



# Baystate Wealth Management, LLC.

SEC File Number: 801 – 71691

## Brochure

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This Disclosure Brochure provides information about the qualifications and business practices of Baystate Wealth Management, LLC (“Baystate Wealth”). If you have any questions about the contents of this Brochure, please contact us at (913) 904-5700. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The Firm is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training. The oral and written communications of an Adviser provide you with information through which you determine to hire or retain an Adviser.

Additional information about Baystate Wealth also is available on the SEC’s website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov) and on Baystate Wealth’s website at [www.baystatewealth.com](http://www.baystatewealth.com).

## **Item 2            Material Changes**

Since our last Annual Amendment filing on March 28, 2023, there has been one material change to this Form ADV 2A Disclosure Brochure (“Disclosure Brochure”):

- Baystate Wealth Management has been acquired by Mariner, LLC, effective 1.2.2024.

Pursuant to SEC Rules, we will provide you a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure if requested based on changes or new information, at any time, without charge. Currently, our Brochure may be accessed at [www.marinerwealthadvisors.com/legal](http://www.marinerwealthadvisors.com/legal) or requested by contacting us at (913) 904-5700 or [compliance@marinerwealth.com](mailto:compliance@marinerwealth.com).

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#### **Item 4            Advisory Business**

- A. Baystate Wealth Management, LLC (“Baystate Wealth”) is an investment adviser registered with the SEC since 2009. We are wholly owned by Mariner, LLC d/b/a Mariner Wealth Advisors (“MWA”). MWA is wholly owned by Mariner Wealth Advisors, LLC (formerly known as Mariner Holdings, LLC and referred to herein as “Mariner”). 1248 Holdings, LLC (formerly known as Bicknell Family Holding Company, LLC and referred to herein as “1248”) is the majority owner and manager of Mariner. The Martin C. Bicknell Revocable Trust dated November 6, 2009 is the minority owner of Mariner. The O. Gene Bicknell Charitable Lead Trust of 2009 (“Bicknell Charitable”) is a beneficial owner of 1248. Martin Bicknell, Chief Executive Officer and President of MWA, is the elected manager of 1248 and the majority shareholder in the 1248 Trust Company, Inc (“1248 Trust”). 1248 Trust is trustee of Bicknell Charitable.

B.

#### **INVESTMENT ADVISORY SERVICES**

Baystate Wealth has entered into a co-advisory agreement with MML Investor Services LLC (“MMLIS”), pursuant to which the two companies act as co-advisors to Clients who open investment advisory accounts at Baystate Wealth. Under the terms of the Co-Investment Advisory Agreement, MMLIS is responsible for the initial and ongoing day-to-day relationship with the Client, including the initial and ongoing determination of Client suitability for asset allocation strategies. Baystate Wealth is responsible for managing the Client’s assets consistent with the Investment Policy Statement (“IPS”) signed by the Client.

This Disclosure Brochure describes Baystate Wealth’s services, fees, conflicts of interests and duties and responsibilities with respect to its investment advisory business. For a description of MMLIS’ duties and responsibilities, please see MMLIS’ Form ADV 2A Disclosure Brochure and other disclosures as appropriate.

Baystate Wealth provides fee-based discretionary and non-discretionary investment supervisory services and portfolio management primarily for high-net-worth individuals, corporate pensions and profit-sharing plans, closely held and family businesses, corporations, trusts, foundations, and athletes involved in professional and amateur athletics (the “Program”). Baystate Wealth is compensated for its services by charging a fee based on a percentage of assets placed under its management.

Baystate Wealth offers a number of diversified portfolio strategies, ranging in risk tolerance from conservative to aggressive. The portfolios consist of equities, fixed income instruments, and alternative investments, and may include individual securities, separately managed accounts, mutual funds, index funds, bonds, bond funds and alternative investments.

The Baystate Wealth Program offers flexibility in choosing the kinds of securities to be held in the Clients’ account(s). Eligible securities include, without limitation:

- Exchange Listed Stocks (NYSE, AMEX);
- NASDAQ Listed Securities;
- Exchange Traded Funds (ETFs);
- Exchange Traded Notes (ETNs);
- No-load Mutual Funds;
- Load-Waived Mutual Funds;
- Separately Managed Accounts;
- American Depositary Receipts (ADRs);
- U.S. Government Bonds;
- Mortgage-backed Bonds;
- Municipal Bonds;
- Corporate Bonds;
- Unit Investment Trusts;
- Exchanged Traded REITs/Limited Partnerships/Master Limited Partnerships; and
- Brokerage Certificates of Deposit.

Certain securities are “ineligible” for the Program. Those securities will not be purchased for Clients’ Accounts. Clients may establish an account at Baystate Wealth by transferring cash or by transferring accounts in kind or after the sale of all or some of the securities in the transferred account. To the extent the Client seeks to transfer an account in kind, and the account contains securities that are ineligible under the Program, those ineligible securities will be refused for transfer or sold prior to, concurrent with, or shortly after the transfer.

The Client relationship is managed by Investment Adviser Representatives (“IARs”) of MMLIS and by the management and employees of Baystate Wealth. IARs, with the assistance of Baystate Wealth (if requested), generally meet with Clients, discuss the Clients’ goals and objectives, and assist the Clients in the development, management, and implementation of the Clients’ wealth management program. MMLIS IARs do not, however, manage Baystate Wealth portfolios for Clients. Rather, Baystate Wealth portfolios are managed by Approved Portfolio Managers (“APMs”) of Baystate Wealth. All APMs of Baystate Wealth are pre-approved by the Company to manage assets. The APMs and the Research Department, in consultation with the Investment Committee (when appropriate), oversee the Company’s investment strategies, transactions, policies and guidelines,

including review of APM selection, establishment of investment benchmarks, review of investment performance and oversight of investment risk management exposure policies and guidelines. The Investment Committee will typically meet twice a month or as dictated by market conditions, to discuss the current strategies of the APMs.

### **BAYSTATE WEALTH WRAP PROGRAM**

Baystate Wealth may also provide services on a wrap fee basis as a wrap program sponsor. Under Baystate Wealth's wrap program, the Client generally receives investment advisory services, the execution of securities brokerage transactions, custody, and reporting services for a single negotiated fee. Participation in a wrap program may cost the Client more or less than purchasing such services separately. The terms and conditions of a wrap program engagement are more fully discussed in Baystate Wealth's Wrap Fee Program Brochure.

Baystate Wealth has two different methods of charging fees to Clients. One method is that the Client is charged a fee for asset management and the Client pays the commissions and other trading costs associated with the account (please note that none of the trading costs is paid to Baystate Wealth; they are all collected by and paid to the Custodian). This fee arrangement is known as "Advisory Fee Plus." The other method is for the Client to be charged an overall fee that includes the costs for commissions and other trading costs. This fee arrangement is known as "Advisory Fee One." Advisory Fee One is considered a "wrap fee" program. A wrap fee program account is a type of individually managed account in which most expenses that are typical of a managed account are combined into one fee (*i.e.*, a "wrap fee"). This includes the management fees and transactional costs and fees.

**Please Note:** As indicated in the Wrap Fee Program Brochure, the Program fee charged by Baystate Wealth for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

*Wrap Fee Program-Conflict of Interest.* Because wrap program transaction fees and/or commissions are paid by Baystate Wealth to the account custodian/broker-dealer, Baystate Wealth could have an economic incentive to maximize its compensation by seeking to minimize the number of trades in the Client's account. See separate ***Wrap Fee Program Brochure***.

### **MISCELLANEOUS**

**Limitations of Non-Investment Consulting/Implementation Services.** Baystate Wealth does not hold itself out as providing financial planning or related consulting services and no portion of Baystate Wealth's services should be construed as legal, accounting or insurance implementation services. Accordingly, Baystate Wealth does not prepare estate planning documents, tax returns or sell insurance products. However, to the extent requested by a Client, Baystate Wealth may recommend the services of other professionals for certain non-investment implementation purposes (*e.g.*, attorneys, accountants, insurance agents, etc.), including, as disclosed below, IARs in their separate capacities as registered representatives or licensed agents of

MMLIS. Baystate Wealth does not receive any compensation for such recommendations. The Client is under no obligation to engage the services of any such recommended professional. The Client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Baystate Wealth.

Please Note: If the Client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the Client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e., attorney, accountant, insurance agent, etc.), and **not** Baystate Wealth, shall be responsible for the quality and competency of the services provided.

**Please Note: Non-Discretionary Service Limitations.** Clients that have engaged Baystate Wealth to provide investment advisory services on a non-discretionary basis must be willing to accept that Baystate Wealth cannot consummate any account transactions without obtaining prior consent from the Client. Thus, in the event that Baystate Wealth would like to make a transaction for a Client's account (including in the event of an individual holding or general market correction), and the Client is unavailable, Baystate Wealth will be unable to make any account transactions (as it would for its discretionary Clients) without first obtaining the Client's consent.

**Cash Positions.** At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), Baystate Wealth may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating Baystate Wealth's advisory fee.

**Use of Independent or Sub-Advisory Managers.** Baystate Wealth may allocate a portion of the Client's investment assets among unaffiliated independent investment managers in accordance with the Client's designated investment objective(s). In such situations, the Independent Manager[s] shall have day-to-day responsibility for the active discretionary management of the allocated assets. Baystate Wealth shall continue to render investment supervisory services to the Client relative to the ongoing monitoring and review of account performance, asset allocation and Client investment objectives. Factors that Baystate Wealth shall consider in recommending Independent Manager[s] include the Client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. Currently, Baystate Wealth has sub-advisory relationships with Auour Investments LLC (SEC #801-80544) and 55ip. **Please Note:** The investment management fee charged by the Independent Manager[s] may be separate from, and in addition to, Baystate Wealth's wrap program advisory fee as set forth in the fee schedule at Item 5 below. 55ip does not charge any management fee for its services to Baystate Wealth accounts. Auour

Investment LLC's fee is included in the wrap program advisory fee as set forth in the fee schedule at Item 5 below.

**Trade Error Policy.** Baystate Wealth shall reimburse accounts for losses resulting from Baystate Wealth's trade errors but shall not credit accounts for such errors resulting in market gains.

**Borrowing Against Assets/Risks.** A Client who has a need to borrow money could determine to do so by using:

- **Margin-**The account custodian or broker-dealer lends money to the Client. The custodian charges the Client interest for the right to borrow money, and uses the assets in the Client's brokerage account as collateral; or
- **Pledged Assets Loan-** In consideration for a lender (i.e., a bank, etc.) to make a loan to the Client, the Client pledges its investment assets held at the account custodian as collateral.

These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the Client's investment assets. The lender (i.e., custodian, bank, etc.) will have recourse against the Client's investment assets in the event of a loan default or if the assets fall below a certain level. For this reason, Baystate Wealth does not recommend such borrowing unless it is for specific short-term purposes (i.e., a bridge loan to purchase a new residence). Baystate Wealth does not recommend such borrowing for investment purposes (i.e., to invest borrowed funds in the market). Regardless, if the Client were to determine to utilize margin or a pledged assets loan, the following economic benefits would inure to Baystate Wealth:

- by taking the loan rather than liquidating assets in the Client's account, Baystate Wealth continues to earn a fee on such Account assets;
- if the Client invests any portion of the loan proceeds in an account to be managed by Baystate Wealth, Baystate Wealth will receive an advisory fee on the invested amount; and,
- if Baystate Wealth's advisory fee is based upon the higher margined account value (*see* margin disclosure at Item 5 below), Baystate Wealth will earn a correspondingly higher advisory fee. This could provide Baystate Wealth with a disincentive to encourage the Client to discontinue the use of margin.



**Please Note:** The Client must accept the above risks and potential corresponding consequences associated with the use of margin or a pledged assets loan.

**Socially Responsible Investing Limitations.** *Socially Responsible Investing* involves the incorporation of **Environmental, Social and Governance** considerations into the investment due diligence process (“ESG”). There are potential limitations associated with allocating a portion of an investment portfolio in ESG securities (*i.e.*, securities 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. ESG securities could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. Correspondingly, the number of ESG mutual funds and exchange traded funds are few 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 Baystate Wealth), there can be no assurance that investment in ESG securities or funds will be profitable or prove successful.

**WE DON'T RECOMMEND Cryptocurrency:** For clients who want exposure to cryptocurrencies, including Bitcoin, Baystate Wealth will advise the client to consider a potential investment in corresponding exchange traded securities, or an allocation to separate account managers and/or private funds that provide cryptocurrency exposure. Crypto is a digital currency that can be used to buy goods and services, but uses an online ledger with strong cryptography (*i.e.*, a method of protecting information and communications through the use of codes) to secure online transactions. Unlike conventional currencies issued by a monetary authority, cryptocurrencies are generally not controlled or regulated, and their price is determined by the supply and demand of their market. Because cryptocurrency is currently considered to be a speculative investment, Baystate Wealth will not exercise discretionary authority to purchase a cryptocurrency investment for client accounts. Rather, a client must expressly authorize the purchase of the cryptocurrency investment. **Please Note:** Baystate Wealth does not recommend or advocate the purchase of, or investment in, cryptocurrencies. Baystate Wealth considers such an investment to be speculative. **Please Also Note:** Clients who authorize the purchase of a cryptocurrency investment must be prepared for the potential for liquidity constraints, extreme price volatility and complete loss of principal.

**Portfolio Activity.** Baystate Wealth has a fiduciary duty to provide services consistent with the Client's best interest. As part of its investment advisory services, Baystate Wealth (on occasion and, in conjunction with the IAR) will review Program Accounts on an ongoing basis to determine if any changes are necessary based upon various factors including, but not limited to, investment performance, market conditions, fund manager tenure, fund flows, style drift, account additions/withdrawals, financial circumstances or changes in the Client's investment goals or objectives. Based upon these and other factors, there may be

extended periods of time when Baystate Wealth determines that changes to a Client's Accounts are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 below during these periods of account inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by Baystate Wealth will be profitable or equal any specific performance level(s).

**Other Assets.** To the extent that Baystate Wealth provides advisory monitoring or review services for client investment assets for which Baystate Wealth does not maintain custodian access or trading authority (including initial and ongoing consideration of such assets as part of the client's asset allocation), Baystate Wealth may determine to include such assets in its advisory fee calculation per Item 5 below.

**Client Obligations.** In performing its services, Baystate Wealth is expressly authorized to rely on any information given by the Client or the Client's professionals and is not required to verify any information received from the Client or from the Client's professionals. It remains the Client's responsibility to promptly notify Baystate Wealth and MMLIS if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Baystate Wealth's previous recommendations and/or services.

**Reporting Services.** Baystate Wealth uses the account reporting services of Black Diamond Performance Reporting, a third-party vendor, to produce performance reports for individual Client portfolios to ensure accuracy and compliance with presentation standards.

**Cybersecurity Risk.** The information technology systems and networks that Baystate Wealth and its third-party service providers use to provide services to Baystate Wealth Clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Baystate Wealth's operations and result in the unauthorized acquisition or use of Clients' confidential or non-public personal information. Clients and Baystate Wealth are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Baystate Wealth has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that Baystate Wealth does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

**Disclosure Statement.** A copy of the Baystate Wealth’s Privacy Notice, Form CRS (“Client Relationship Summary”), written Disclosure Brochure as set forth on Parts 2A and 2B of Form ADV and to the extent applicable, the Baystate Wealth Wrap Fee Program Brochure, shall be provided to each Client prior to, or contemporaneously with, the execution of the applicable form of agreement between Baystate Wealth and the Client. Any Client who has not received a copy of Baystate Wealth’s written Disclosure Brochure at least 48 hours prior to executing such agreement shall have five business days subsequent to executing the agreement to terminate Baystate Wealth’s services without penalty.

- C. Baystate Wealth shall provide investment advisory services specific to the needs of each Client. Prior to providing investment advisory services, an investment adviser representative will ascertain each Client’s investment objective(s). Thereafter, Baystate Wealth shall allocate and/or recommend that the Client allocate investment assets consistent with the designated investment objective(s). The Client may, at any time, impose reasonable restrictions, in writing, on Baystate Wealth’s services.
- D. There is no significant difference between how the Baystate Wealth manages wrap fee accounts and non-wrap fee accounts. However, as stated above, if a Client determines to engage Baystate Wealth on a wrap fee basis the Client will pay a single fee for bundled services (*i.e.*, investment advisory, brokerage, custody) (*See* Item 4.B). The services included in a wrap fee agreement will depend upon each Client’s particular needs. If the Client determines to engage Baystate Wealth on a non-wrap fee basis, the Client will select individual services on an unbundled basis, paying for each service separately (*i.e.*, investment advisory, brokerage, custody).
- E. As of December 31, 2021, the assets under management (“AUM”) of Baystate Wealth were \$1,523,758,930 in full discretionary accounts and \$47,768,450 in non-discretionary accounts.

## **Item 5 Fees and Compensation**

- A. The Client can determine whether to engage Baystate Wealth to provide discretionary and/or non-discretionary investment advisory services on a wrap or non-wrap fee basis.

### **Baystate Wealth Wrap Program**

The fees charged to the Client for portfolio management are negotiable and subject to the written agreement of the Client in the Engagement Letter. Program Fees may not exceed 1.64% or 164 basis points of the assets under management.

Baystate Wealth does not manage accounts differently depending on the type of fee (Advisory Fee One or Advisory Fee Plus). Please review the Baystate Wealth Management, LLC Wrap Fee Program Brochure for more information on how fees are charged, collected and allocated pursuant to the “Advisory Fee One” arrangement under the Baystate Wrap Fee Program.

The minimum account size for Baystate Wealth is \$250,000. Baystate Wealth's President, at his sole discretion, may accept a lower minimum. Fees are negotiable with the Client and generally are charged as a percentage of assets under management or stated in basis points.

The management fees paid by Clients are divided between Baystate Wealth and the IAR. Baystate Wealth charges a 34-basis point platform fee based on the assets under management at the time of billing. The IAR receives a separate and additional fee determined by his/her/its applicable grid rate set by MMLIS for his/her/its ongoing advisory services. **Please Note:** The grid rate does not impact what the Client pays but it does affect how the IARs are paid. Baystate Wealth receives any residual fee not paid to the IAR. Thus, the Client's total management fee is a combination of both Baystate Wealth's investment management fee and the IAR's service/advisory fee. From the fees received on Program Accounts, Baystate Wealth pays a fee to MMLIS for operational compliance, marketing and sales support equal to 4 basis points. The total management fee is determined by the IAR (within a fee range not to exceed 164 basis points or 1.64%). The total management fee varies depending upon various objective and subjective factors, including the amount of assets to be invested, the complexity of the engagement, the anticipated number of meetings and servicing needs, whether related accounts are involved, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with Client, etc. Thus, similar Clients could pay different fees, which will correspondingly impact a Client's net Program Account performance. Total management fees are negotiable with the Client. The agreed-upon fee is set forth in the Engagement Letter.

Since Baystate Wealth and the IAR receive a portion of the total management fee charged to the Client, a conflict of interest arises, because the higher the fee paid by the Client, the higher the compensation received by the IAR and by Baystate Wealth. In addition, Baystate Wealth pays a fee to MMLIS for access to MMLIS' platform. This payment to MMLIS does not affect the fee paid by the Client for investment advisory services. Baystate Wealth will always act in the Client's best interest.

The first payment for the Program Fee is prorated to cover the period from the date the Program Account is opened and funded through the end of the then current calendar quarter. Fees are debited directly from the Client's Program Account, based on the fee schedule which is attached as Exhibit A to the Engagement Letter. Thereafter, the quarterly Program Account Fee will be paid at the beginning of each calendar quarter and the fee will be based on the fair market value of the assets in the Program Account on the last business day of the preceding calendar quarter as calculated by the Custodian.

Through Baystate Wealth, the Client authorizes the Custodian to deduct the Program Fee and other charges from cash assets held in the Program Account. Therefore, the Client should maintain a suitable percentage of the Program Account in cash to pay for fees and charges under the Program. If the Program Account does not have enough cash to pay for the advisory and/or brokerage fees and charges, the Company instructs the Custodian to sell any Program Account assets the Custodian deems appropriate to make such cash available even if the Client did not grant Discretionary Trading by executing a Discretionary Engagement Letter. In such cases, the Client may face a taxable event, to which capital gains (or other) taxes may apply. For certain accounts, specific security exclusions from billing may be negotiated with the Client.

The Client authorizes the Custodian to deduct all applicable fees and costs from the Client's Program Account and all such fees and costs will be clearly noted on the statements provided to the Client no less than quarterly by Baystate Wealth and/or the Custodian.

#### Factors Bearing on Advisory Fee One Verses Advisory Fee Plus

A number of factors have a bearing on the issue of whether the fee under Advisory Fee One or "wrap fee" would be higher or lower than the total fees and costs the Client would pay if the Client opted to pay for the transactional costs from the assets under management in the portfolio (Advisory Fee Plus). The number, amount and types of trades undertaken in the portfolio on a quarterly and yearly basis will have a direct impact. Under Advisory Fee One, the transactional costs are paid for from the total investment management fee charged, whereas under Advisory Fee Plus, the Client pays for the transactional costs. If the number, amount and types of trades are increased, the transactional costs may increase (assuming the Custodian charges a transaction cost for the purchase or sale of the particular security). Depending on the amount of wrap fee charged on the Program Account, these transactional costs could be a significant portion of the wrap fee charged and thus reduce the overall compensation received by the IAR(s) and Baystate Wealth. By contrast, if the number, amount and types of trades are kept to a relatively low number, then it is likely that the wrap fee charged would exceed the total of the investment management fee (particularly if the Custodian does not charge a transaction cost for the purchase or sale of the particular security) plus the transactional and brokerage costs paid directly by the Client. To the extent the Client's portfolio (i) qualifies for transaction fee funds at Fidelity, (ii) exceeds \$1M in assets or (iii) elects to receive electronic delivery, the Client's account may not be charged a transaction fee. In this case, it is possible that the Client would pay the same fees in an Advisory Fee One relationship as with the Advisory Fee Plus relationship.

In addition to the number, amount and types of trades, the sizes of the trades, the number of shares traded, the nature of the securities traded and the size of the account or whether e-delivery is authorized, may have an impact on the fee comparisons. The Custodian may charge minimum ticket charges and may charge differently for different types of securities or may not charge transaction costs for certain types of securities (e.g., foreign securities, certain mutual funds, certain exchange traded funds, certain exchange traded notes, certain types of bonds, options, alternative investments, etc.). In addition, the Custodian may charge transaction costs only with respect to Program Accounts falling below a minimum amount or Program Accounts that do not authorize e-delivery. Thus, a significant number of smaller trades or a significant number of trades in certain securities may have a disproportionately large impact on the costs of managing the portfolio, compared to the overall costs charged by the Custodian. In such circumstances, a wrap fee program likely would cost less than the other type of program, depending on the fees agreed to by the Client.

Other factors that may bear upon the cost of Advisory Fee One in relation to the cost of Advisory Fee Plus may include, among other things, the number of trades executed for the account, the size and type of account, the types of securities executed, the historical and expected size of the account, whether the Client has authorized or not authorized e-delivery and the number and range of supplemental services provided to the Account.

Baystate Wealth makes no representation that the fee under Advisory Fee One or under Advisory Fee Plus is or will be the same as or lower than that charged to another Clients who invest in the Baystate Wealth Program, or that the fee under Advisory Fee One or under Advisory Fee Plus fee is or will be the same as or lower than the fees charged by other sponsors or advisers of comparable programs for Program Accounts of comparable size or comparable investment objectives.

#### Additional Fees

The fees charged by Baystate Wealth do not include certain other fees and charges such as any fees imposed by the SEC, wire transfer fees, fees resulting from any special requests that Clients may have, fees or commissions for securities transactions (including without limitation dealer markups and mark-downs) effected through any broker-dealer other than the Custodian, or costs associated with temporary investment of Client funds in a money market account. In addition to the fees charged by Baystate Wealth, the Custodian may charge the Client additional miscellaneous fees (e.g., ACAT fees, wire transfer fees, check re-order fees, etc.). A fee schedule is available upon request.

The fees charged by Baystate Wealth do not include the internal management, operating or distribution fees or expenses imposed or incurred by any mutual fund, exchange traded fund or exchange traded note that the Client's Program Account may hold, which may include 12b-1 fees, early termination fees

(which include fees on whole or partial liquidations of fund assets in the account) and other fees and expenses that may be assessed by the investment vehicle's sponsor, custodian, transfer agent, adviser, shareholder service provider or other service providers. Further information regarding charges and fees assessed by a fund company may be found in the appropriate prospectus, and/or annual report of the fund. Clients should read each of the prospectuses for a more complete explanation of these fees and expenses which may include fees for management, administration, servicing, custodial, legal, audit, etc. Any increase in those charges and fees will be borne by the Client regardless of the type of fee arrangement selected by the Client.

Clients may invest directly in mutual funds, ETFs, ETNs, stocks or fixed income instruments without paying an advisory fee (i.e., outside of the Baystate Wealth Program). Thus, it may be less expensive for Clients to invest in mutual funds, ETFs, ETNs, stocks or fixed income instruments outside of the Program. However, Clients will not receive the services provided by Baystate Wealth under the Program if they choose to buy these securities outside the Program.

### **Transaction Fee Differentials**

With respect to its wrap program, Baystate Wealth does not receive any portion of the transaction fees paid to the executing custodian/broker-dealer. Account investment decisions are driven by security selection and anticipated market conditions and not the amount of transaction fees payable by Baystate Wealth to the account custodian. Indeed, these may be zero, depending on the account type. Neither Baystate Wealth, nor any of its representatives, receive any 12b-1 fees, or any other type of compensation from any mutual fund or product sponsor as part of Baystate Wealth's wrap program. When available and appropriate, Baystate Wealth allocates Client assets among individual institutional share class open-end mutual funds. The conflicts of interest inherent in a wrap program are disclosed on Baystate Wealth's ADV Part 2A and Wrap Brochure. Baystate Wealth makes recommendations based upon the Client's needs and market conditions, and without consideration of transaction costs. Baystate Wealth would not consider suitability, trading volume, or cash balances any differently if it managed assets on an unbundled basis.

The Client, in conjunction with the IAR, determines whether a wrap or unbundled fee is most appropriate, given factors imposed by the custodian, such as assets under management (AUM) and whether the Client will agree to electronic delivery of custodian statements (i.e., the determination is made by and with MMLIS and is independent of Baystate Wealth). Specifically, the following apply at Fidelity:

Trading costs:

1. To qualify for transaction free funds at Fidelity, the household accounts must exceed \$1.0 million in AUM in the aggregate at BWM or the Client must be on E-Delivery.
2. Transaction free trading does NOT apply to the following:
  - a. Accounts not signed up for E-Delivery unless the household accounts aggregate over \$1.0 million of AUM.
  - b. Households less than \$1 million if no E-Delivery.
  - c. Mutual Funds that have a transaction fee, e.g., Non-NTF funds. Currently Baystate Wealth does not use transaction fee mutual funds, but Baystate Wealth could purchase transaction fee mutual funds in the future.
  - d. Large block transactions – any transaction over 10,000 shares (usual fee schedule will apply).
  - e. Option trading – the \$4.95 per contract fee is waived but there is still a fee of \$.65 per contract.
  - f. Orders requiring special handling – using the trade desk services or same-day or shortened settlement situations).

**Please Note: Baystate Wealth is agnostic as to whether the Client opts for a wrap or unbundled fee arrangement. MMLIS, as part of its initial and ongoing review obligation of the Client's assets, will determine with the Client which fee arrangement is best for the Client. Please Also Note:** The actual platform fee may be reduced under the Platform Fee Reduction Program Pursuant to which the platform fee charged to the Advisor is decreased 5-12 bps depending on the amount of AUM the Advisor has with BWM. This Platform Fee Reduction Program does not affect the Client's overall fee.

- B. Clients may elect to have Baystate Wealth's advisory fees deducted from their custodial account. Both Baystate Wealth's Investment Advisory Agreement and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of Baystate Wealth's investment advisory fee and to directly remit that management fee to Baystate Wealth in compliance with regulatory procedures. In the limited event that Baystate Wealth bills the Client directly, payment is due upon receipt of Baystate Wealth's invoice. Baystate Wealth shall deduct fees and/or bill Clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter and will be adjusted based upon accrued interest or dividends not reflected in the custodial valuation.
- C. As discussed below, unless the Client directs otherwise or an individual Client's circumstances require, Baystate Wealth shall generally recommend that Fidelity



serve as the broker-dealer/custodian for Client investment management assets. Broker-dealers such as Fidelity may charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). In addition to Baystate Wealth's investment management fee, brokerage commissions and/or transaction fees, Clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses). When beneficial to the Client, individual fixed-income transactions may be effected through broker-dealers with whom Baystate Wealth and/or the Client have entered into arrangements for prime brokerage clearing services, including effecting certain Client transactions through other SEC registered and FINRA member broker-dealers (in which event, the Client generally will incur both the transaction fee charged by the executing broker-dealer and a "trade away" fee charged by Fidelity).

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

Baystate Wealth is not a party to any performance or incentive-related compensation arrangements with its Clients.

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

Baystate Wealth provides fee-based discretionary and non-discretionary investment supervisory services and portfolio management primarily to high-net-worth individuals, corporate pension and profit-sharing plans, closely held and family businesses, corporations, trusts, foundations and persons or entities involved in professional and non-professional athletics, including athletes.

Subject to exceptions made at the discretion of the Company, the minimum account size for Baystate Wealth is \$250,000.00 (determined by household). A lower minimum may be accepted at the sole discretion of Baystate Wealth's President.

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

Baystate Wealth's methods of security analysis include, without limitation, charting, fundamental analysis, and technical analysis. The main sources of information used by Baystate Wealth include in-house research by the Research Department, financial newspapers and magazines, inspections of corporate activities, internal analyses, research materials prepared by others, research received from third parties, annual reports, prospectuses, filings with the SEC and company press releases. The investment strategies used to implement any investment advice given to Clients include long term purchases (securities held at least a year), short term purchases (securities sold within a year), trading (securities

sold within 30 days), securities swaps, stop losses and options writing, including covered calls and married puts.

The investment advice provided by Baystate Wealth and/or an Independent Manager is customized to fit the risk profile, goals, objectives, and other preferences of each individual Client, pursuant to a written IPS developed with and signed off on by the Client. Baystate Wealth primarily uses Exchange Traded Funds (“ETFs”), Exchange Traded Notes (“ETNs”), Index Funds, some mutual funds (when the manager’s expenses and fees can be justified), some bond funds and individual fixed-income securities (treasuries, corporates, municipals, etc.), when appropriate. Some Independent Managers may use individual securities, including individual equities and individual bonds.

#### **A. Investment Risk.**

Investing in securities involves risk of loss that Clients should be prepared to bear, including the complete loss of principal investment. Past performance is not indicative of future results. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Baystate Wealth) will be profitable or equal any specific performance level(s). Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a Program Account employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and Client account values could benefit as a result, it is also possible that asset values may decrease and Client account values could suffer a loss.

There are risks involved with investing in ETFs, ETNs, Index Funds, and individual stocks and bonds, including possible loss of money. Index-based ETFs are not actively managed. Actively managed ETFs do not necessarily seek to replicate the performance of a specified index. Both index-based and actively managed ETFs are subject to risks similar to stocks and other securities, including those related to short selling and margin maintenance. ETNs are subject to credit risk. ETFs do not sell individual shares directly to investors and only issue their shares in large blocks. ETFs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility. An investor’s shares, when redeemed or sold, may be worth more or less than their original cost. ETF shares are bought and sold at market price (not NAV) and are not individually redeemed from the fund. Brokerage commissions and trading costs will reduce returns. An investor should consider investment objectives, risks, charges, and expenses before investing. A description of these items can be found in each fund’s prospectus. Past performance for ETFs, ETNs, Index Funds and individual stocks and bonds does not guaranty future results.

The investment return and principal value of a mutual fund will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their

original cost. Current performance may be lower or higher than the performance data quoted. Investors should consider the investment objectives, risks, and charges, and expenses of the investment company carefully before investing. A description of these items can be found in each fund's prospectus. Past performance for mutual funds does not guarantee future results.

In addition to the normal risks associated with investing, international investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles, or from economic or political instability in other nations.

Market Risk. The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors (such as economic or political factors) but may also be incurred because of a security's specific underlying investments. Additionally, each security's price can fluctuate based on market movement, which may or may not be due to the security's operations or changes in its true value. For example, political, economic, and social conditions may trigger market events which are temporarily negative, or temporarily positive.

Unsystematic Risk. Unsystematic risk is the company-specific or industry-specific risk in a portfolio that the investor bears. Unsystematic risk is typically addressed through diversification. However, as indicated above, diversification does not guarantee better performance and cannot eliminate the risk of investment losses.

Value Investment Risk. Value stocks may perform differently from the market as a whole and following a value-oriented investment strategy may cause a portfolio to underperform growth stocks.

Growth Investment Risk. Prices of growth stocks tend to be higher in relation to their companies' earnings and may be more sensitive to market, political and economic developments than other stocks, making their prices more volatile.

Small Company Risk. Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, small capitalization companies are more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

Emerging Market Risk. Emerging markets and frontier markets involve heightened risks relative to other sectors of the market, as well as increased volatility and lower trading volume. Investments in smaller companies typically exhibit higher volatility. Narrowly focused investments typically exhibit higher volatility.

Real Estate Risk. Real estate investments are subject to changes in economic conditions, credit risk and interest rate fluctuations.

Commodity Risk. Commodity-related investments may be speculative and may involve a high degree of risk. Commodities markets have historically been volatile, creating the potential for losses regardless of the length of time an investment is held.

Bond Risk. Bond and bond funds likely will decrease in value as interest rates rise. Investment returns and principal values will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost and potentially subject to capital gains taxes. Tax-exempt fixed income strategies invest in securities designed to pay income that is exempt from certain income taxes, but a portion of the income may be subject to federal or state income taxes or the alternative minimum tax. Federal or state changes in income or alternative minimum tax rates or in the tax treatment of municipal bonds may make them less attractive as investments and cause them to lose value.

Inflation Risk. When any type of inflation is present, a dollar at present value will not carry the same purchasing power as a dollar in the future, because that purchasing power erodes at the rate of inflation.

Reinvestment Risk. Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate), which primarily relates to fixed income securities.

Credit Risk. The issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and impact performance. Credit risk is considered greater for fixed income securities with ratings below investment grade. Fixed income securities that are below investment grade involve higher credit risk and are considered speculative.

Call Risk. During periods of falling interest rates, a bond issuer will call or repay a higher- yielding bond before its maturity date, forcing the investment to reinvest in bonds with lower interest rates than the original obligations.

Regulatory Risk. Changes in laws and regulations from any government can change the market value of companies subject to such regulations. Certain industries are more susceptible to government regulation. For example, changes in zoning, tax structure or laws may impact the return on investments.

A. **Covered Call Writing.**

Covered call writing is the sale of in-, at-, or out-of-the-money call options against a long security position held in a Client portfolio. This type of transaction is intended to generate income. It also serves to create partial downside protection in the event the security position declines in value. Income is received from the

proceeds of the option sale. Such income may be reduced or lost to the extent it is determined to buy back the option position before its expiration. There can be no assurance that the security will not be called away by the option buyer, which will result in the Client (option writer) to lose ownership in the security and incur potential unintended tax consequences. Covered call strategies are generally better suited for positions with lower price volatility.

**B. Long Put Option Purchases.**

Long put option purchases allow the option holder to sell or “put” the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long-put option can increase in value depending upon the strike price and expiration. Long puts are often used to hedge a long stock position to protect against downside risk. The security/portfolio could still experience losses depending on the quantity of the puts bought strike price and expiration. In the event that the security is put to the option holder, it will result in the Client (option seller) to lose ownership in the security and to incur potential unintended tax consequences. Options are wasting assets and expire (usually within months of issuance).

**C. Mutual Funds.**

Mutual funds are operated by investment companies that raise money from shareholders and invests it in stocks, bonds, and/or other types of securities. Each fund will have a manager that trades the fund’s investments in accordance with the fund’s investment objective. Mutual funds charge a separate management fee for their services, so the returns on mutual funds are reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Mutual funds that are sold through brokers are called load funds, and those sold to investors directly from the fund companies are called no-load funds. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. In addition, the Client’s overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

**E. Exchange Traded Funds.**

ETFs are marketable securities that are designed to track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds or basket of assets, like an index fund. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to: (i) the price of an ETF may or may not fluctuate with the price of the underlying securities that make up the fund; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF’s shares may be halted if the listing exchange’s officials deem such action appropriate, the shares

are de-listed from the exchange, or the activation of market-wide “circuit breakers” (which are tied to large decreases in stock prices) halts stock trading generally.

Baystate Wealth’s methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis, Baystate Wealth must have access to current/new market information. Baystate Wealth has no control over the dissemination rate of market information; therefore, unbeknownst to Baystate Wealth, certain analyses may be compiled with outdated market information, severely limiting the value of Baystate Wealth’s analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The cornerstone of Baystate Wealth’s investment strategy is controlling risk, dampening volatility and protecting potential downside risk. Through a combination of asset allocation, active management of passive investments and the Company’s proprietary Risk Assets and Diversification Ratio (“the RAD Ratio<sup>TM</sup>”), Baystate Wealth seeks to provide its Clients with superior risk-adjusted returns over a number of market cycles.

While each portfolio is managed separately, and ultimately the IPS controls, the Company may manage Program Accounts targeted to one of several investment strategies, referred to as “Model Portfolios” by the Company. These Model Portfolios range in risk profile from conservative to very aggressive. The Client’s portfolio may or may not be identical to a Model Portfolio. Model Portfolios are target allocations tied to a specific risk tolerance. The selection of one or more of these Model Portfolios as an investment target depends on the Client’s risk tolerance. Model Portfolios are not used when Independent Managers are involved.

Information on the Model Portfolios, their composition, strategic and tactical allocations, and their benchmarks, are provided by Baystate Wealth to Clients. The specific securities in each Model Portfolio, and the specific strategic and tactical allocations for each Model, may change over time and may be different at different points in time. Strategic and tactical allocation decisions for each Model Portfolio are made by the APMS, with input from the Research Committee and in consultation with the Investment Committee. The Company may employ a strategy of writing options to hedge portfolios or to dampen volatility. Smaller accounts may have a similar overall allocation among asset classes and styles. However, smaller accounts also tend to have fewer, and sometimes different, holdings than larger

accounts invested in the same strategy. Thus, the performance (good or bad) of any single holding could have a greater impact on the overall performance of a smaller account than on the performance of a larger account. The Company may purchase “recommended lists” or research and buy or sell recommendations from other investment advisory firms, but the decision to buy or sell a particular security in a Baystate Wealth portfolio remains with Baystate Wealth.

There is no guaranty that any investment strategy, Model Portfolio, Independent Manager or Program Account will achieve a particular result or that any Account will result in a profit. Past performance is no guaranty of future results.

The Client’s risk tolerance, and financial goals and objectives, as well as other pertinent facts and data, are reflected in the IPS. As the Client’s goals, objectives, and risk tolerance change, it is the Client’s obligation to update the IPS accordingly, and certain agreed-upon actions are taken to ensure that the portfolios are being managed in accordance with the IPS.

Program Accounts are adjusted in response to and in anticipation of market conditions. Strategic and tactical allocations are made taking into account relative valuations, market conditions, movements in the market and geo-political events affecting the markets. The amount of strategic and tactical allocations may vary over time periods and are at the discretion of Baystate Wealth.

At the Client’s request, Baystate Wealth will accept transfers in kind and will supervise and manage those securities while reallocating the Program Account more closely with a Model Portfolio developed by the Company and that corresponds to the Client’s risk profile and tolerance. Baystate Wealth attempts to make this transition on a tax-advantaged basis to the Client, but the tax consequences to the Client depends on a number of factors, including the sizes of the positions, the cost bases of the positions, the Client’s individual tax circumstances and other factors. The transition of the portfolio likely will have some tax consequences to the Client. Independent Managers also may employ tax-advantaged strategies and may engage in tactical and strategic allocations. Baystate Wealth does not provide tax advice to Clients and Clients should consult their own tax advisors with respect to the tax effect of any transaction.

Currently, Baystate Wealth is an asset allocator pursuant to which it allocates Client investment assets on a discretionary wrap and/or unbundled fee basis among open-end mutual funds (institutional share classes when available) and exchange traded funds (“ETFs”), index funds or exchange traded notes (“ETNs”) (approximately 98% of AUM), consistent with the instructions from the Client or one or more of Baystate Wealth’s asset allocation strategies (including its new

tactical strategy in conjunction with the sub-advisory services provided by Auour Investments) and the Client's Investment Policy Statement. Baystate Wealth conducts a dispersion review for each of its strategies. Clients may request that their fixed income assets be held in individual bonds, and if that is the case (which constitutes a small remainder of Client assets managed by Baystate Wealth), those individual bonds are allocated in conjunction with consulting and prime brokerage services provided by Northern Capital Securities, and/or Client directed in accordance with the Client's designated investment objective(s).

## **Item 9           Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Baystate Wealth or the integrity of Baystate Wealth's management. Baystate Wealth is not aware of any disciplinary action taken against the Company or its management. Thus, Baystate Wealth has no information applicable to this Item.

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

We have relationships and arrangements that are material to our advisory business or to our clients with related persons that provide a variety of financial services and products, as detailed below. When appropriate for a client, we use and/or recommend services and products offered by our affiliates or parties in which we have a financial interest.

With respect to affiliated services and products, including private funds, described herein, there exists a conflict of interest in our recommending such services or products to the Firm's client as all or a portion of the revenues earned by the related party ultimately flow to the Firm's parent company, Mariner, or to Mariner's parent company, 1248. Martin Bicknell, the CEO and President of the Firm, has significant ownership stakes in Mariner and 1248, which in turn directly and indirectly hold financial interests in various other investment advisers and other financial entities, as detailed below. Except as noted herein, the affiliated services, products and private funds charge fees in addition to the fees charged by the Firm. The Firm has an indirect financial incentive to recommend other services/products provided and/or private funds managed by such entities and managers because revenues earned by them from such services and products ultimately flow to Mariner and 1248. The Firm has mitigated this conflict by disclosing it to clients and not sharing any revenue from affiliated services, products and private funds with the wealth advisors who recommend client investments. Further, the affiliated services, products and private funds are recommended to clients by wealth advisors with consideration of various factors, including but not limited to, the client's investment objective and financial circumstances. The Firm has procedures in place to monitor the conflicts of interest presented by these relationships.

### **Other Investment Advisers**

The Firm is affiliated with and under common control with:



- Mariner, LLC dba Mariner Wealth Advisors (CRD No. 140195), a SEC registered investment adviser.
- Mariner Wealth Advisors-IC, LLC (CRD No. 289886), a SEC registered investment adviser.
- Mariner Platform Solutions, LLC (CRD No. 305418), a SEC registered investment adviser.
- Mariner Independent Advisor Network, LLC (CRD No. 283824), a SEC registered investment adviser.
- Mariner Wealth Advisors-PR, LLC (CRD No. 329377), a SEC registered investment adviser.

The Firm is affiliated with and under common control with the following investment advisers as a result of 1248's significant ownership stake through its subsidiary holding company, Montage Investments, LLC.

- 1248 Partners, LLC (CRD No. 325304), an exempt reporting adviser;
- Montage Fund Advisors, LLC (CRD No. 315847), an exempt reporting adviser;
- Flyover Capital Partners, LLC (CRD No. 173709), a SEC registered investment adviser; and;
- Ubiquity Management, LP (CRD No. 311168), an exempt reporting investment adviser.

These investment advisers serve as the investment manager or investment adviser to private funds, (please see the Form ADV of each adviser for specific information). The Firm recommends that certain clients invest in affiliated private funds should a client's wealth advisor determine such investments are in the client's best interest and in accordance with the client's investment objectives.

Relevant information, terms and conditions relative to the aforementioned affiliated private funds, including the investment objectives and strategies, minimum investments, qualification requirements, suitability, fund expenses, risk factors, and potential conflicts of interest, are set forth in the offering documents (which typically include confidential private offering memorandum, Limited Partnership Agreement/Limited Liability Company Agreement, or Subscription Agreement), which each investor is required to receive and/or execute prior to being accepted as an investor.

Through the ownership structures discussed above, Mariner's affiliates have a passive, direct or indirect minority financial interest in the following investment advisers.

- Eaglebrook Advisors, Inc (CRD: 304438), a SEC registered investment adviser;
- Altruist, LLC (CRD: 299398), a SEC registered investment adviser;
- Lifeworks Advisors, LLC (CRD: 288255), a SEC registered investment adviser; and
- Dynasty Wealth Management, LLC (CRD: 153377), a SEC registered investment adviser

These investment advisers provide advisory services to a variety of clients, across various different formats, including through separately managed accounts, model portfolios,

private funds and facilitating access to online marketplaces (please see the Form ADV of each adviser for specific information). The Firm recommends or allocates client capital to these investment advisers should a client's adviser determine such investments are in the client's best interest and in accordance with the client's investment objectives.

### **Broker-Dealer**

We are affiliated, and under common control, with MSEC (CRD No. 154327), a broker-dealer registered with the SEC and various state jurisdictions, member of the Financial Industry Regulatory Authority (FINRA), Securities Investor Protection Corporation (SIPC), and Municipal Securities Rulemaking Board (MSRB).

### **Trust Company**

We are under common control with and in certain situations refer clients to utilize the trust services provided by Mariner Trust Company, LLC. Mariner Trust Company, LLC, is a state-chartered public trust company organized under the laws of South Dakota and serves to provide its customers with administrative trust services and other related services. The entity is subject to the regulatory oversight of the South Dakota Department of Labor and Regulation. The Firm is deemed to have custody of any client account where Mariner Trust Company, LLC serves as trustee or co-trustee.

### **Investment Banking Firm**

We are under common control with Mariner Capital Advisors, LLC, ("MCA") which provides investment banking, accounting, valuation advisory and forensic accounting services. To the extent that a client requires these services, we recommend MCA, all of which services shall be rendered independent of the Firm pursuant to a separate agreement between the client and MCA. The Firm receives compensation for referrals to MCA in addition to the indirect financial incentive to refer clients due to common ownership. Certain wealth advisors of the Firm may receive a portion of the fee paid to MCA.

### **Insurance Companies or Agencies**

We are under common control with Mariner Insurance Resources, LLC, an insurance agency. Certain of our employees are licensed insurance agents and, in such capacity, recommend the purchase of certain insurance-related products, including the placement of insurance contracts provided by third-party carriers. These individuals are compensated for the sale of these insurance-related products.

The recommendation that a client purchase an insurance commission product through an affiliate of the Firm presents a conflict of interest, as the receipt of commission provides an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products, including those sold by affiliates as referenced herein. Additionally, the Firm receives compensation for referrals to Mariner Insurance Resources in addition to

the indirect financial incentive to recommend the affiliate(s) due to common ownership. Clients are reminded that they may purchase insurance products recommended by the Firm through other non-affiliated agencies.

### **Financial Planning Wellness Platform**

We are under common control with Mariner Financial Wellness, LLC, which provides a Financial Wellness Platform to companies. Through the Financial Wellness Platform, employees of these companies are able to access Financial Wellness Coaching provided by our wealth advisors.

### **Legal Services Solution**

Through the ownership structures discussed above, Mariner's affiliates have a passive, direct or indirect minority financial interest in Vanilla, a software solution that provides certain legal services. To the extent that a client requires these services, we recommend Vanilla, all of which services shall be rendered independent of the Firm pursuant to a separate agreement between the client and Vanilla.

### **Other Affiliates**

MPS wholly owns Honor Bound Partners, LLC ("HBP") which wholly owns MIAN, Honor Bound Consulting Services, LLC ("HBC") and Honor Bound Network, LLC ("HBN"). HBC is a California limited liability company that offers virtual administrative and training services, as well as technology consulting services to investment adviser representatives of MPS and MIAN as well as investment adviser representatives of other registered investment advisers/broker-dealers. HBN is a California limited liability company that primarily serves to hold the assets and income of an office of supervisory jurisdiction with LPL Financial. In this capacity, HBN is responsible for overseeing the activities of registered representatives assigned to the branch. In many instances, these same registered representatives serve as investment adviser representatives of MIAN.

**Use of MMLIS Platform.** Baystate Wealth participates in "the Platform," which is a brokerage-based platform offered by MMLIS that supports certain investment management programs offered by registered investment advisory firms like Baystate Wealth and other asset managers. IARs of MMLIS who offer the Baystate Wealth Program to Clients do so independent of MMLIS, even though they are registered with MMLIS. MMLIS is a registered broker-dealer and member firm of FINRA and SIPC, and an SEC registered investment adviser. MMLIS makes the Baystate Wealth Program available to its IARs and to Clients of the IARs.

Neither Baystate Wealth, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

**Registered Representatives of MMLIS.** None of Baystate Wealth's representatives are registered representatives of MMLIS.

Certain of the Company's employees may be licensed to practice law. However, no such persons provide legal services to any of the Company's Clients, and no corresponding Attorney-Client relationship is established.

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

We have adopted a code of ethics that sets forth the standards of conduct expected of our supervised persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Advisers Act, the Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by us or any of our supervised persons. The Code of Ethics also requires that certain of our personnel ("access persons") report their personal securities holdings and transactions and obtain pre-approval of transactions in certain securities deemed reportable under the Code of Ethics, including equities, options, initial public offerings, limited offerings and virtual coins or tokens in initial coin offerings.

A conflict of interest exists to the extent the Firm and/or its related persons invest in the same securities that are recommended to clients. In order to address this conflict of interest, the Firm has implemented certain policies and procedures in its Code of Ethics, as further described herein. If an access person is aware that the Firm or an advisor within the Firm is purchasing/selling any security on behalf of a client, the access person may not themselves effect a transaction in that security until the transaction is completed for the relevant client(s). This does not include transactions for accounts that are executed as part of a block trade within a managed strategy or for accounts over which the access person has no direct or indirect influence or control. These requirements are not applicable to:

- (i) Direct obligations of the Government of the United States
- (ii) Money market instruments including, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments (High quality short-term debt instrument is defined as any instrument having a maturity at issuance of fewer than 366 days and which is rated in one of the highest two rating categories by a nationally recognized statistical rating organization, or which is unrated but is of comparable quality)
- (iii) Shares issued by money market funds
- (iv) Shares issued by open-end mutual funds (other than exchange traded funds)
- (v) Shares issued by unit investment trusts that are invested exclusively in one or more unaffiliated open-end mutual funds (other than exchanged traded funds)

No supervised person may trade, either personally or on behalf of others, (including client accounts), while in the possession of material, nonpublic information, nor may any supervised person communicate material, nonpublic information to others in violation of the law.

We maintain restrictions on receiving and giving of gifts and entertainment to and from clients and others with which the Firm does business. This is in an effort to curb potential conflicts of interest this may create. We also monitor our associates' outside business activities to review situations that would compete with the interests of the Firm.

Our clients or prospective clients may request a copy of our Code of Ethics by contacting us at (913) 904-5700 or [compliance@marinerwealth.com](mailto:compliance@marinerwealth.com).

## **Item 12 Brokerage Practices**

- A. Recommended Brokerage: In the event that the Client requests that Baystate Wealth recommend a broker-dealer/custodian for execution and/or custodial services, Baystate Wealth generally recommends that investment advisory accounts be maintained at Fidelity. Prior to engaging Baystate Wealth to provide investment management services, the Client will be required to enter into an Investment Advisory Agreement with Baystate Wealth setting forth the terms and conditions under which Baystate Wealth will advise on the Client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Baystate Wealth generally does not accept directed brokerage arrangements (when a Client requires that account transactions be effected through a specific broker-dealer). In such Client-directed arrangements, the Client will negotiate terms and arrangements for their account with that broker-dealer, and Baystate Wealth will not seek better execution services or prices from other broker-dealers or be able to "batch" the Client's transactions for execution through other broker-dealers with orders for other accounts managed by Baystate Wealth. As a result, a Client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Higher transaction costs adversely impact account performance. Please Also Note: Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

- B. Factors that Baystate Wealth considers in recommending custodians include: the historical relationship with Baystate Wealth; financial strength; reputation; execution capabilities; pricing; research; and service. Although the transaction fees paid by Baystate Wealth's Clients shall comply with Baystate Wealth's duty to obtain best execution, a non-wrap fee Client may pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where Baystate Wealth determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although Baystate Wealth will seek competitive rates, it may not necessarily obtain the lowest possible rates for Client Program Account transactions. Unless services are provided in conjunction with a wrap

program, transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Baystate Wealth's investment advisory fee.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a Client utilize the services of a particular broker-dealer/custodian, Baystate Wealth can receive from Fidelity (or another broker-dealer/custodian, investment manager, platform sponsor, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist Baystate Wealth to better monitor and service Client Program Accounts maintained at such institutions. Included within the support services that can be obtained by Baystate Wealth can be investment-related research, pricing information and market data, software and other technologies that provide access to Client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support-including Client events, computer hardware and/or software and/or other products used by Baystate Wealth in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Baystate Wealth in managing and administering Client accounts. Others do not directly provide such assistance, but rather assist Baystate Wealth to manage and further develop its business enterprise.

Baystate Wealth's Clients do not pay more for investment transactions effected and/or assets maintained at Fidelity as a result of this arrangement. There is no corresponding commitment made by Baystate Wealth to Fidelity, or any other any entity, to invest any specific amount or percentage of Client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

- C. Transactions for each Client Account generally will be effected independently, unless Baystate Wealth decides to purchase or sell the same securities for several Clients at approximately the same time. Baystate Wealth may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Baystate Wealth's Clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among Clients in proportion to the purchase and sale orders placed for each Client account on any given day. Baystate Wealth shall not receive any additional compensation or remuneration as a result of such aggregation.

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

- A. Generally, Program Accounts are reviewed and monitored on a regular basis by Baystate Wealth and by the Independent Managers. Program Accounts that are subject to a Model (*i.e.*, invested in a Model Portfolio) are reviewed on a continuous basis as Model portfolios are reviewed and analyzed by the APMs, The Research Department and, on occasion as circumstances warrant, the Investment Committee. Unique Program Accounts (*i.e.*, accounts that contain one or more securities not found in a Model portfolio) are reviewed on an as need basis or as market conditions or tax considerations dictate. Program Accounts that contain securities managed by an Independent Manager are reviewed by the Independent Manager and by the Research Department on a periodic basis and discussed at the Investment Committee.
- B. The Compliance Department also reviews Program Accounts periodically, when circumstances warrant review, often times in conjunction with an APM or as an adjunct to the Research Department.
- C. Custodian provides Clients with monthly statements of their Program Accounts. Quarterly performance reports are made available to Clients by Baystate Wealth. In addition, the IAR and/or officers of the Company typically meet with the Client at least annually to review the accounts.

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

- A. As indicated in Item 12 above, Baystate Wealth can receive from Fidelity without cost (and/or at a discount), support services and/or products.

Baystate Wealth's Clients do not pay more for investment transactions effected and/or assets maintained at Fidelity (or any other institution) as result of this arrangement. There is no corresponding commitment made by Baystate Wealth to Fidelity, or to any other entity, to invest any specific amount or percentage of Client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Baystate Wealth engages promoters to introduce new prospective clients to Baystate Wealth consistent with the Investment Advisers Act of 1940, its corresponding. Rules, and applicable state regulatory requirements. If the prospect subsequently engages Baystate Wealth, the promoter shall generally be compensated by Baystate Wealth for the introduction. Because the promoter has an economic incentive to introduce the prospect to Baystate Wealth, a conflict of interest is presented. The promoter's introduction shall not result in the prospect's payment of a higher investment advisory fee to Baystate Wealth (*i.e.*, if the prospect was to engage Baystate Wealth independent of the promoter's introduction).

## **Item 15      Custody**

Clients will receive written transaction confirmation notices and quarterly statements from the Custodian that holds and maintains the Client's Account. Baystate Wealth urges all Clients to carefully review such statements and compare such official custodial records to the Account statements that Baystate Wealth may provide to Clients. Baystate Wealth's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. The account custodian does not verify the accuracy of the Adviser's advisory fee calculations.

In addition, certain Clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from Baystate Wealth to transfer Client funds or securities to third parties. These arrangements are disclosed at Item 9 of Part 1 of Form ADV. However, in accordance with the guidance provided in the SEC's February 21, 2017, *Investment Adviser Association* No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination.

## **Item 16      Investment Discretion**

Baystate Wealth usually receives discretionary authority from the Client at the outset of the advisory relationship to select the identity and the amount of securities to be bought or sold in Program Accounts. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment goals and objectives for the particular Client Program Account.

When selecting securities and determining amounts, Baystate Wealth observes the investment policies, limitations and restrictions of the Clients for which it advises. For registered investment companies, Baystate Wealth's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions imposed by the Client (i.e., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Adviser's use of margin, etc.), must be provided to Baystate Wealth in writing by the Client in the IPS and must be approved by Baystate Wealth.

## **Item 17      Voting Client Securities**

- A. As a matter of firm policy and practice, Baystate Wealth does not have any authority to and does not vote proxies on behalf of Clients. Instead, Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the Client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Client's investment assets.



- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Adviser to discuss any questions they may have with a particular solicitation.

**Item 18      Financial Information**

- A. Baystate Wealth does not solicit fees of more than \$1,200, per Client, six months or more in advance.
- B. Baystate Wealth is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain Client accounts.
- C. Baystate Wealth has not been the subject of a bankruptcy petition.