

Baystate Wealth Management, LLC

**One Marina Park Drive, 16th Floor
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Wrap Fee Program Brochure March 25, 2024

www.baystatewealth.com

This Disclosure Brochure provides information about the qualifications and business practices of Baystate Wealth Management, LLC (“Baystate Wealth,” or the “Firm”). 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 and on Baystate Wealth’s website at www.baystatewealth.com.

Item 2-Material Changes

This Item 2 includes a discussion of material changes to this Brochure since the last annual update. There have been two changes to note.

- Baystate Wealth Management has been acquired by Mariner, LLC, effective 1.2.2024.
- Item 10 was updated to reflect changes to our affiliates.

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 or requested by contacting us at (913) 904-5700 or compliance@marinerwealth.com.

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Item 4-Services, Fees and Compensation

Investment Advisory Services

This Wrap Program Disclosure Brochure describes Baystate Wealth’s services, fees, conflicts of interests and duties and responsibilities with respect to its wrap program.

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.

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. Typically, when providing investment advisory services on a discretionary basis, we have full discretion to select securities to buy and sell for a Client’s account. Client accounts are tailored to address the specific goals, objectives, and constraints of each Client. We consider a range of factors that can impact the investment management process, including risk tolerance, investment time horizon, current and future cash needs and such other circumstances deemed relevant. Prior to providing investment advisory services, an Investment Advisor Representative (“IAR”) 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).

We provide these services under the nonexclusive safe harbor from the definition of an investment company for programs that provide discretionary investment advisory services to Clients under 17 CFR 270.3a4. We usually do not allow Clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. We will accept investment restrictions from Clients if the restrictions do not hinder our ability to execute our investment strategies.

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.

Baystate Wealth provides services on a wrap fee basis as a wrap program sponsor. 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. 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 this Brochure.

There is no significant difference between how Baystate Wealth manages wrap fee accounts and non-wrap fee accounts. 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). 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).

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 Investment Policy Statement ("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. 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.

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 the following:

Exchange Listed Stocks (NYSE, AMEX); NASDAQ Listed Securities; ETFs; ETNs; No-load Mutual Funds; Load-Waived Mutual Funds; Separately Managed Accounts; American Depository 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.

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. Baystate Wealth shall provide investment advisory services specific to the needs of each Client.

Other Businesses and Investment Programs

Our affiliates may offer to our Clients a variety of services, including estate and trust services, and risk management. The Firm may earn fees for the services provided by it, and its affiliates will likewise earn fees directly for services they provide. Please see Item 10 for more information on the services provided by our affiliates.

Individually Managed Accounts

While each portfolio is managed separately, and ultimately the IPS controls, the Firm may manage Program Accounts targeted to one of several investment strategies, referred to as “Model Portfolios” by the Firm. 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 upon request. 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 Approved Portfolio Managers (“APMs,”) with input from the Research Committee and in consultation with the Investment Committee. The Firm 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 Firm may purchase “recommended lists” or research and buy or sell recommendations from other investment advisory companies, 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.

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 Firm 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.

Client Agreement

Prior to engaging us, the Client will be required to enter into one or more written agreements setting forth the terms, conditions, and objectives under which we shall render our services (the “Agreement”). Additionally, we will only implement our investment recommendations after a Client has arranged for and furnished all information and authorization regarding accounts with appropriate financial institutions. Our Clients are advised to promptly notify us or MMLIS if there are ever any changes in their financial situation or investment objectives.

Client assets are custodied at a qualified custodian and are maintained in Baystate Wealth Program (hereinafter the accounts are referred to as “the Program Accounts”). Clients are required to sign a custodial application to open a Program Account. This is in addition to the Agreement Clients sign to open an advisory account with Baystate Wealth and to the transition form required by MMLIS.

Independent Managers

Baystate Wealth may recommend that the Client allocate a portion of a Client’s Program Account(s) among unaffiliated independent investment managers (“Independent Manager(s)”) in accordance with the Client’s designated investment objective(s). In such situations, the Independent Manager(s) will have day-to-day responsibility for the active discretionary management of the allocated assets. Baystate Wealth will continue to render investment supervisory services to the Client relative to the ongoing monitoring and review of Program Account performance, asset allocation, and Client investment objectives. Baystate Wealth generally considers the following factors when recommending Independent Manager(s): the Client’s designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The Client is under no obligation to engage the services of any Independent Manager. The Client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Baystate Wealth. If the Client determines to engage an Independent Manager, the fees for the Independent Manager may be included pursuant to the Wrap Fee Program or charged separately on a fully disclosed basis.

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. The Client nonetheless remains 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).

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.

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 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 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.

To the extent that a Client authorizes the use of margin, the market value of the Client's account and corresponding fee payable by the Client may be increased. Clients authorizing margin are advised of the potential conflict of interest whereby the Client's decision to employ margin may correspondingly increase the management fee payable to the Firm.

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.

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. **Baystate Wealth does not recommend or advocate the purchase of, or investment in, cryptocurrencies and considers such an investment to be speculative.** 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.

Trade Error Policy

The Firm has a policy to minimize the occurrence of trade errors and, should they occur, detect such trade errors, and take steps to resolve the error to make the Client whole. Upon the timely discovery of a trade error, the Firm corrects the trade error. The trade error resolution process varies depending on the policies and practices of the custodian where the relevant Client account is maintained. Clients may obtain additional information about the trade error policies and practices applicable to their account by contacting the Firm.

Fees

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.

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. 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.

The specific manner in which our fees are charged is established in the Agreement. 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.

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

Baystate Wealth does not typically manage accounts differently depending on the type of fee (Advisory Fee One or Advisory Fee Plus).

The management fees paid by Clients are divided between Baystate Wealth, MMLIS and the IAR. The IAR receives a separate and additional fee determined by their applicable grid rate set by MMLIS for their ongoing advisory services. 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 and MMLIS. Thus, the Client's total management fee is a combination of both Baystate Wealth's investment management fee, MMLIS' administrative 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%).

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 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 Agreement. 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 and will be adjusted based upon accrued interest or dividends not reflected in the custodial valuation. In the limited event that Baystate Wealth bills the Client directly, payment is due upon receipt of Baystate Wealth's invoice.

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 Firm 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 the qualified custodian, (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.

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 and Expenses

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.). Such fees are available upon request. In addition, there may be fees charged for performance reporting programs and other enhanced reporting programs that may be applicable to the Program Accounts.

When beneficial to the Client, certain transactions may be effected through brokers other than the account custodian, in which event, except in situations in which the custodian has waived the additional fee, the Client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker and a separate “tradeaway,” “step-out” and/or prime broker fee charged by the custodian. Clients should review custodial agreements for additional detail on the fees charged.

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, ETFs or ETNs 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 Firm 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. 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).

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.

Many funds offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to more commonly offered retail mutual fund share classes (typically, Class A (including load-waived A shares), B and C shares for mutual funds), some funds offer institutional share classes or other share classes specifically designed for purchase by an account for a fee-based investment advisory program. However, these share classes may also have higher transaction costs and may have minimum purchase criteria that limit availability to larger transactions. Clients should not assume that their assets will be invested in the share class (regardless of the type of fund structure – mutual fund, closed-end fund, hedge fund, private equity fund or other alternative vehicle) with the lowest possible expense ratio.

Transaction Fee Differentials

With respect to the 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 in this 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). These fees are available upon request.

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. 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.

Third-Party Manager Fees

The Firm may employ a third-party manager to manage a portion of your Account. The fees payable to a third-party manager will be set forth in a written agreement and shall be in addition to the advisory fee payable under your Agreement. If the Firm retains the third-party manager as a “sub-adviser” to your Account, the Firm will typically pay the sub-advisory fee from your advisory fee payable to the Firm, but for certain sub-advisers there may be a separate written agreement between you and the sub-adviser to pay an additional amount directly to the sub-adviser.

Conflicts of Interest

When allocating investment opportunities among our investment programs, products and Clients, the Firm has an incentive to favor the investment programs, products and Clients that generate the most revenue for the Firm. For example, when recommending the use of a third-party manager, the Firm has an incentive to recommend a manager which charges a separate fee instead of paying the manager out of the Firm’s fee.

Martin Bicknell, the CEO and President of the Firm, has significant ownership stakes in our parent Company, Mariner, and in Mariner’s parent company, 1248. As further detailed in Item 10, because the company, Mariner and 1248 own or have interests in various other investment-related service providers and investment managers and other financial entities, we have 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. We have mitigated this conflict by disclosing it to Clients and not sharing any revenue from affiliated private funds and other investment-related services and products with the advisors who recommend Client investments. Further, such services, products and funds are recommended to Clients by advisors with considerations of various factors, including but not limited to, the Client’s investment objective and financial circumstances.

Item 5-Account Requirements and Types of Clients

We generally provide investment advice to the following types of Clients:

- Individuals (including high net worth individuals)
- Corporate pension and profit-sharing plans
- Trusts, estates, or charitable organizations
- Closely held or family businesses
- Corporations or business entities other than those listed above
- Persons or entities involved in professional and non-professional athletics, including athletes

The minimum account size for Baystate Wealth is \$250,000. At our sole discretion, we may accept a lower minimum.

Item 6-Portfolio Manager Selection and Evaluation

Baystate Wealth portfolios are managed by APMs of Baystate Wealth. All APMs of Baystate Wealth are pre-approved by the Firm to manage assets. The APMs and the Research Department, in consultation with the Investment Committee (when appropriate), oversee the Firm'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.

It is the policy of the Firm to permit only APMs to manage portfolios on behalf of Clients. APMs must have sufficient education, background and experience to manage assets for others, which includes an MBA education, a CFA[®] or CIMA[®] designation, at least 2 years of asset management experience, or some combination of the above, as well as participation in continuing education. The Firm's management provides its approval of an APM only if he or she is qualified to manage assets of Clients.

The Client may agree to have a particular APM manage the Client's assets. Alternatively, the IAR may recommend a particular APM to the Client. In the event the Client does not choose an APM, Baystate Wealth will appoint an APM for the Client's Accounts. The factors that are considered for such an appointment include: the experience and educational background of the APM, the likelihood that the personality of the APM will fit well with the Client, the investment profile and risk profile of the Client, and any other factor deemed by Baystate to be appropriate to consider in attempting to match an APM with the Client. The Client must agree to the APM and the Client has the right to request the removal of one APM and the appointment of another APM. APMs are reviewed continuously and are formally reviewed on an annual basis. APMs are subject to Baystate Wealth's Code of Ethics and disciplinary actions by the Investment Committee and by the Compliance Committee. APMs are permitted to manage Client assets at the discretion of the Investment Committee. If, in the opinion of the Investment Committee, an APM is no longer qualified to manage Client assets, that APM's designation as an APM and his or her privilege to manage Client assets will be revoked or suspended by the Investment Committee. Circumstances warranting consideration of suspension or termination include, without limitation, the health of the APM, adherence to the policies and procedures of Baystate Wealth and the Investment Committee, performance of the portfolios under the management of the APM, and compliance with the Clients' IPS. The portfolios managed by a terminated or suspended APM will be reassigned to another APM until a suitable replacement is found.

APM's performance is judged by the return of Model Portfolios adjusted by risks taken. Since each Client portfolio is individually managed according to the IPS and Client-imposed restrictions (if any), and may differ from the Model Portfolios, performance information may not be calculated on a uniform and consistent basis. A third-party vendor is used to produce performance reports for individual Client portfolios to ensure accuracy and compliance with required presentation standards.

Performance-Based Fees

We do not charge any performance-based compensation (fees based on a share of capital gains on or capital appreciation of the assets of a Client). If deemed appropriate for a particular Client, our

recommended investments include certain products managed by third parties that charge performance-based fees, including products managed by certain affiliates.

Side-by-Side Management

In some cases, the Firm manages Clients in the same or similar strategies. This may give rise to potential conflicts of interest if the Clients have, among other things, different objectives, or fees. For example, potential conflicts may arise in the following areas: Client orders do not get fully executed; trades may get executed for an account that may adversely impact the value of securities held by a Client; there will be cases where certain Clients receive an allocation of an investment opportunity when other accounts may not; and/or trading and securities selected for a particular Client may cause differences in the performance of different accounts or funds that have similar strategies.

The Firm treats accounts equitably regardless of fee arrangements. In addition, we have adopted trading practices designed to address potential conflicts of interest inherent in proprietary and Client discretionary trading. During periods of unusual market conditions, the Firm may deviate from its normal trade allocation practices. There can be no assurance, however, that all conflicts have been addressed in all situations.

From time to time, certain Clients of the Firm may invest in private investments or limited investment opportunities. The allocation of these investments across Client portfolios is generally not executed on a *pro rata* basis as a number of factors will determine whether the private or limited offering is appropriate or suitable for a Client. Accordingly, such opportunities may be allocated based on another approach, including random selection, selection based on account size or another methodology. Factors which may impact the allocation include, but are not limited to: account size, liquidity, investor qualification and risk tolerance. We note that private investments or limited investment opportunities may not be appropriate for smaller accounts, depending on factors such as minimum investment size, account size, risk, and diversification requirements, and accordingly may not be allocated such investments. Certain limited investment opportunities are available only to the legacy Clients of certain investment advisory businesses acquired by the Firm.

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 Firm 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 Firm's Investment Committee, supported by the investment team, is generally responsible for overseeing the due diligence process on prospective investment strategies, managers and products that are made available for investment in a Client's portfolio.

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, and active management of passive investments

Risk of Loss

Investing in securities involves a risk of loss that you should be prepared to bear, including loss of your original principal. Past performance is not indicative of future results; therefore, you should not assume that future performance of any specific investment or investment strategy will be profitable. We do not provide any representation or guarantee that your goals will be achieved.

In addition to general investment risks, there are additional material risks associated with the types of strategies and private funds in which your account invests from time to time. Please refer to the relevant prospectus or offering materials for more information regarding risk factors for a particular investment in an ETF, ETN, closed-end fund, mutual fund, private fund, or other pooled vehicle. Depending on the different types of investments and strategies employed for your account, there are varying degrees of risk:

- **Market Risk**—Either the market as a whole, or the value of an individual Firm, goes down, resulting in a decrease in the value of Client investments. Global markets are interconnected, and events like hurricanes, floods, earthquakes, forest fires and similar natural disturbances, war, terrorism or threats of terrorism, civil disorder, public health crises, and similar “Act of God” events have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term and wide-spread effects on world economies and markets generally. Clients may have exposure to countries and markets impacted by such events, which could result in material losses.
- **Equity Risk**—Stocks are susceptible to fluctuations and to the volatile increases and decreases in value as their issuer's confidence in or perceptions of the market change. Investors holding common stock of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.
- **Firm Risk**—There is always a level of firm or industry risk when investing in stock positions. This is referred to as an unsystematic risk and can be reduced through appropriate diversification. There is the risk that a firm will perform poorly or that its value will be reduced based on factors specific to it or its industry.
- **Options Risk**—Options on securities are subject to greater fluctuations in value than investing in the underlying securities. Purchasing and writing put or call options are highly specialized

activities and involve greater investment risk. Puts and calls are the right to sell or buy a specified amount of an underlying asset at a set price within a set time. Options like other securities carry no guarantees, and investors should be aware that it is possible to lose all of your initial investment, and sometimes more. Option holders risk the entire amount of the premium paid to purchase the option. If a holder's option expires "out-of-the-money" the entire premium will be lost. Option writers may carry an even higher level of risk since certain types of options contracts can expose writers to unlimited potential losses. Extreme market volatility near an expiration date could cause price changes that result in the option expiring worthless. Since options derive their value from an underlying asset, which may be a stock or securities index, any risk factors that impact the price of the underlying asset will also indirectly impact the price and value of the option.

- **Margin Risk**—Margin trading involves interest charges and risks, including the potential to lose more than deposited or the need to deposit additional collateral in a falling market. A margin transaction occurs when an investor uses borrowed assets by using other securities as collateral to purchase financial instruments. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. To the extent that a Client authorizes the use of margin, and margin is thereafter employed by the Firm in the management of a Client's investment portfolio, the market value of the Client's account and corresponding fee payable by the Client to the Firm will generally be increased, unless accounts hold options, in which case the fee may be decreased under certain market conditions. As a result, in addition to understanding and assuming the additional principal risk associated with the use of margin, Clients authorizing margin are advised of the potential conflict of interest whereby the Client's decision to employ margin will correspondingly increase the advisory fee payable to the Firm.
- **Short selling**—This is an investment strategy which involves the selling of assets that the investor does not own. The investor borrows the assets from a third-party lender (i.e., Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third-party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase.
- **Covered Call Risk**—The writer of a covered call forgoes the opportunity to benefit from an increase in the value of the underlying interest above the option price but continues to bear the risk of a decline in the value of the underlying interests.
- **Small and Medium—Capitalization Companies** — Depending on the strategy, the Firm invests Client assets in the stocks of companies with small- to medium-sized market capitalizations. While the Firm believes they often provide significant profit opportunities, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than investments in stocks of larger companies. For example, prices of small-capitalization and even medium capitalization stocks are often more volatile than prices of large-capitalization stocks, and the risk of bankruptcy or insolvency of many smaller companies is higher than for larger, "blue-chip" companies. In addition, due to thin trading in some small capitalization stocks, an investment in those stocks are likely illiquid (see discussion below).
- **Socially Conscious Investing**—Depending on the strategy or Client-specific restrictions, a Client's account may undergo exclusionary or inclusionary screening based

on environmental, social and corporate governance criteria, as well as other criteria based on religious beliefs. These criteria are nonfinancial reasons to exclude or include a security and therefore the Client's account or strategy may forgo some market opportunities available to portfolios that don't use such screening. Stocks selected following these criteria may shift into and out of favor with stock market investors depending on market and economic conditions, and the Client's or strategy's performance may at times be better or worse than the performance of accounts or strategies that do not use such criteria.

- **Fixed Income Risk**—Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk. The fixed income instruments purchased by a Client are subject to the risk that market values of such securities will decline as interest rates increase. These changes in interest rates have a more pronounced effect on securities with longer durations. Fixed income securities are also subject to reinvestment risk in that if interest rates are falling during a period of reinvestment, returns will be lower. Interest rate risk increases as portfolio duration increases. Reinvestment risk increases as portfolio duration decreases.
- **Non-Investment Grade Bonds**—Depending on the strategy, a Client account will invest in bonds (commonly known as “junk bonds”) that are of below investment grade quality (rated below Baa3 by Moody's Investors Service, Inc. or below BBB- by Standard & Poor's Ratings Group and Fitch Ratings or, if unrated, reasonably determined by the Firm to be of comparable quality) (“non-investment grade bonds”). An account's investments in non-investment grade bonds are predominantly speculative because of the credit risk of their issuers. While normally offering higher yields, non-investment grade bonds typically entail greater potential price volatility and will likely be less liquid than investment grade securities.
- **Distressed Securities**—An account, depending on the strategy, will invest in securities of companies that are experiencing or have experienced significant financial or business difficulties. Distressed securities may generate significant returns for an account, but also involve a substantial degree of risk. In certain circumstances, an account will lose a substantial portion or all of its investment in a distressed Firm or be required to accept cash or securities with a value less than an account's original investment. The market prices of such investments are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such investments will likely be greater than for non-distressed securities.
- **ETF, Closed-end Fund and Mutual Fund Risk**—ETF, closed-end fund and mutual fund investments bear additional expenses based on a pro-rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF, closed-end fund or mutual fund generally reflects the risks of owning the underlying securities held by the ETF, closed-end funds, or mutual fund. If the ETF, closed-end fund or mutual fund fails to achieve its investment objective, the account's investment in the fund may adversely affect its performance. In addition, because ETFs and many closed-end funds are listed on national stock exchanges and are traded like stocks listed on an exchange, (1) the account may acquire ETF or closed end fund shares at a discount or premium to their NAV, and (2)

the account may incur greater expenses since ETFs are subject to brokerage and other trading costs. Since the value of ETF shares depends on the demand in the market, we may not be able to liquidate the holdings at the most optimal time, adversely affecting performance. Closed end funds, which are not publicly offered provide only limited liquidity to investors. Closed-end funds generally are not required to buy their shares back from investors upon request. In addition, they are allowed to hold a greater percentage of illiquid securities in their investment portfolios than mutual funds.

- **Interval Fund Risks**—Interval funds are classified as closed-end funds, but they have some distinctive features that make them different. Interval funds continuously or periodically offer their shares at a price based on the fund’s net asset value. But most of them do not trade on a national securities exchange and instead buy back or “repurchase” shares directly from investors. Repurchases are offered periodically (often quarterly), which means investors are provided with limited liquidity. Accordingly, investments in interval funds can expose investors to liquidity risk, and that risk is greater in funds that invest in securities of companies with smaller market capitalizations, derivatives, or securities with substantial market and/or credit risk. There is no guarantee that investors will be able to sell their shares at any given time or in the desired amount. Interval funds may offer to repurchase as low as 5% of shares in a given quarter. If in a time of market stress, a lot of investors attempt to exit their positions, the fund manager may only be able to accommodate this slowly over multiple quarters. Because of this it’s best to consider investments in interval funds to be illiquid.
- **Exchange Traded Notes**—An account, depending on the strategy, may invest in ETNs. ETNs are a type of senior, unsecured, unsubordinated debt security issued by financial institutions that combine aspects of both bonds and ETFs. An ETN’s returns are based on the performance of a market index minus fees and expenses. Similar to ETFs, ETNs are listed on an exchange and traded in the secondary market. However, unlike an ETF, an ETN can be held until the ETN’s maturity, at which time the issuer will pay a return linked to the performance of the market index to which the ETN is linked minus certain fees. Like other index-tracking instruments, ETNs are subject to the risk that the value of the index may decline, at times sharply and unpredictably. In addition, ETNs—which are debt instruments—are subject to risk of default by the issuer. ETNs are subject to both market risk and the risk of default by the issuer. ETNs are also subject to the risk that a liquid secondary market for any particular ETN might not be established or maintained.
- **REITs and Real Estate Risk**—The value of an account’s investment in real estate investment trusts (“REITs”) may change in response to changes in the real estate market. A strategy’s investments in REITs may subject it to the following additional risks: declines in the value of real estate, changes in interest rates, lack of available mortgage funds or other limits on obtaining capital and financing, overbuilding, extended vacancies of properties, increases in property taxes and operating expenses, changes in zoning laws and regulations, casualty or condemnation losses, and tax consequences of the failure of a REIT to comply with tax law requirements. An account will bear a proportionate share of the REIT’s ongoing operating fees and expenses, which may include management, operating and administrative expenses.

- International Investing Risk–International investing, especially in emerging markets, involves special risks, such as currency exchange and price fluctuations, as well as political and economic risks.
- Emerging Markets Risk–The risks associated with foreign investments are heightened when investing in emerging markets. The governments and economies of emerging market countries may show greater instability than those of more developed countries. Such investments tend to fluctuate in price more widely and to be less liquid than other foreign investments.
- Liquidity Risk–Liquidity is the ability to readily convert an investment into cash. The less liquid an asset is, the greater the risk that, if circumstances require an investor to sell the asset quickly, it will be sold at a price below fair value. Generally, an asset is more liquid if it represents a standardized product or security and there are many traders interested in making a market in that product or security. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Collateralized Debt Obligations, Collateralized Loan Obligations–We may invest Client accounts in collateralized debt obligations (“CDO”), collateralized loan obligations (“CLO”) and other related instruments. The portfolio may consist of CLO equity, multi-sector CDO equity, trust preferred CDO equity and CLO mezzanine debt. Such securities are subject to credit, liquidity and interest rate risks. The equity and other tranches purchased by a Client may be unrated or non-investment grade, which means that a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the related issuer or obligor to make payments of principal or interest. Such investments may be speculative. In addition, as a holder of equity, there are limited remedies available upon the default of the CLO or CDO.
- Structured Notes–We may invest Clients’ accounts in structured notes. These are complex instruments consisting of a bond component and an imbedded derivative. Structured notes that provide for the repayment of principal at maturity are subject to the credit risk of the issuing financial institution. Structured notes that do not offer this protection may cause a Client to lose some, or all, of its principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, or market volatility. After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity. A Client’s ability to trade or sell structured notes in a secondary market is often very limited and Clients should, therefore, be prepared to hold a structured note to its maturity date, or risk selling the note at a discount to its value at the time of sale. Structured notes may have complicated payoff structures that can make it difficult for Clients to accurately assess their value, risk and potential for growth through the term of the structured note. Determining the performance of each note can be complex and this calculation can vary significantly from note to note depending on the structure. Notes can be structured in a wide variety of ways. Structured notes expose investors to credit risk: if the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes. If a structured note has a “call provision” and the

issuer “calls” the structured note, investors may not be able to reinvest their money at the same rate of return provided by the structured note that the issuer redeemed.

- Master Limited Partnerships (“MLPs”)–MLP investing includes risks such as equity and commodity-like volatility. Also, distribution payouts sometimes include the return of principal and, in these instances, references to these payouts as “dividends” or “yields” may be inaccurate and may overstate the profitability/success of the MLP. Additionally, there are potentially complex and adverse tax consequences associated with investing in MLPs. This is largely dependent on how the MLPs are structured and the vehicle used to invest in the MLPs.
- Alternative Investment Risk–Alternative investments encompass a broad array of strategies, each with its own unique return and risk characteristics that must be considered on a case-specific basis.
- Insurance Linked Securities–Investments in insurance linked securities (“ILS”) are subject to various types of risk: The primary risk relates to reinsurance triggering events, for example: (i) natural catastrophes, such as hurricanes, tornados, or earthquakes of a particular size/magnitude in a designated geographic area; or (ii) non-natural events, such as large commercial accidents (e.g., marine or aviation). Such events, if they occur at unanticipated frequencies or severities, could result in reduced investment returns for ILS investors and even the loss of principal. There is no way to predict with complete accuracy whether a triggering event will occur, and because of this significant uncertainty, ILS carry high degree of risk. Valuation risk is the risk that the ILS is priced incorrectly due to factors such as incomplete data, market instability, model & human error. In addition, pricing of ILS is subject to the added uncertainty caused by the inability to generally predict whether, when or where a natural disaster or other triggering event will occur.
- Managed Futures–Managed futures strategies typically utilize derivatives, such as futures, options, structured notes, and swap agreements, which provide exposure to the price movements of a commodity (i.e., oil, grain, livestock) or a financial instrument (i.e., currency, index). The use of derivatives can be highly volatile, illiquid and difficult to manage. Derivatives involve greater risks than the underlying obligations because in addition to general market risks, they are subject to illiquidity risk, counterparty risk, credit risk, pricing risk and leveraging risk. A highly liquid secondary market may not exist for certain derivatives utilized by this strategy, and there can be no assurances that one will develop.
- Digital Assets–We may invest Client accounts in virtual currencies, crypto-currencies, and digital coins and tokens (“Digital Assets”). The investment characteristics of Digital Assets generally differ from those of traditional currencies, commodities, or securities. Importantly, Digital Assets are not backed by a central bank or a national, supra-national or quasi-national organization, any hard assets, human capital, or other form of credit. Rather, Digital Assets are market-based: a Digital Asset’s value is determined by (and fluctuates often, according to) supply and demand factors, the number of merchants that accept it, and/or the value that various market participants place on it through their mutual agreement, barter or transactions.

- **Price Volatility of Digital Assets**—A principal risk in trading Digital Assets is the rapid fluctuation of market price. High price volatility undermines Digital Assets’ role as a medium of exchange as consumers or retailers are much less likely to accept them as a form of payment. The value of Client portfolios relates in part to the value of the Digital Assets held in the Client portfolio and fluctuations in the price of Digital Assets could adversely affect the value of a Client’s portfolio. There is no guarantee that a Client will be able to achieve a better than average market price for Digital Assets or will purchase Digital Assets at the most favorable price available. The price of Digital Assets achieved by a Client may be affected generally by a wide variety of complex and difficult to predict factors such as Digital Asset supply and demand; rewards and transaction fees for the recording of transactions on the blockchain; availability and access to Digital Asset service providers (such as payment processors), exchanges, miners or other Digital Asset users and market participants; perceived or actual Digital Asset network or Digital Asset security vulnerability; inflation levels; fiscal policy; interest rates; and political, natural and economic events.
- **Digital Asset Service Providers**—Several companies and financial institutions provide services related to the buying, selling, payment processing and storing of virtual currency (i.e., banks, accountants, exchanges, digital wallet providers, and payment processors). However, there is no assurance that the virtual currency market, or the service providers necessary to accommodate it, will continue to support Digital Assets, continue in existence or grow. Further, there is no assurance that the availability of and access to virtual currency service providers will not be negatively affected by government regulation or supply and demand of Digital Assets. Accordingly, companies or financial institutions that currently support virtual currency may not do so in the future.
- **Custody of Digital Assets**—Under the Advisers Act, SEC registered investment advisers are required to hold securities with “qualified custodians,” among other requirements. Certain Digital Assets may be deemed to be securities. Currently, many of the companies providing Digital Assets custodial services fall outside of the SEC’s definition of “qualified custodian”, and many long-standing, prominent qualified custodians do not provide custodial services for Digital Assets or otherwise provide such services only with respect to a limited number of actively traded Digital Assets. Accordingly, Clients may use non-qualified custodians to hold all or a portion of their Digital Assets.
- **Government Oversight of Digital Assets**—The regulatory schemes—both foreign and domestic—possibly affecting Digital Assets or a Digital Asset network may not be fully developed and subject to change. It is possible that any jurisdiction may, in the near or distant future, adopt laws, regulations, policies or rules directly or indirectly affecting a Digital Asset network, generally, or restricting the right to acquire, own, hold, sell, convert, trade, or use Digital Assets, or to exchange Digital Assets for either fiat currency or other virtual currency. It is also possible that government authorities may take direct, or indirect investigative or prosecutorial action related to, among other things, the use, ownership or transfer of Digital Assets, resulting in a change to its value or to the development of a Digital Asset network.

- Management Risk—Investments also vary with the success and failure of the investment strategies, research, analysis, and determination of portfolio securities. If our strategies do not produce the expected returns, the value of your investments will decrease.
- Risk of Loss—Investing in securities involves risk of loss that Clients should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met.
- Non-Diversification Risk—If a strategy is “non-diversified,” its investments are not required to meet certain diversification requirements under federal law. A “non-diversified” strategy is permitted to invest a greater percentage of its assets in the securities of a single issuer than a diversified strategy. Thus, the strategy may have fewer holdings than other strategies. As a result, a decline in the value of those investments would cause the strategy’s overall value to decline to a greater degree than if the strategy held a more diversified portfolio.
- Risk Related to Funds Not Registered—Client may invest in funds that are not registered as investment companies under the Investment Firm Act and, therefore, the Client will not have the benefit of various protections afforded by the Investment Firm Act with respect to its investment in underlying funds. In addition, some underlying fund managers will not be registered as investment advisers under the Advisers Act in reliance on certain exceptions from registration under that Act. In such cases, underlying fund managers will not be subject to various disclosure requirements that would apply to registered advisers. As an investor in the underlying funds managed by fund managers that are not registered as investment advisers, the Client will not have the benefit of certain protections of the Advisers Act.
- Technology and Cybersecurity—The Firm’s information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornados, floods, hurricanes, and earthquakes. Although the Firm has implemented various measures to protect the confidentiality of its internal data and to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time, or cease to function properly, the Firm will likely have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Firm’s operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to Clients. Such a failure could harm the Firm’s reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. The Firm will seek to notify affected Clients of any known cybersecurity incident that will likely pose substantial risk of exposing confidential personal data about such Clients to unintended parties.
- Repurchase Agreements—A Client may enter into repurchase agreements, where a party agrees to sell a security to the Client and agrees to repurchase the security at an agreed-upon price at a stated time. A repurchase agreement is like a loan by the Client to the other party that creates a fixed return for the Client. All repurchase agreements are collateralized with

underlying securities. A Client could incur a loss on a repurchase transaction if the other party defaults, the value of the underlying collateral declines or the Client's ability to sell the collateral is restricted or delayed.

- **Reverse Repurchase Agreements**—A Client may enter into reverse repurchase agreements, where a Client sells a security to a party for a specified price, with the simultaneous agreement by the Client to repurchase that security from that party on a future date at an agreed upon price. Similar to borrowing, reverse repurchase agreements provide a Client with cash for investment purposes, which creates leverage and subjects the Client to the risks of leverage. Reverse repurchase agreements also involve the risk that the other party may fail to return the securities in a timely manner or at all. A Client could lose money if it is unable to recover the securities and the value of collateral held by the Client, including the value of the investments made with cash collateral, is less than the value of securities.
- **Other Risks, Information and Sources of Information**—Client accounts are also subject to investment style risk. A Client account invested in one of our investment strategies involves the risk that the investment strategy may underperform other investment strategies or the overall market. The Firm does not offer any products or services that guarantee rates of return on investments for any time period to any Client. All Clients assume the risk that investment returns may be negative or below the rates of return of other investment advisers, market indices or investment products.
- **Regulation Risk**—Regulation and laws affecting the firm change from time to time. The firm cannot predict the effects, if any, of future regulatory and legal changes on our business or the services provided.
- **Inflation Risk**—Security prices and portfolio returns will vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a Client's future interest payments and principal. Inflation also generally leads to higher interest rates, which may cause the value of many types of security investments to decline.
- **Interest Rate Risks**—The prices of and the income generated by most debt and equity securities will most likely be affected by changes in interest rates and by changes to the effective maturities and credit ratings of these securities. In addition, falling interest rates may cause an issuer to redeem or refinance a security before its stated maturity date, which would typically result in having to reinvest the proceeds in lower-yielding securities.
- **Credit Risk**—Debt securities are credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default.
- **Risks Related to Conflicts of Interest**—Various conflicts of interest are discussed throughout this document. Please review this information carefully and contact us if you have any questions.
- **Data Sources Risks**—The Firm uses external software applications to analyze performance attribution and to assist in investment decision making or investment research. As a result,

if information that the Firm receives from a third-party data source is incorrect, the Firm may not achieve the desired results. Although the Firm has found the third-party data sources to be generally reliable, the Firm typically receives these services “as is” and cannot guarantee that the data received from these sources is accurate.

Allocations to third-party managers and investors in third-party investment funds (including registered funds and private funds) are subject to the following additional risks:

- **Third-Party Aggressive Investment Technique Risk**—Managers and investment funds may use investment techniques and financial instruments that may be considered aggressive, including but not limited to investments in derivatives, such as futures contracts, options on futures contracts, securities and indices, forward contracts, swap agreements and similar instruments. Such techniques may also include taking short positions or using other techniques that are intended to provide inverse exposure to a particular market or other asset class, as well as leverage, which can expose a Client’s account to potentially dramatic changes (losses or gains). These techniques may expose a Client to potentially dramatic changes (losses) in the value of its allocation to the manager and/or investment fund.
- **Liquidity and Transferability**—Certain investment funds – for example, private funds and interval funds -- offer their investors only limited liquidity and interests are generally not freely transferable. In addition to other liquidity restrictions, investments investment funds may offer liquidity at infrequent times (i.e., monthly, quarterly, annually, or less frequently). Accordingly, investors in investment funds should understand that they may not be able to liquidate their investment in the event of an emergency or for any other reason.
- **Possibility of Fraud and Other Misconduct**—When Client assets are allocated to a manager or investment funds, the Firm does not have custody of the assets. Therefore, there is the risk that the manager or investment fund or its custodian could divert or abscond with those assets, fail to follow agreed upon investment strategies, provide false reports of operations, or engage in other misconduct. Moreover, there can be no assurances that all managers and investment funds will be operated in accordance with all applicable laws and that assets entrusted to the manager or investment funds will be protected.
- **Counterparty Risk**—The institutions (such as banks) and prime brokers with which a manager or investment fund does business, or to which securities have been entrusted for custodial purposes, could encounter financial difficulties. This could impair the operational capabilities or the capital position of a manager or create unanticipated trading risks.

The summary above is qualified in its entirety by the risk factors set forth in the applicable offering materials for the applicable product.

We do not and will not accept proxy voting authority to vote Client securities. Clients will receive proxies directly from their custodian or transfer agent.

Item 7-Client Information Provided to Portfolio Managers

All information disclosed through the IPS, and the Agreement is shared with and communicated to the APM. This includes the name, address, telephone number and other personal information,

all financial information pertaining to the Client as disclosed in the IPS, tax information such as tax brackets and past and futures taxes to be paid; employment history, financial goals and objectives, experience with investments, and risk profile. To the extent a Client wants to change or update any information on the IPS or the Client profile, Baystate Wealth has a policy that such amendments, changes or updates must be in writing and signed by the Client. Accordingly, the APM should be updated on all pertinent Client information at all times.

Item 8-Client Contact with Portfolio Managers

There are no restrictions on contacting APMs. Clients are provided the name, address, telephone number and email address of the APM.

Item 9-Additional Information

ADV Part 2A, Item 9, 10, 11, 13, 14 and 18

Disciplinary Information

The Firm is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Firm, or the integrity of our management. The Firm reviews advisory personnel records on a periodic basis to ensure that no disciplinary events have been reported. The Firm has no legal or disciplinary events in response to this item. The Firm maintains ADV Part 2B for its advisors, which are provided to each Client, and detail each individual team member's professional credentialing, and other pertinent information about the advisor.

This is not applicable to us as we have no reportable material legal or disciplinary events.

Other Financial 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 Firm, Mariner, or to Mariner's parent Firm, 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 advisors who recommend Client investments. Further, the affiliated services, products and private funds are recommended to Clients by 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), an SEC registered investment adviser.
- Mariner Platform Solutions, LLC (“MPS”) (CRD No. 305418), an SEC registered investment adviser.
- Mariner Independent Advisor Network, LLC (“MIAN”) (CRD No. 283824), a SEC registered investment adviser.
- Mariner Wealth Advisors-PR, LLC (CRD No. 329377), an 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 Firm, 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.
- 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 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 Firm 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.
- Dynasty Wealth Management, LLC (CRD: 153377), a SEC registered investment adviser.
- Alpine Fox Capital, LLC (CRD No. 324348), an exempt reporting 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 Firm

We are under common control with and in certain situations refer Clients to utilize the trust services provided by Mariner Trust Firm, LLC. Mariner Trust Firm, LLC, is a state-chartered public trust Firm 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 Firm, 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 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 associates 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, associates of these companies are able to access Financial Wellness Coaching provided by our 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.

Specialty Tax Services

We are under common control with Mariner Specialty Tax Services, LLC, which provides specialty tax services to certain clients. In addition to the indirect financial incentive to refer clients due to common ownership, certain investment adviser representatives of the Firm may receive a portion of the fee paid to Mariner Specialty Tax Services, LLC.

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 Firm 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 Firm 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.

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.

Overview of Code of Ethics 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 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:

- Direct obligations of the Government of the United States
- 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)
- Shares issued by money market funds
- Shares issued by open-end mutual funds (other than exchange traded funds)
- 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.

Participation or Interest in Client Transactions

If we determine that it is appropriate based on the Client's investment objectives and investor status, we recommend to Clients, or buy or sell for Client accounts, securities in which our related persons have a financial interest. This includes, but is not limited to, instances in which the Firm or an affiliate acts as the general partner in a partnership or a managing member of a limited liability Firm in which we recommend Client(s) invest. This also includes products and services offered by other financial entities in which Mariner or 1248 have ownership interest. These types of transactions present a conflict of interest in that the Firm has an indirect financial incentive as revenues earned by the related person ultimately flow to Mariner and 1248. See Item 10 for additional disclosure regarding this conflict, including the policies and procedures the Firm has implemented in order to address the conflict.

To address these potential conflicts and protect and promote the interests of Clients, we employ the following policies and procedures:

- If we enter into a transaction on behalf of our Clients that presents either a material or nonmaterial conflict of interest, the conflict should be prominently disclosed to the Client prior to the consummation of such transaction.
- Associates must comply with our policy on the handling and use of material inside information. Associates are reminded that they may not purchase or sell, or recommend the purchase or sale, of a security for any account while they are in possession of material inside information. In addition, associates may not disclose confidential information except to other associates who "need to know" that information to carry out their duties to Clients.
- Associates must report securities transactions required by the Code of Ethics.

In instances in which Client trades are aggregated with employee accounts, the Firm will seek to ensure that:

- Trades for Clients are treated equally with those for employee-related accounts;
- Each participant in the trade will receive the average execution price and commissions; and
- Securities will be allocated in a fair and equitable manner pursuant to our Firm's policies and procedures.

In addition, we have adopted trading practices designed to address potential conflicts of interest inherent in proprietary and Client discretionary trading. There can be no assurance, however, that all conflicts have been addressed in all situations. Further, during periods of unusual market conditions, the Firm may deviate from its normal trade allocation practices.

From time to time, certain Clients of the Firm may invest in private investments or limited investment opportunities. The allocation of these investments across Client portfolios is generally not executed on a pro rata basis as a number of factors will determine whether the private or limited offering is appropriate or suitable for a Client. Accordingly, such opportunities may be allocated based on another approach, including random selection, selection based on account size or another methodology. Factors which may impact the allocation include, but are not limited to account size, liquidity, investor qualification and risk tolerance. We note that private investments or limited

investment opportunities may not be appropriate for smaller accounts, depending on factors such as minimum investment size, account size, risk, and diversification requirements, and accordingly may not be allocated such investments.

From time to time, where permitted by applicable law, the Firm will effect cross trades in fixed income instruments between Client accounts. If a designated member of the Firm's Investment Team (referred to as a "Designated Trader") requests that a cross trade be executed, the Compliance Team must be provided with sufficient detail to assess the request including but not limited to the name of participating Clients, position sizes and securities, rationale for the trade, description of the benefit for each Client and independent bid/ask prices obtained with respect to the transaction. The Firm does not generally engage in any principal or agency cross-securities transactions for Client accounts. Any exceptions to the general prohibition against principal or agency trades must be approved in advance by a member of the Compliance Team. Principal transactions occur when an investment adviser, or an advisory affiliate of the adviser, acting for its own account, sells any security to or purchases a security from a Client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another Client account. If the Firm should at any time determine that a principal trade is in a Client's best interest, then prior to the settlement of any such principal transaction, the Compliance Team is responsible for obtaining any affected Client's informed written consent to the transaction. An agency cross transaction is generally defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory Client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. The Firm does not generally engage in cross-securities transactions for qualified Client accounts.

Review of Accounts

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.

Quarterly performance reports are made available to Clients by Baystate Wealth. In addition, the IAR and/or officers of the Firm typically meet with the Client at least annually to review the accounts.

Client Referrals and Other Compensation

To the extent we enter into a referral agreement whereby we pay a referral fee to Promoters/Introducers, we will do so in accordance with the requirements of Rule 206(4)-1 of the Advisers Act and any corresponding state securities law requirements. All such referral fees shall

be paid solely from our advisory fee. Promoters receive additional compensation, such as incentive trips and gratis attendance at conferences, including payment for meals, activities, airfare and accommodations. For Clients who are introduced to us by an unaffiliated Promoter, the Client will be given, prior to or at the time of entering into any advisory contract with the Client, a copy of the Promoter's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated Promoter of ours, or a Promoter in which an affiliate holds a direct or indirect ownership interest, shall disclose the nature of his/her relationship to prospective Clients at the time of the solicitation.

We also receive payment for referring Clients to a related party, in accordance with the requirements of Rule 206(4)-1 of the Advisers Act and any corresponding state securities law requirements.

We receive Client referrals from our affiliates for which we pay a referral fee. We refer Clients to our affiliates for which we receive a referral fee. The compensation has generally included a recurring payment of a percentage of the Client's annual advisory fee.

From time to time, we receive indirect compensation from service providers or third-party vendors in the form of gifts, entertainment and/or gratis attendance at industry conferences, meetings, and other educational events. When received, these occasions are evaluated to ensure they are reasonable in value and customary in nature to ensure their occurrence does not present any conflicts of interest.

Baystate Wealth's Clients do not pay more for investment transactions effected and/or assets maintained at the custodian(s) (or any other institution) as a result of this arrangement. There is no corresponding commitment made by Baystate Wealth to the custodian, 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.

Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to Clients and have not been the subject of a bankruptcy proceeding.