and execution services to our firm, so long as such direction is consistent with our duty to seek best execution. These services are of the type described in Section 28(e) of the *Securities Exchange Act of 1934* and are designed to augment our own internal research and investment strategy capabilities. Such services include:

- Analyses or reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts;
- Reports concerning interrelated political and economic factors;
- Access to research analysts; and
- Research-related seminars or conferences.

This may be done without prior agreement or understanding by the client (and done at our discretion). Our firm does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research we receive will help us to fulfill our overall duty to our clients. We may not use each particular research service, however, to service each client. As a result, a client may pay markups or other applicable transaction costs, if any, that are used, in part, to purchase research services that are not used to benefit that specific client. We have adopted the following policies and procedures to monitor and mitigate this conflict:

- We conduct periodic analysis of the total number and size of transactions sent to each approved broker along with reviewing the competitiveness of the qualitative and quantitative execution factors for each such broker; and
- We periodically evaluate the usefulness of services received from brokers in relation to the total number and size of transactions directed to each broker.

Transactions in our Focused Growth US Equity strategy are arranged through one or more brokers that provide significant research and services to FLP. While we have no formal soft dollar arrangement with the brokers, we would likely not receive the significant research and services from the brokers if not for the commissions that the brokers receive for executing client transactions.

Certain services offered by brokerage firms may generally benefit only us. These are typically services intended to help us manage and further develop our business enterprise. These services may include, but are not limited to:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession;
- access to employee benefits providers, human capital consultants, and insurance providers; and
- occasional business entertainment of our personnel.

We may suggest the use of securities brokerage firms as custodian in cases where we believe that the overall terms (including the overall investment-related costs) of the arrangement are favorable to a client. The use of a securities brokerage firm as custodian for a client tends to result in the client's transactions being executed primarily through that firm. Charles Schwab and Fidelity are the securities brokerage firms most frequently used as custodians and consequently as executing brokers for those accounts for whom they act as custodian.

Although, as mentioned above, our firm has no formal soft-dollar arrangements, some or any third-party managers selected by our firm and/or the client may have such arrangements. Clients should refer to the third-party manager's disclosure documents for a detailed description of such arrangements, if any.

➢ *Schwab Advisor Services Program*

Our firm participates in the Schwab Advisor Services ("SAS") program offered to independent investment advisers by Schwab. As part of the SAS program, our firm receives benefits that it would not receive if it did not offer investment. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving SAS participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client account; access, for a fee, to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. The benefits received through participation in the SAS program may or may not depend upon the number of transactions directed to, or amount of assets custodied by, Schwab. (Please see the disclosure under Item 14 below.)

➢ *FLP Atrato Consulting*

FLP Atrato Consulting has no input regarding the selection of brokers and the amount of brokerage commissions and fees paid to such brokers for the alternative investment fund managers it recommends. FLP will, however, examine brokerage practices and commission histories as part of its due diligence process.

➢ *Trade Errors*

If FLP is responsible for a trade error in a client account, it is our policy and practice to correct the error and make the client whole for any loss that occurs. Schwab's policy as the custodian of client accounts is keeps any gains under $100 resulting from trade errors and to donate larger gains to charity. Schwab also absorbs losses under $100. Other custodians, including Fidelity, maintain trade error gains in an account that allows FLP to offset trade error losses. Periodically these custodians donate any net positive amounts to charity.

**B. Conditions for Aggregating Purchase or Sale of Securities for Client Accounts; Cross Transactions**

We block, or aggregate, the purchase or sale of securities for client accounts when implementing investment decisions in FLP managed strategies, including adjusting asset allocations in advised portfolios, and when the same security transaction is separately ordered by the same or multiple FLP investment advisors within a predetermined amount of time. For equity transactions, we aggregate transactions at each custodian used by clients but do not block accounts together from different custodians because of the trade-away costs discussed above.

When implementing investment decisions in FLP managed strategies, we first arrange block transactions for tax-exempt accounts that we directly manage. Accounts that we directly manage at custodians through our order management system's connection to various broker-dealers are generally placed at the same time, including at Schwab and Fidelity, and including some Wrap Program Accounts. Based on trade desk considerations, large orders at Schwab are managed separately and follow trades at Fidelity and other brokers dealers.

Next, we place block orders for separately managed accounts that are not connected to our trade order management system by separately contacting brokers, or other interested parties necessary, including Wrap Fee Programs. We manage a rotation of the order in which we contact these brokers-dealers or other account advisers or managers. The rotation changes each day regardless of whether any trades are placed on a given day.

During the same time or following the above, we begin to arrange transactions for taxable accounts and custom-managed accounts that we directly manage as our investment advisors review the custom account considerations and prepare orders. The taxable and custom managed accounts at each custodian are aggregated with each other when orders are placed within a predetermined amount of time. These transactions continue until completed.

Next and while continuing to complete the above, we deliver model portfolios to Model Providers who implement strategy trades on behalf of the clients in those programs. The order in which we deliver model portfolios to Model Providers is determined by a rotation that changes each day regardless of whether any trades occur on a given day.

All clients participating in a block transaction will receive pro rata pricing and cost-sharing subject to minimum per account fees. Different blocks at different custodians and orders that are placed at different times will receive higher or lower pricing than other clients depending on market conditions at the time of the trades. All clients participating in a block transaction will receive pro rata pricing and cost-sharing subject to minimum per account fees. Different blocks at different custodians and blocks that are placed at different times will receive higher or lower pricing than other clients depending on market conditions at the time of the trades.

A cross trade is a pre-arranged transaction between two or more different accounts by the same adviser. By "crossing" the transaction between two accounts, the adviser can save both accounts the brokerage commissions or "markup/mark-downs" that would be charged in a transaction effected on the open market and/or sale and purchase of securities with limited availability. Whenever we engage in cross trading, we will seek independent pricing of the security, whenever available, to ensure that any cross transaction is done on a fair and equitable basis. We will not engage in cross trades that involve any registered funds that we advise, any ERISA covered client accounts, or any employee accounts.

# Item 13 Review of Accounts

**A. Review of Client Accounts**

Each client account is reviewed regularly by the portfolio manager or investment advisor assigned to that account. Accounts are reviewed in the context of the objectives and goals contained in each client's investment policy statement or guidelines, and allocations or holdings that are inconsistent with the client's stated investment objective.

Financial planning only services are fully performed and completed upon delivery of a written plan unless a client requests additional financial planning services and we have agreed in writing to the additional services. All recommendations are made based on each client's representations of their financial circumstances, objectives, needs, and goals as of the date of their engagement with FLP and are based on Key Factors. Any changes to the Key Factors or to the representations made by a client relative to their financial circumstances, objectives, needs, and goals, can impact the effectiveness of our recommendations, plan, or services and, in some circumstances, can render the plan ineffective. Clients should not rely on the plans provided if there are material changes to the Key Factors. We recommend that clients review their financial plan on at least an annual basis or upon significant changes in their personal or financial circumstances.

**B. Factors Triggering a Review**

While client accounts are reviewed regularly, major changes in economic, financial, or market conditions or a client's Key Factors would trigger more intensive reviews. Clients must notify us if there are significant changes to their financial situation, which would also trigger a review. In addition, we seek to meet regularly with clients to review their goals and objectives as well as to review portfolio strategy, structure, and performance. Such meetings with clients typically prompt an in-depth review, with many customized analyses of the account.

Clients selecting FLP Atrato Consulting services will receive reviews as specifically contracted for in the respective advisory agreement or as requested by the client.

**C. Reports**

Clients can request to receive written reports on a quarterly basis. Regular reports will generally include appraisals of the account assets as of the final day of the quarter. Special reports may be created to accommodate a client's requirements.

We will also meet with clients to review their portfolios, provide more in-depth analysis, and discuss any questions they may have regarding their accounts or reports they may receive related to their accounts. Clients receive reports containing holdings, transactions, and valuations from their custodian and are encouraged to review and compare these to the reports that they receive from FLP.

Clients selecting FLP Atrato Consulting services will receive reports as specifically contracted for in the respective advisory agreement or as requested by the client.

# Item 14 Client Referrals and Other Compensation

FLP employees are eligible to receive compensation for identifying new clients and therefore, a conflict of interest exists when recommending FLP's advisory services. Clients who are introduced to FLP through employee referrals are charged fees and costs consistent with other advisory clients for similar services.

Additionally, we compensate certain unrelated persons or organizations for client referrals. The referral and receipt of compensation by the person or organization making the referral is disclosed in writing to the referred client. The referred client must also consent to the referral arrangement. Clients who are introduced to us through these referral arrangements are charged fees and costs consistent with other advisory clients receiving similar services.

- *Schwab Advisor Network*

FLP receives client referrals from Charles Schwab & Co., Inc. (Schwab) through our participation in Schwab Advisor Network (SAN). SAN is designed to help investors find an independent investment adviser. Schwab is a broker-dealer independent of and unaffiliated with FLP and its employees. FLP and its employees are not employees or agents of Schwab. Schwab has prescreened FLP and checked its experience and credentials against criteria that Schwab sets. Schwab does not supervise FLP and has no responsibility for FLP's management of clients' portfolios or FLP's other advice or services. Schwab does not prepare, verify, or endorse information distributed by FLP. Investors must decide whether to hire FLP and what authority to give FLP. Investors, not Schwab, are responsible for monitoring and evaluating FLP's service, performance, and account transactions.

FLP pays Schwab fees to receive client referrals through SAN. FLP's participation in SAN raises conflicts of interest described below.

FLP pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by FLP is a percentage of the fees the client owes to FLP or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee.

For clients referred to FLP through SAN on or before December 31, 2006, the Participation Fee is 15% of the advisory fee payable by clients referred through SAN. FLP pays Schwab the Participation Fee for so long as the referred client's account(s) remains in custody at Schwab. For clients referred to FLP through SAN on or after January 1, 2007, the Participation Fee is the quarterly equivalent of the following annual percentages of the following amounts of the average daily total assets in the client's household account during the quarter:

0.2625% of the first $2,000,000 of market value, plus
0.2100% of the next $3,000,000 of market value, plus
0.1575% of the next $5,000,000 of market value, plus
0.1050% of the balance over $10,000,000

The Participation Fee is taken or billed by Schwab quarterly and may be increased, decreased, or waived by Schwab from time to time. The Participation Fee is paid by FLP and not by the client. FLP has agreed not to charge clients referred through SAN fees or costs greater than the fees or costs FLP charges clients with similar portfolios who were not referred through the Service.

FLP generally pays Schwab a non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from, Schwab. This fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The non-Schwab Custody fee is a one-time payment equal to 0.75% (75 basis points) of the assets placed with a custodian other than Schwab. The non-Schwab Custody Fee is higher than the Participation Fees FLP generally would pay in a single year. Thus, FLP will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and non-Schwab Custody Fees will be based on assets in accounts of FLP's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, FLP will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab.

For accounts of FLP's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from FLP's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab will also receive a fee for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealers' fees. Thus, FLP may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. FLP, nevertheless, acknowledges its duty to seek best execution of trades for client accounts. FLP regularly reviews that the brokers it recommends to clients for execution, custody, and clearing of their accounts are in the clients' best interests and not because of FLP's participation in the SAN Program.

- *Fidelity Wealth Advisor Solutions® Program*

FLP participates in the Fidelity Wealth Advisor Solutions® Program (the "WAS Program"), through which FLP receives referrals from Strategic Advisers LLC (Strategic Advisers), a registered investment adviser and Fidelity Investments company. FLP is independent and not affiliated with Strategic Advisers or any Fidelity Investments company. Strategic Advisers does not supervise or control FLP and Strategic Advisers has no responsibility or oversight for FLP's provision of investment management or other advisory services.

Under the WAS Program, Strategic Advisers acts as a solicitor for FLP, and FLP pays referral fees to Strategic Advisers for each referral received based on FLP's assets under management attributable to each client referred by Strategic Advisers or members of each client's household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from Strategic Advisers to FLP does not constitute a recommendation or endorsement by Strategic Advisers of FLP's particular investment management services or strategies. FLP pays the following amounts to Strategic Advisers 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 Strategic Advisers and (ii) an annual percentage of 0.25% of all other assets held in client accounts. In addition, FLP pays Strategic Advisers a minimum annual fee in connection with its participation in the WAS Program. These referral fees are paid by FLP and not the client.

To receive referrals from the WAS Program, FLP must meet certain minimum participation criteria, but FLP has been selected for participation in the WAS Program because of its other business relationships with Strategic Advisers and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its participation in the WAS Program, FLP has a conflict of interest because FLP has an incentive to recommend the use of FBS and its affiliates for execution, custody and clearing for client accounts whether or not those clients were referred to FLP as part of the WAS Program. Under an agreement with Strategic Advisers, FLP has agreed that it will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to Strategic Advisers as part of the WAS Program. Pursuant to these arrangements, FLP has agreed not to solicit clients to transfer their brokerage accounts from affiliates of Strategic Advisers or recommend brokerage accounts at other custodians for referred clients other than when FLP's fiduciary duties would so require. FLP has agreed to pay Strategic Advisers a one-time fee equal to 0.75% of the assets in a client account that is transferred from Strategic Advisers' affiliates to another custodian. This is a conflict of interest because FLP has an incentive to recommend that referred clients and their household members maintain custody of their accounts with affiliates of Strategic Advisers. FLP regularly reviews that the brokers it recommends to clients for execution, custody, and clearing of their accounts are in the clients' best interests and not because of FLP's participation in the WAS Program.

# Item 15 Custody

FLP does not have or take possession of client portfolio assets. All client assets are held by a qualified custodian except where clients elect to retain custody of certain assets. Clients receive valuation and transaction statements directly from their qualified custodian on a monthly or quarterly basis. Clients who receive reports containing holdings, transactions, or valuations from FLP should carefully review and compare our reports with their qualified custodian's statements.

# Item 16 Investment Discretion

Most of the clients for whom we provide direct investment management and advisory services are managed on a discretionary basis. However, clients may place limitations on FLP's authority such as requiring the holding of a particular security, restricting the purchase of certain securities or types of securities, or limiting certain security sales due to tax constraints.

We typically do not have discretionary authority for financial planning only clients. Family Office Solutions may or may not have authority to acquire or dispose of investments for clients. All client consulting agreements are tailored to the specific objectives and circumstances of each client and investment discretion is assessed on a case-by-case basis in a client's investment advisory agreement.

# Item 17 Voting Client Securities

Certain FLP clients have authorized FLP to vote proxies on their behalf based upon language in their investment advisory agreements. FLP is not authorized to vote proxies on behalf of all of its clients, or securities within Held Away Accounts. If a client is unsure of whether or not FLP is authorized to vote proxies on its behalf, clients may contact FLP at flputnam@flputnam.com. Proxies will be voted in accordance with the specific guidelines contained in FLP's Proxy Voting Policy. The purpose of our proxy voting policies and procedures is to ensure that FLP votes proxies in the best interests of our clients and deals with conflicts of interest that might arise from proxy proposals being considered and voted upon. When voting proxies on behalf of its clients, FLP is guided by our general fiduciary duties to act prudently and in the best interest of its clients. FLP votes proxies on behalf of its clients based upon two sets of guidelines. For certain clients, FLP will vote in a manner that targets maximizing the value of a client's investment positions. For other clients, FLP focuses on maximizing the value of a client's investment but also weighs other non-economic factors, including, but not limited to, the particular investment restrictions and outcomes targeted by a given client. A client may direct FLP to take either of these approaches in the voting of their proxies. Absent such direction, FLP will choose a set of guidelines that FLP believes aligns with the client's investment restrictions and interests. Each of FLP's proxy voting guidelines establish a framework to apply to certain types of votes and then relies upon that framework in making decisions relative to the specific votes at hand. FLP addresses conflicts it encounters with respect to proxy voting primarily through its reliance on pre-established guidelines to vote proxies. FLP may employ other strategies it deems appropriate to address any other FLP conflict identified, including engaging an independent third-party to make a recommendation on a specific proxy vote.

Proxies will be voted in accordance with the specific guidelines contained in FLP's Proxy Voting Policy. A client may contact FLP to request information about how FLP voted proxies for the securities held in their accounts or to get a copy of FLP's Proxy Voting Policies. A client may also choose to vote their own proxies.

# Item 18 Financial Information

We do not require or solicit prepayment of more than $1,200 in fees per client, six or more months in advance. We also do not have any financial condition that is likely to impair our ability to meet our contractual commitments to our clients, and we have not been the subject of a bankruptcy proceeding.