



## **Wrap Fee Program Brochure**

**March 2025**

BridgePort Financial Solutions, LLC: 2700 N Central Ave, Suite 1200, Phoenix, AZ 85004: 877-411-2737 [www.BridgePort.Financial](http://www.BridgePort.Financial)

This wrap fee brochure provides information about the qualifications and business practices of BridgePort Financial Solutions, LLC. If you have any questions about the contents of this brochure, please contact us at 877-411-2737. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about BridgePort Financial Solutions, LLC is also available on the internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search for information by using our name, BridgePort Financial Solutions, LLC, or our CRD number, which is 325485.

## Item 2: Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) published ‘Amendments to Form ADV’ which amends the disclosure document that we provide to clients as required by SEC rules. The amendment requires BridgePort Financial Solutions, LLC. (“BridgePort”) to provide a summary of material changes to you, our client, within 120 days of our year end, which is December 31. This document includes the material changes that were made to the BridgePort Wrap Brochure since the last annual filing. You may obtain a copy of our most current Disclosure Brochure at any time by contacting us at 877-411-2737 or by accessing our website at [www.BridgePort.Financial](http://www.BridgePort.Financial).

The principal office location for BridgePort Financial Solutions was changed from 1776 Pleasant Plain Road, Fairfield, IA 52556 to 2700 N Central Ave, Suite 1200, Phoenix, AZ 85004 which was previously an additional office location. Fairfield will continue to be an additional office location, and both locations conduct back-office functions only and no sales functions.

### Compensation Related to Investment Management

For clients that choose to have their account value combined with the account value of another client, (householding), for the purpose of receiving a lower fee via the Breakpoint Billing Structure, there can be certain instances where their account numbers and account values will be viewable to each party in the household. This can occur for multiple reasons, including but not limited to, when you choose to receive an invoice and to pay via check or when your Advisor sends a billing notification. Fees charged when householding accounts will be less than fees charged when accounts are billed individually.

When participating in the BridgePort Wrap Program through BridgePort Managed Portfolios you will pay an advisory fee and administration fee. When participating in the BridgePort Wrap Program through or the Third-party Strategists Program through Orion Communities you will pay an advisory fee, an administration fee, and applicable strategist fees based on the strategist portfolio selected. The total of these fees will not exceed 3 percent as an annualized fee.

The advisory fee schedule is negotiable and may not exceed 2 percent as an annualized fee and may be discounted at specific breakpoints.

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## Item 4: Services, Fees and Compensation

BridgePort Financial Solutions, LLC (also referred to as “BridgePort”, us, we, our and “Adviser” throughout this Disclosure Brochure) is a corporation formed under the laws of the State of Iowa. BridgePort is majority owned and controlled by Cambridge Investment Group, Inc., (“Cambridge”) which in turn is majority owned by the Schwartz Family Trust.

Individuals licensed or approved as Investment Advisor Representatives (referred to as “Advisors” throughout this document) with BridgePort will provide investment advisory services. These individuals are appropriately licensed when required, qualified, and authorized to provide advisory services on behalf of BridgePort. BridgePort registered as an Investment Adviser in 2023. Advisors are either employees or independent contractors of BridgePort. We also make tax preparation services available through our wholly owned subsidiary BridgePort Tax.

Some advisors and BridgePort branch offices may use marketing names or other names that are held out to the public. Such names are known as “doing business as” names. The purpose of using a name other than BridgePort is for the Advisor to create a brand that is specific to the Advisor and/or branch but separate from BridgePort. In those instances where BridgePort has allowed the use of a marketing name by its Advisors, the Advisor must disclose on advertising and client correspondence that advisory services are offered through BridgePort.

Below are descriptions of the primary services that Advisors provide through BridgePort. A description of each service available through BridgePort is provided in the corresponding sections of this brochure so that you can review the services and description of fees in a side-by-side manner.

For all investment management options described below, account recommendations are ultimately determined based upon your risk tolerance, financial situation, investment time horizon, income and liquidity needs and stated investment objectives. While BridgePort does not set a specific timeframe for review, it does encourage Advisors to contact clients at least annually, or at your (the client’s) request, to discuss your investment portfolio and to update your financial information should any changes have occurred. It is necessary for you to inform your Advisor promptly with respect to any changes in your financial situation or investment goals and objectives. Failure to notify BridgePort of any such changes could result in investment recommendations not meeting your needs.

Within the BridgePort Wrap Program, we offer BridgePort Managed Portfolios and a Third-Party Strategist Program, both of which are offered on a discretionary basis only. Accounts are cleared and custodied at one of our approved custodians, which includes Pershing Advisor Solutions (PAS), Schwab Advisor Services (“Schwab”), Fidelity Brokerage Services LLC (“FBS”) on their Fidelity Institutional Wealth Services (“FIWS”) platform and others that may be added as appropriate. The decision to use PAS, Schwab, or FIWS is made in conjunction with your advisor.

### **BridgePort Managed Portfolios**

BridgePort Managed Portfolios (Managed Portfolios) are custom designed portfolios based on a predetermined asset allocation model constructed and overseen by BridgePort's Investment Committee (“Investment

Committee”) along with individual securities that may be recommended by the financial advisor to supplement the selected strategy. BridgePort has discretionary authority over the accounts managed under the Managed Portfolios program. The Investment Committee determines the asset allocation, the securities to be bought or sold, the amount of securities to be bought or sold and the timing of the purchases and sales of the securities.

BridgePort currently offers a variety of Managed Portfolios through its wrap program, some of which are broad, internally diversified Managed Portfolios, while others target a specific industry or market, or a combination of target industry and/or market exposures. The Managed Portfolios primarily use mutual funds and exchange traded funds (ETFs) to achieve various mixes of domestic equities, international equities, fixed income, real asset alternatives and hedging strategies.

Although BridgePort has full discretion over all assets managed under the Managed Portfolios Program, it is not uncommon for accounts to have few trades between rebalancing. Clients should consider this in deciding whether Managed Portfolios is an appropriate choice for them, because (i) brokerage is included within the cost of the Program and (ii) clients pay the same wrap fee regardless of the number of transactions. If there are few trades made in a client’s account, then a wrap fee program such as the Managed Portfolios would not be a more cost-effective option for the Client as compared to non-wrap programs (although BridgePort does not offer these Managed Portfolios as a non-wrap option). If you have any questions, please speak with your Advisor.

Advisors work with clients to develop an allocation strategy best suited to the Client's financial needs and circumstances. Advisors often recommend multiple Managed Portfolios to achieve the Client's goals. Each Managed Portfolio is allocated similarly, but not necessarily identically, for all Clients whose accounts are managed in accordance with that portfolio and rebalancing is done, as necessary, to drive each account to desired weightings, as the portfolio may deviate from the target over time.

A Client will have an account for the securities underlying each Managed Portfolio, but many clients have multiple accounts, each of which is allocated in accordance with a different Managed Portfolio to achieve their recommended allocations. Occasionally, a client requests a non-managed securities position to be maintained in a Managed Portfolios account. This includes, but is not limited to, tax loss harvesting strategies where certain depreciated investments can be sold in an effort to realize a tax loss to offset capital gains.

### **Third-party Strategists Program through Orion Communities**

BridgePort Advisors have the ability to access certain third-party Managers/Strategists (“Strategists”) through Orion Communities, which is a ‘marketplace’ of investment Strategists that you and your Advisor will have the ability to choose from. Through Orion Communities, we are able to analyze and subscribe to various Strategists’ model portfolios to be utilized in our client accounts. We do not subscribe to all Strategists available through Orion Communities but make available the strategists we feel enhance the BridgePort Wrap Program. We reserve the right to add and remove Strategists as our Investment Committee deems appropriate. Advisors work with clients to identify an asset management strategy best suited to the Client's financial needs and circumstances. Advisors may recommend multiple Strategist models to achieve the Client's goals or recommend individual securities as necessary to supplement the selected strategy.

Once we assign a Strategist’s model to a client’s account, we will receive an initial model allocation and will determine the trades to place in our client’s account. As Strategist model managers update their allocation, we will receive model allocation changes for any model to which we have subscribed and will implement the

changes and trade our client account to the new model allocations. The third-party Strategist model manager does not have discretion or the ability to trade our client's account. We retain discretion to select and change the model for our client's account and the securities to be traded in the account.

The Strategists available charge a range of Strategist fees that will be billed to your accounts. These fees are outlined in the Strategist Fee Schedule later in this brochure. For further information on a Strategist please discuss with your advisor or review the Strategist's ADV Part 2A. Trading will occur in the account you establish with the custodian.

### **IRA Rollover Considerations**

BridgePort provides, as part of its investment advisory services, recommendations for clients to withdraw the assets from an employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that BridgePort will manage on the client's behalf. If a client elects to roll the assets to an IRA that is subject to BridgePort's management, BridgePort will charge an asset-based fee as set forth in the agreement between the client and BridgePort. This practice presents a conflict of interest because persons providing investment advice on BridgePort's behalf have an incentive to recommend a rollover to a client for the purpose of generating fee-based compensation rather than solely based on the client's needs. Clients are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if the client decides to complete the rollover, that client is under no obligation to have the assets in an IRA managed by BridgePort.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, clients should consider the costs and benefits of each option. An employee will typically have four options, with each having advantages and disadvantages. Before making a change, BridgePort encourages clients to understand the trade-offs of each.

1. Leaving the funds in the employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

### **Compensation Related to Investment Management**

This section describes the fees BridgePort charges for its investment management services. Fees are charged monthly in advance and are calculated based on the market value of the account(s) on the last day of the previous month. You will be notified in writing of any change to the fee structure. Unless otherwise directed by you, BridgePort deducts the fees directly from the account. You may choose to have the fees deducted from a different BridgePort account provided the alternate account is a non-qualified account.

Advisory fees are generally based on a percentage of assets under management and may vary by investment program. As such, Advisors will earn more compensation as the amount of assets managed increases. This creates a conflict to recommend investment advisory programs that generate higher fees. BridgePort mitigates this conflict by monitoring to ensure that Advisors are making investment decisions that are consistent with the client's stated objectives and strategies. Bridgeport also maintains policies to ensure the account is appropriate for the applicable advisory program or service and consistent with our fiduciary duty to the client. You may pay

us more or less than you might otherwise pay if the same services were purchased through another financial institution.

For clients that choose to have their account value combined with the account value of another client, (householding), for the purpose of receiving a lower fee via the Breakpoint Billing Structure, there can be certain instances where their account numbers and account values will be viewable to each party in the household. This can occur for multiple reasons, including but not limited to, when you choose to receive an invoice and to pay via check or when your Advisor sends a billing notification. Fees charged when householding accounts will be less than fees charged when accounts are billed individually.

When participating in the BridgePort Wrap Program through BridgePort Managed Portfolios you will pay an advisory fee and administration fee. When participating in the BridgePort Wrap Program through the Third-party Strategists Program, you will pay an advisory fee, an administration fee, and applicable strategist fees based on the strategist portfolio selected. The total of these fees will not exceed 3 percent as an annualized fee.

The advisory fee is an annual fee whose amount varies based on a client's assets under management at BridgePort. The advisory fee schedule is negotiable and may not exceed 2 percent as an annualized fee and may be discounted at specific breakpoints.

| <b>Advisory Fee Example</b>           |                            |
|---------------------------------------|----------------------------|
| <b>Client Assets Under Management</b> | <b>Annual Advisory Fee</b> |
| \$0 – \$2 million                     | 1.25%                      |
| \$2 million – \$5 million             | 1.00%                      |
| \$5 million - \$10 million            | 0.8%                       |
| \$10 million +                        | Negotiable                 |

The fee schedule looks to the client's AUM level and the corresponding annual fee is charged to the entire AUM amount. For example, if a client's AUM is \$3 million, the total advisory fee applicable to the account is 1%. This is distinct from a tiered fee schedule and results in the client receiving a lower annual fee the greater the AUM. The advisory fee will either be shared between BridgePort and your advisor or retained by BridgePort. If retained by BridgePort, then BridgePort will pay a salary to the advisor with the opportunity for the advisor to earn a bonus based on AUM levels and/or fees generated. The amount of your advisory fee can either increase or decrease as the value of your investment AUM rises and falls.

Clients will also pay an account administration fee which is an inclusive fee, or wrap fee, that covers the costs of trading and execution, reporting, custody, technology provided by BridgePort and custodians. BridgePort retains the administration fee, which is billed at the same time of the advisory fee and charged as follows:

| <b>Administration Fee</b>             |                                  |
|---------------------------------------|----------------------------------|
| <b>Client Assets Under Management</b> | <b>Annual Administration Fee</b> |
| \$0 – \$250,000                       | 0.18%                            |
| \$250,001 – \$500,000                 | 0.16%                            |
| \$500,001 - \$1,000,000               | 0.14%                            |
| \$1,000,001 - \$3,000,000             | 0.12%                            |
| \$3,000,001 +                         | 0.10%                            |

The minimum account administration fee will be \$125 annually per account. The fee schedule looks to the client's AUM level and the corresponding administration fee is charged to the entire AUM amount. For example, if a client's Managed Portfolios AUM is \$2 million, the total administration fee applicable to the account is 0.12%. The amount of your administration fee can either increase or decrease as the value of your investment AUM rises and falls. For example, if your Managed Portfolios portfolio AUM is \$1,020,000 at inception, your administration fee will be 0.12%. If the value of the portfolio AUM subsequently decreases to \$980,000, the administration fee will increase to 0.14%.

The administration fee is separate from and does not include miscellaneous or ancillary fees or charges by the Custodian for services not included under the administration fee such as, but not limited to, wiring fees, dealer mark-ups, electronic fund and wire transfers, and exchange fees. Investment advisory and administration fees charged by BridgePort are separate and distinct from the fees and expenses charged by investment company securities that are recommended to you. A description of these fees and expenses is available in each investment company's security prospectus. While not an exhaustive list, an example of these fees and expenses are mutual fund sales loads and surrender charges, variable annuity fees and surrender charges and IRA and qualified retirement plan fees.

### **Third-party Strategists Fees Program through Orion Communities**

Clients invested in the Third-Party Strategists Program through Orion Communities will also incur a strategist fee in an amount established by the strategist. BridgePort does not receive any part of this fee. The amount of the strategist fee will be disclosed in the strategy election form that accompanies the advisory agreement. A strategist can, in their sole discretion, change the amount of the strategist fee without prior notice to you. Your advisor will discuss with you if or when a change in a strategist fee will apply to your account. Clients invested in the BridgePort Managed Portfolios program will not pay a strategist fee.



## Strategist Fee Schedule

| Investment Strategist Name | Model Portfolio Name                                    | Strategist Fee |
|----------------------------|---|----------------|
| 3EDGE Asset Management     | Total Return Strategy                                   | 0.32%          |
|                            | Conservative Strategy                                   | 0.32%          |
| American Funds             | Moderate Growth Model Portfolio                         | 0.05%          |
|                            | Growth & Income Model Portfolio                         | 0.05%          |
|                            | Growth Model Portfolio                                  | 0.05%          |
|                            | Global Growth Model Portfolio                           | 0.05%          |
| BlackRock, Inc             | 80/20 Target Allocation ESG ETF                         | 0.00%          |
|                            | Long Horizon ETF 100/0                                  | 0.00%          |
|                            | Long Horizon ETF 40/60                                  | 0.00%          |
|                            | Long Horizon ETF 60/40                                  | 0.00%          |
|                            | Long Horizon ETF 70/30                                  | 0.00%          |
|                            | Long Horizon ETF 80/20                                  | 0.00%          |
|                            | Target Allocation ESG 100                               | 0.00%          |
|                            | Target Allocation ETF 100/0                             | 0.00%          |
|                            | Target Allocation ETF 60/40                             | 0.00%          |
|                            | Target Allocation ETF 70/30                             | 0.00%          |
|                            | Target Allocation ETF 80/20                             | 0.00%          |
|                            | Target Allocation ETF 90/10                             | 0.00%          |
| Clark Capital Management   | Clark Capital Navigator MultiStrategy 75-25 - ETF       | 0.02%          |
|                            | Clark Capital Navigator MultiStrategy 50-50 - ETF       | 0.02%          |
|                            | Clark Capital Navigator MultiStrategy 25-75 - ETF       | 0.02%          |
|                            | Clark Navigator Global Risk Management Conservative     | 0.02%          |
|                            | Clark Navigator Global Risk Management Moderate         | 0.02%          |
|                            | Clark Navigator Global Risk Management Growth           | 0.02%          |
|                            | Clark Navigator Taxable Fixed Income Core               | 0.02%          |
|                            | Clark Navigator Tactical Investment Grade Bond          | 0.02%          |
| Dana Investment Advisors   | Social ESG Equity                                       | 0.40%          |
|                            | Catholic ESG Equity                                     | 0.40%          |
|                            | Small Cap Equity  | 0.40%          |
|                            | Large Cap Equity  | 0.35%          |
|                            | Concentrated Dividend Equity                            | 0.25%          |
| Fidelity Investments       | Short Multi-Sector Bond (Z) Model Portfolio             | 0.00%          |
| First Trust                | First Trust Conservative                                | 0.00%          |
|                            | First Trust Conservative Growth                         | 0.00%          |
|                            | First Trust Balanced Growth                             | 0.00%          |
|                            | First Trust Moderate Growth                             | 0.00%          |
|                            | First Trust Aggressive Growth                           | 0.00%          |
|                            | First Trust High Income                                 | 0.00%          |
|                            | First Trust Limited Duration Municipal Model            | 0.00%          |
|                            | First Trust High Income Municipal Model                 | 0.00%          |
|                            | First Trust Equity Income Model                         | 0.00%          |
|                            | First Trust Diversified Low Duration Fixed Income Model | 0.00%          |
|                            | First Trust All Equity                                  | 0.00%          |

|  |  |       |
|--|--|-------|
|  | First Trust International Equity                           | 0.00% |
|  | First Trust Alternatives                                   | 0.00% |
|  | First Trust Multi Income Asset Allocation                  | 0.00% |
|  | First Trust Core Plus Fixed Income                         | 0.00% |
|  | First Trust Domestic Equity                                | 0.00% |
|  | First Trust Defensive Equity                               | 0.00% |
|  | First Trust Top Themes                                     | 0.00% |
|  | FT Cboe Vest U.S. Equity Buffer ETF Defensive Growth Model | 0.00% |
|  | FT Cboe Vest U.S. Equity Buffer ETF Moderate Growth Model  | 0.00% |
|  | First Trust RBA U.S. Equity Model                          | 0.00% |
|  |  |       |
| <b>Genter Dividend Income</b>                            | Dividend Income SMA  | 0.30% |
| <b>Horizon Investments</b>                               | Horizon Real Spend 3 - ETF                                 | 0.02% |
|  | Horizon Real Spend 4 - ETF                                 | 0.02% |
|  | Horizon Real Spend 5 - ETF                                 | 0.02% |
|  | Horizon Real Spend 6 - ETF                                 | 0.02% |
|  | Horizon Conservation Plus - ETF                            | 0.02% |
|  | Horizon Moderate - ETF                                     | 0.02% |
|  | Horizon Moderate with Risk Assist - ETF                    | 0.02% |
|  | Horizon Growth - ETF                                       | 0.02% |
|  | Horizon Growth with Risk Assist - ETF                      | 0.02% |
|  | Horizon Real Spend 7 - ETF                                 | 0.02% |
|  | Horizon Focused - ETF                                      | 0.02% |
|  | Horizon Focused with Risk Assist - ETF                     | 0.02% |
|  |  |       |
| <b>iM Global Partner</b>                                 | Equity   | 0.12% |
|  | Conservative Balanced - ETF                                | 0.12% |
|  | Equity-tilted Balanced - ETF                               | 0.12% |
|  | Equity - ETF   | 0.12% |
| <b>Kayne Anderson Rudnick Investment Management, LLC</b> | KAR Small-Mid Cap Core                                     | 0.50% |
|  | KAR Small-Mid Cap Growth                                   | 0.50% |
|  | KAR Small-Mid Cap Quality Value                            | 0.50% |
|  | KAR Mid Cap Core   | 0.50% |
| <b>Madison Investments</b>                               | Mid Cap Equity   | 0.40% |
|  | Large Cap Equity   | 0.35% |
|  | Mosaic ETF Conservative                                    | 0.17% |
|  | Mosaic ETF Moderate  | 0.17% |
|  | Mosaic ETF Moderate Growth                                 | 0.17% |
|  | Mosaic ETF Growth  | 0.17% |
|  | Mosaic ETF Aggressive                                      | 0.17% |
| <b>Ocean Park Asset Management</b>                       | Balanced   | 0.00% |
|  | AAMA Tactical Allocation                                   | 0.00% |
|  | Diversified Municipal Bond                                 | 0.00% |
|  | Tactical Bond Strategy                                     | 0.00% |
| <b>PIMCO</b>   | Taxable Fixed Income - Capital Preservation Model          | 0.02% |
| <b>Russell Investments, Inc</b>                          | Tax Managed Growth Model Strategy                          | 0.02% |
|  | Tax Managed Equity Growth Model Strategy                   | 0.02% |

|                                      |  |       |
|--------------------------------------|--|-------|
| <b>Schwab Asset Management</b>       | Schwab Model Portfolio Core ETF 24/76          | 0.02% |
|                                      | Schwab Model Portfolio Core ETF 32/68          | 0.02% |
|                                      | Schwab Model Portfolio Core ETF 48/52          | 0.02% |
|                                      | Schwab Model Portfolio Core ETF 64/36          | 0.02% |
|                                      | Schwab Model Portfolio Core ETF 72/28          | 0.02% |
|                                      | Schwab Model Portfolio Core ETF 88/12          | 0.02% |
|                                      | Schwab Model Portfolio Core ETF 96/4           | 0.02% |
|                                      | Schwab Model Portfolio Core Enhanced ETF 24/76 | 0.02% |
|                                      | Schwab Model Portfolio Core Enhanced ETF 32/68 | 0.02% |
|                                      | Schwab Model Portfolio Core Enhanced ETF 48/52 | 0.02% |
|                                      | Schwab Model Portfolio Core Enhanced ETF 64/36 | 0.02% |
|                                      | Schwab Model Portfolio Core Enhanced ETF 72/28 | 0.02% |
|                                      | Schwab Model Portfolio Core Enhanced ETF 88/12 | 0.02% |
|                                      | Schwab Model Portfolio Core Enhanced ETF 96/4  | 0.02% |
| <b>State Street Global Advisors</b>  | Strategic - Growth 90/10 ETF                   | 0.02% |
| <b>T. Rowe Price Associates, Inc</b> | U.S. Blue Chip Growth Equity SMA               | 0.33% |
| <b>Vanguard</b>                      | CRSP 100% Equity - ETF                         | 0.02% |
|                                      | CRSP 60% Equity/40% Fixed Income - ETF         | 0.02% |
|                                      | CRSP 70% Equity/30% Fixed Income - ETF         | 0.02% |
|                                      | CRSP 80% Equity/20% Fixed Income - ETF         | 0.02% |

### Minimum Account Sizes for BridgePort Wrap Platform

The BridgePort Managed Portfolios program has a minimum account size of \$10,000 per account. The minimum account size for the Third-Party Strategists Program through Orion Communities is the greater of \$25,000 or the minimum size established by the strategist for the program in which you invest.

### Termination of Advisory Relationship

Please keep in mind that we have the right to refuse any Agreement submitted for approval. If the appropriate disclosure statement (i.e., this document or a separate written disclosure statement containing the same information as this document) is not delivered to you at least 48 hours prior to entering into a Program Agreement, you have the right to terminate services without penalty (i.e., full refund of all fees paid in advance or in the event fees are billed in arrears, no fees shall be due) within five (5) business days after entering into the Agreement. For purposes of this provision, an Agreement is considered entered into when all parties have executed the Agreement.

All services continue in effect until terminated by either party (i.e., you, your Advisor, or BridgePort) by giving notice to the other party. Written notice of at least 30 days is required to terminate all investment management programs unless all parties mutually agree on an earlier termination date. Any prepaid, unearned fees will be calculated and be promptly refunded to you. Fee refunds will be determined on a pro rata basis using the number of days services are actually provided during the final period. Fee refunds calculated to be less than \$25 generally will not be processed.

For those clients utilizing third-party managers, termination procedures are determined by the individual third-party manager. Please refer to the specific third-party manager advisory agreement for specific termination procedures.

### **Disclosure for Mutual Fund Share Classes**

#### **a. Share Classes**

In most cases, mutual funds generally offer multiple share classes for the same fund that are available for investment based upon certain eligibility and/or purchase requirements. For example, in addition to the more commonly offered retail shares classes (Class A and C shares), mutual funds may also offer institutional “I” share classes and other share classes specifically designed for purchase in a fee-based investment advisory program. Institutional share classes or classes of shares designed for purchase in an investment advisory program usually have a lower expense ratio than other share classes.

The appropriateness of a particular mutual fund share class selection is dependent upon a range of different considerations, including but not limited to: the asset-based advisory fee that is charged, whether transaction charges are applied to the purchase or sale of mutual funds, the overall cost structure of the advisory program, operational considerations associated with accessing or offering particular share classes (including the presence of selling agreements with the mutual fund sponsors and BridgePort’s ability to access particular share classes through the custodian), share class eligibility requirements, distribution fees, shareholder servicing fees or other compensation associated with offering a particular class of shares. Regardless, clients should not assume that they will be invested in the share class with the lowest possible expense ratio or cost. Please contact your advisor for more information about share class eligibility.

In the BridgePort Managed Portfolios wrap program, BridgePort generally selects the lowest cost share class available for purchase.

#### **b. Mutual Fund and ETF Operating Expenses**

All fees paid to BridgePort for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund’s prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm, which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client’s financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and BridgePort’s fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. A client using BridgePort could be precluded from using certain mutual funds or separate account managers if the funds and/or managers are not available on the client’s custodian platform.

### **Custodian and Brokerage Fees**

BridgePort has several approved custodian relationships, including with FIWS, Schwab, and PAS. Each of these custodians has relationships with affiliated introducing broker-dealers (IBDs). Custodians and IBDs impose fees for various services for which clients are responsible for payment. These charges may include, but are not limited to, custodian fees, brokerage fees, wire fees, inactivity fees, foreign transaction fees, margin interest, liquidation fees, ACAT fees, and regulatory fees.

## Securities Backed Line of Credit Programs

Clients may choose to participate in Securities Backed Loan or Line of Credit programs ("SBLOC") that are available through certain custodians. In these programs, clients can access credit in the form of a non-purpose loan secured by your account. If you choose to use a SBLOC, you will pay fees and/or interest to the custodian lender on the borrowed amount, while you continue to pay advisory and administration fees on the full value of your advisory account. This creates a conflict because you don't otherwise have to liquidate assets in your account to obtain funds, which would diminish the assets held in the account and the advisory fees that could be earned.

If the value of the securities declines to an amount where it is no longer sufficient to support the line of credit, investors will receive a "maintenance call", a notification that the investor must post additional collateral or repay the loan within a specified period (typically two or three days). If the investor is unable to add additional collateral to the account or repay the loan with readily available cash, the firm can liquidate the securities to satisfy the maintenance call, which may have potential unintended tax consequences and could have a significant impact on an investor's long-term investment goals.

## Item 5: Account Requirements and Types of Clients

BridgePort generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Banking or thrift institutions
- State or municipal government entities
- Pension and profit-sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

All clients are required to execute an investment advisory or financial planning agreement for services to establish a client arrangement with BridgePort.

### Minimum Account Sizes

The BridgePort Managed Portfolios program has a minimum account size of \$10,000 per account. The minimum account size for the Third-party Strategists Program through Orion Communities is the greater of \$25,000 or the minimum size established by the strategist for the program in which you invest.

## Item 6: Portfolio Manager Selection and Evaluation

BridgePort maintains the BridgePort Managed Portfolios, which are a series of model portfolios that are recommended to clients as appropriate to the client's preference, risk tolerance, and personal situation. Each model portfolio's risk, return, and liquidity posture are, in large part, a function of the asset classes that are to be included in the portfolio. Our model portfolios typically seek diversification and include a blend of active and

passive mutual funds and exchange traded funds across a broad spectrum of equity, fixed income, and alternative asset classes. We use both qualitative and quantitative analysis in portfolio construction. Within broad asset classes, BridgePort may recommend additional sub-asset classes such as large, mid, and small cap as well as value and growth styles for implementation. In some limited circumstances we may incorporate individual fixed income or equity securities, private placement funds, or use option strategies.

For the Third-Party Strategists Program through Orion Communities, we enter into relationships with select third-party portfolio strategists to solicit recommendations for the various strategists. The Investment Committee is responsible for oversight of the investment strategist selection process, and for reviewing and approving all strategists offered. Strategists provide initial model allocations and will determine the trades to place in our client's account. As Strategist model managers update their allocation, we will receive model allocation changes for any model to which we have subscribed. We will either trade our client account to the new model or maintain the current allocation.

Investments in the Managed Portfolios and our evaluation of recommendations made by Third-Party Strategists in the Orion Communities Program are evaluated and chosen using the following criteria:

- Funds must closely follow the desired target asset class.
- Total internal investment expenses and tax drag may negatively impact the compounding of wealth and therefore should be reasonable relative to a fund's asset class (internal expenses include management fees, administrative expense, 12 (b)-1 fees, transaction costs, bid-ask spreads, and other related costs).
- Investment providers must have experience, have a qualified management team, have shareholder friendly policies, embrace a highly disciplined investment philosophy and process, provide adequate information, and be administratively feasible for the custodian to trade and hold.
- No-load investment vehicles are preferred to funds that charge commissions or sales charges.
- For passive, beta strategies we seek low cost and liquidity; for active strategies we seek high active share and alpha.
- Mutual funds, exchange-traded funds, interval funds, and closed-end funds may be used on either a strategic long-term basis or for tactical tax-management reasons.
- Funds emphasizing tax-efficiency to maximize after-tax returns are often preferred to funds that are indifferent to tax consequences. Selection strategies focus on after-tax returns for all nonqualified accounts.

BridgePort performs due diligence and routinely monitors the universe of investment funds based on the above criteria and other factors as appropriate. The research team prepares a quantitative scoring report and pairs it with qualitative findings. When alternative or superior investment funds become available, portfolio holdings may be replaced at BridgePort's discretion. If our risk metrics lead to strong conviction regarding an asset class, we may act tactically.

BridgePort uses a disciplined approach to rebalancing client portfolios. We evaluate market volatility, portfolio distributions, fund distributions, and client cash flows. If broad asset classes fall outside of the allowable range, we evaluate rebalancing opportunities and implement trades according to the capital gains policy. In taxable

accounts, it may make sense to do only a partial rebalance. We also utilize minimum and maximum dollar level thresholds for very small and very large portfolios.

Advisors may also manage some assets outside of the models or strategists described above within the wrap program. In doing so, advisors will use various methods of analysis and investment strategies which vary by Advisor. Models and strategies used by one Advisor will be different than strategies used by other Advisors. Some Advisors use just one method or strategy while other Advisors rely on multiple. BridgePort does not require or mandate a particular investment strategy be implemented by its Advisors. Further, BridgePort has no requirements for using a particular analysis method and Advisors are provided flexibility (subject to BridgePort's supervision and compliance requirements) when developing their investment strategies. The following sections provide brief descriptions of some of the more common methods of analysis and investment strategies that are used by Advisors.

### Methods of Analysis in Formulating Investment Advice

Below are brief descriptions of some of the more common methods of analysis and investments strategies that are used by Advisors.

- **Fundamental Analysis** – This is a method of evaluating a company or security by attempting to measure its intrinsic value. In other words, trying to determine a company's or a security's true value by looking at all aspects of the business, including both tangible factors (e.g., machinery, buildings, land, etc.) and intangible factors (e.g., patents, trademarks, "brand" names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of determining what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

- **Technical Analysis** – This method of evaluating securities analyzes statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead uses charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets can assist in predicting future performance.
- **Charting** – Charting is the set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can assist to extrapolate future trends.

Charting is a technical analysis that charts the patterns of stocks, bonds and commodities to help determine buy and sell recommendations for clients. It is a way of gathering and processing price and volume information in a security by applying mathematical equations and plotting the resulting data onto graphs in order to predict future price movements. A graphical historical record assists the analyst

in spotting the effect of key events on a security's price, its performance over a period of time and whether it is trading near its high, near its low or in between. Chartists believe that recurring patterns of trading, commonly referred to as indicators, can help them forecast future price movements.

- **Cyclical Analysis** – This method of analysis focuses on the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

### Investment Strategies used when Managing Client Assets and/or Providing Investment Advice

- **Long term purchases** – Investments held at least one (1) year
- **Short term purchases** – Investments sold within one (1) year
- **Short Sales** – A short sale is generally the sale of a stock not owned by the investor. Investors who sell short believe the price of the stock will fall. If the price drops, the investor can buy the stock at the lower price and make a profit. If the price of the stock rises and the investor buys it back later at the higher price, the investor will incur a loss. Short sales require a margin account.
- **Option writing including covered options, uncovered options, or spreading strategies** – Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.
- **Tactical asset allocation** – Allows for a range of percentages in each asset class (such as stocks = 40-50%). These are minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.
- **Strategic asset allocation** – Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach. Of course, the strategic asset allocation targets change over time as the client's goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.
- **Market Timing Strategy** – While uncommon and typically not recommended to clients, some Advisors provide a market timing service as part of an investment strategy. In general, market timing is a strategy where the Advisor will try to identify the best times to be in the market and when to get out. This service is designed to take advantage of stock market fluctuations by being invested based on the anticipated market direction. Clients should be aware that this strategy is considered an aggressive, higher-risk investment strategy. Only clients that are looking for a speculative investment strategy should participate in an investment timing service offered by an Advisor.
- **Modern Portfolio Theory** – Proposes that investing in a predetermined asset mix derived from the efficient frontier (dictated to achieve a specific client objective within a certain risk tolerance) and rebalancing with discipline, the portfolio is diversified across the various asset classes to mitigate



unnecessary risk. This also provides for a portfolio that can operate without reliance on market timing and security selection; however, as with all equity investments positive returns are not guaranteed. In conjunction to investing in a diversified portfolio, each portfolio is constructed to meet specific parameters set forth in the individual client's investment needs and goals. These parameters can include, but are not limited to, tax efficiency, concentrated stock positions, and management history.

### Risk of Loss

You must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in any type of security (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there are varying degrees of risk. You need to be prepared to bear investment loss including loss of original principal.

Because of inherent risk of loss associated with investing, BridgePort and its Advisors **cannot** represent, guarantee, or even imply that our services and methods of analysis:

1. Can or will predict future results; or
2. Successfully identify market tops or bottoms; or
3. Insulate you from losses due to market corrections or declines.

There are certain additional risks associated when investing in securities through an investment management program.

- **Market Risk** – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systematic risk.
- **Equity (Stock) Market Risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- **Company Risk** – When investing in stock positions, there is always a certain level of company industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company can be reduced.
- **Options Risk** – Options on securities can be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- **Fixed Income Risk** – When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend 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.
- **ETF and Mutual Fund Risk** – When investing in an Exchange Traded Fund ("ETF") or mutual fund, there are additional expenses based on your pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund

generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs. Leveraged and inverse ETFs are not suitable for all investors and have unique characteristics and risks. Although there are limited occasions where a leveraged or inverse ETF can be useful for some types of investors, it is extremely important to understand that for holding periods longer than a day, these funds may not give you the returns you expect.

- **Management Risk** – The value of your investment will vary with the success and failure of BridgePort’s investment strategies, research, analysis and determination of portfolio securities. If BridgePort’s investments strategies do not produce the expected returns, the value of the investment can decrease.
- **Cybersecurity Risk** - 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

## Item 7: Client Information Provided to Portfolio Managers

As required, in order to provide investment management services, we will provide your private information to your account custodian. We also provide your private information to strategists or and/or selected Third-Party Managers. We will only share the information necessary in order to carry out our obligations to you in servicing your account. We share your personal account data in accordance with our privacy policy as described on our website.

## Item 8: Client Contact with Portfolio Managers

BridgePort does not place any restrictions on Clients’ ability to contact and consult with their Advisors. Strategists through the Orion Communities are generally not available to speak to BridgePort’s Clients but Advisors can communicate information to the strategists upon Client request.

## Item 9: Additional Information

### Disciplinary Information

BridgePort has no disciplinary information. Additional information can be found by visiting the SEC's Investment Advisor Public Disclosure site found [here](https://adviserinfo.sec.gov/) (<https://adviserinfo.sec.gov/>) and completing the requested information.

### Other Financial Industry Activities and Affiliations

BridgePort is not and does not have a related company that is an (1) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund", and offshore fund), (2) futures commission merchant, commodity pool operator, or commodity trading advisor, (3) banking or thrift institution, or (4) sponsor or syndicator of limited partnerships.

#### Cambridge Investment Research, Inc. and Cambridge Investment Research Advisors, Inc. Affiliation

BridgePort is under common ownership with a registered broker-dealer, Cambridge Investment Research, Inc. ("Cambridge") and a registered investment adviser Cambridge Investment Research, Advisors, Inc., ("CIRA"). Cambridge, CIRA, and BridgePort are owned by Cambridge Investment Group, Inc., a holding company that is majority owned by the Schwartz Family Trust.

In the instance where an advisor joins BridgePort from CIRA, BridgePort could allow, subject to state approval, the advisor to dually register with, for a temporary period, both BridgePort and CIRA so as to facilitate the transition of accounts from the CIRA to BridgePort.

#### Affiliation with TBS Agency, Inc.

BridgePort is under common ownership with TBS Agency, Inc. ("TBS"), a licensed insurance agency. BridgePort and TBS are owned by Cambridge Investment Group, Inc., a holding company that is majority owned by the Schwartz Family Trust.

Some Advisors are licensed life insurance agents with TBS and sell insurance products to BridgePort's advisory clients. Therefore, your Advisor, in the capacity is a licensed life agent, is able to implement insurance recommendations for advisory clients electing to receive this service. In this event, Advisors, in their separate capacities as licensed insurance agents, will receive separate and typical commission compensation for insurance and/or annuity sales. Please refer to the [Other Compensation](#) section of this document for additional information and disclosures regarding BridgePort's relationship with TBS.

#### Advisors Affiliated with Independent Investment Adviser Firms

Generally, BridgePort Advisors will only be affiliated with BridgePort and no other Registered Investment Adviser ("ORIA") firms, including CIRA. In the instance where BridgePort either purchases an ORIA or an advisor joins BridgePort from an ORIA, BridgePort could allow, subject to state approval, individuals affiliated with the ORIA to dually register with, for a temporary period, both BridgePort and the ORIA so as to facilitate the transition of accounts from the ORIA to BridgePort.

### **Advisors Affiliated with Accountants**

BridgePort Tax is a wholly owned subsidiary of CIG which provides accounting, tax, and payroll services to its clients. The principals of BridgePort Tax and the employees providing these services are advisors of BridgePort. BridgePort and BridgePort Tax have clients in common. Additionally, BridgePort advisors recommend, as appropriate, BridgePort Tax services to their advisory clients. Similarly, BridgePort Tax recommends BridgePort advisory services to their accounting, tax or payroll clients. The recommendation by a BridgePort advisor that a client engage BridgePort Tax presents a conflict of interest. No client is under any obligation to engage BridgePort Tax for accounting related services. Clients are reminded that they can obtain such services from non-affiliated providers.

**Advisors Affiliated with Attorneys** - While BridgePort does not have a related person that is a law firm, certain Advisors may be attorneys. When Advisors that are attorneys determine that their clients need legal services, those clients are referred to the Advisor's law firm or practice. In addition, if legal clients of an Advisor need financial planning or other advisory services, the Advisor acting in his or her separate capacity as an attorney refer clients to BridgePort. Clients are not obligated in any manner to use the services, or a law firm recommended by an Advisor.

**Advisors Affiliated with Real Estate or Mortgage Companies** - BridgePort does not have a related person that is a real estate broker or dealer; however, certain Advisors may be real estate agents or mortgage loan originators. In this separate capacity, the Advisor that is a licensed real estate broker will earn commissions for real estate transactions. Advisors that are mortgage brokers will earn commissions when selling or refinancing real estate loans. Clients of BridgePort are not obligated in any manner to use the mortgage or real estate services provided by Advisors.

**Insurance Agents** - Certain Advisors of BridgePort are also licensed insurance professionals. Implementation of insurance recommendations are separate and apart from an Advisor's role with BridgePort. As an independent insurance agent, an Advisor will receive customary commissions and other related revenues from the various insurance companies whose products are sold. Advisors are not required to utilize the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This creates a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by an Advisor.

### **Arrangements with Unaffiliated Third-party Managers and Product Sponsors**

BridgePort has developed programs, previously described in the [Advisory Business](#) section, designed to allow Advisors to recommend and select unaffiliated Third-party Managers to assist in the management of accounts for clients. Whenever another Third-party Manager is selected to manage all or a portion of the client's assets, you need to know that the outside TPM will be paid management fees, which are shared with BridgePort and its Advisor.

While Advisors endeavor at all times to put the interests of their clients first as part of BridgePort's fiduciary duty, you should be aware that the receipt of commissions and additional compensation itself creates a conflict of interest and can affect the judgment of Advisors when making recommendations.

## Code of Ethics, Participation in Client Transactions, and Personal Trading

BridgePort believes it owes clients the highest level of trust and fair dealing. As part of its fiduciary duty, BridgePort endeavors to put the interests of its clients ahead of the interests of the firm and its personnel. BridgePort has adopted a Code of Ethics that emphasizes the high standards of conduct the firm seeks to observe.

BridgePort personnel are required to always conduct themselves with integrity and follow the principles and policies detailed in our Code of Ethics. BridgePort's Code of Ethics attempts to address specific conflicts of interest it has identified or that could likely arise. BridgePort personnel are required to follow guidelines in areas such as prohibitions on insider trading, personal securities transactions, conflicts of interest, gifts, confidentiality and privacy.

BridgePort's advisors are permitted to invest for their own accounts. BridgePort advisors may buy or sell securities for their own accounts that are bought or sold for client accounts, which raises potential conflicts of interest related to the practice of front-running (trading ahead of the client), which BridgePort specifically prohibits. BridgePort has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures require our advisors to act in the client's best interest, prohibit front-running, and provide for the review of transactions to discover and correct any trades that result in an advisor benefitting at the expense of a client. Advisors must follow BridgePort's procedures when purchasing or selling the same securities purchased or sold for the client.

All supervised persons and access persons are subject to mandatory quarterly transaction and annual holdings certifications. The Code also requires that all supervised and access persons certify on an annual basis that they have read and understand the Code and have disclosed all personal securities required to be reported. A copy of the Code of Ethics is available upon written request to the Chief Compliance Officer.

BridgePort does not engage in agency cross transactions nor does it engage in principal transactions.

## Brokerage Practices

### Selection of Clearing Broker-Dealers

When you decide to implement advice through an Advisor you will be required to enter an agreement to establish an account through a BridgePort approved clearing broker-dealer, which combines brokerage execution services and safekeeping/custody of assets through an affiliated custodian. Custodians handle the delivery and receipt of all securities bought and sold in your account, values securities, receives and distributes all dividend and other distributions, and processes exchange offers, rights offerings, warrants, tender offers, or redemptions. Custodians also send trade confirmations (unless suppressed by you), periodic account statements of all activities, and shareholder communications. They maintain custody of your assets and perform other customary custodial services.

BridgePort has several approved clearing broker-dealer relationships, with the most common being Schwab Advisor Services, Fidelity Institutional, and Pershing Advisor Solutions. The ultimate decision to recommend a certain BridgePort approved clearing broker-dealer is typically made by the Advisor and you must agree.

When considering clearing broker-dealers to make available, we consider a wide range of factors, including, among others, the following:

- combination of transaction execution services along with asset custody services, generally without a separate fee for custody
- capability to execute, clear, and settle trades
- capabilities to facilitate transfers and payments to and from accounts
- breadth of investment products made available
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength, and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below

As described in Section 5, Fees and Compensation, for accounts in the BridgePort Wrap Program, clients pay an account administration fee which is an inclusive fee, or wrap fee, that covers the costs of trading and execution, reporting, custody, technology provided by BridgePort and custodians. BridgePort shares a portion of the administration fee with our clearing brokers.

Clearing broker-dealers may also make available to BridgePort other products and services that benefit BridgePort but may not benefit its clients' accounts. Some of these other products and services assist BridgePort in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of BridgePort's fees from its clients' accounts, and assist with back-office support, record keeping and client reporting. Many of these services generally are used to service all or a substantial number of BridgePort's accounts, including accounts not maintained at the specific custodian that is offering this particular service.

These custodians also provide BridgePort with other services intended to help BridgePort manage and further develop its business enterprise. These services may include consulting, publications, conferences and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, these custodians may make available, arrange and/or pay for these types of services to BridgePort by independent third parties. These custodians may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to BridgePort. In addition, these firms provide payments for certain conferences and educational or sponsorship programs.

BridgePort has an economic incentive to use these clearing brokers for trade execution and custody over other firms that do not or would not provide such economic benefits to BridgePort, even if such other firms might be more beneficial to clients of the firm. BridgePort does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

## **Best Execution**

As a fiduciary, BridgePort owes a fiduciary duty to its clients to obtain best execution of their transactions. That duty puts forth that an investment adviser generally must execute securities transactions in such a manner that the total cost or proceeds in each transaction is the most favorable under the circumstances. However, clients must understand that best execution does not necessarily mean the lowest available price. Instead, the totality of the arrangement and services provided by a broker-dealer must be examined to determine a qualitative measure of best execution.

Based on these principles, commission and fee structures of the clearing broker-dealers are periodically reviewed by a Best Execution Committee in order to evaluate the execution services provided. Accordingly, while BridgePort does consider competitive rates, it does not necessarily obtain the lowest possible commission rates for client account transactions. Therefore, the overall services provided by the unaffiliated clearing broker-dealers are evaluated to determine best execution. You should consider whether our programs result in costs or other disadvantages to you as a result of possibly less favorable trade executions. Clients can pay higher commissions or trade execution charges through the trading platforms approved by BridgePort than they would through other platforms for investment advisory accounts.

## **Trade Aggregation**

Transactions implemented by BridgePort for client accounts are generally affected independently, unless an Advisor decides to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by an Advisor when the Advisor believes such action proves advantageous to clients. When Advisors aggregate client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done to achieve better execution or to allocate orders among clients on a more equitable basis by avoiding differences in prices that might be obtained when orders are placed independently. The transactions will be averaged as to price and will be allocated among the Advisor's clients in proportion to the purchase and sale orders placed for each client account on any given day.

When trades are aggregated, clients will not always see the effects of lower commission per share costs and some clients pay a higher transaction cost than could be received if the trade was placed individually, while other clients may pay a lower transaction cost. BridgePort does not aggregate mutual fund transactions.

## **Handling of Trade Errors**

Occasionally, a trading error can occur where either we, or our Advisor, are at fault for affecting one or more erroneous securities transactions for a client's account. If this occurs in your account, the error will be corrected, and your account will be restored to the same economic position had the error never occurred. In the process of restoring your account, a profit may be realized, or a loss suffered in connection with correcting this error. Neither losses incurred nor gains realized will be passed on to you. As a result, trade corrections can result in a financial benefit to us or our clearing broker-dealer.

## **Step-Out Trading**

Transactions executed at broker-dealers other than the one at which a client's account is held are sometimes called "step-out" trades. The Firm or an investment manager that has the discretion to execute step-out trades with broker-dealers other than the account custodian will incur additional transaction, trading, or execution fees that the client will pay as a result of such step-out trades. Additional transaction, trading, or execution fees

resulting from step-out trades will increase the client's cost and negatively impact investment performance. However, a step-out trade can potentially allow the investment manager to achieve better price execution. The Firm and investment managers may decide to step-out for a variety of reasons, including to obtain an optimal combination of price and service for the client or to satisfy the investment manager's best execution obligation.

Investment managers have the discretion to utilize step-out trades in circumstances including, but not limited to, those involving equity securities, fixed-income securities, structured products, derivatives (e.g., options), thinly traded securities, illiquid securities, and ETFs. A step-out trade occurs in some instances when an investment manager purchases equity securities, fixed-income securities, structured products, derivatives (e.g., options), thinly traded securities, illiquid securities, ETFs, or other securities from a different broker-dealer or the broker or dealer selling the securities to obtain a more favorable price or because the particular security is not available through the account custodian.

## **Review of Accounts**

Advisors are in charge of providing all investment advice and conducting ongoing reviews of all accounts for their respective client accounts. For managed accounts, reviews are provided on an ongoing basis, typically based on a schedule agreed upon by you and your Advisor. BridgePort does not impose a specific review schedule that all Advisors must follow. Generally, the calendar is the main triggering factor for client reviews. However, more frequent reviews can be provided to any account depending on, among other issues, changes to your financial situation, personal situation or changes in market conditions.

Although not every Advisor provides an annual financial review to every client, BridgePort encourages you to request such a review to discuss with your Advisor such things as the continued suitability of the current account type and investment program as well as, account performance, changes in your investment objectives, goals and financial situation, tax planning, estate planning, retirement planning and any other questions you have concerning your portfolio. If you receive only financial planning services, you are charged a separate fee for meetings with your Advisor. You should read carefully the agreement with BridgePort to determine the amount of such separate fees, if any.

In addition to the reviews provided by the Advisor, the BridgePort home office also reviews account and transaction suitability. Compliance and supervision home office staff members periodically review client accounts and financial plans to identify situations that may warrant either a more detailed review or a specific action on behalf of an advisory client. We use surveillance, exception, trade, and other transaction reports to help facilitate the ongoing review of managed accounts. In addition, advisors provide continual and regular investment advice or investment supervisory services to clients, routinely review client portfolios, and are encouraged to contact clients at least annually.

Finally, our Investment Committee regularly reviews model portfolio composition for, among other things, compliance with investment policy, component performance, fund performance and qualitative and quantitative factors.

## **Client Reports and Statements from Clearing Broker-Dealers**

Clearing broker-dealers (or third-party managers) will send you confirmations of purchases and sales in your account(s) and account statements quarterly and/or monthly containing account information such as account value, transactions and other relevant account information. BridgePort urges you to review the contents of



these custodial statements and compare them against any reports provided directly from BridgePort or your Advisor.

## **Client Referrals and Other Compensation**

### **Promoters**

BridgePort has entered into Promoter arrangements with unrelated persons for Client referrals. Pursuant to these agreements, BridgePort compensates the Promoter a portion of the advisory fee for a set period of time as long as the client remains an advisory client of the Firm. Clients can also be referred as part of a onetime flat fee. The Promoter will provide you a separate disclosure statement providing you details of the compensation arrangement between the Promoter and BridgePort. As a matter of firm practice, the advisory fees paid to us by clients referred by promoters may increase as a result of the referral and compensation sharing arrangement. Promoter arrangements are conducted in accordance with the SEC's "Marketing Rule" (Rule 206(4)-1), which covers both cash and non-cash compensation paid to promoters. This includes advisory fees based on a percentage of assets under management or amounts invested, flat fees, hourly fees, reduced advisory fees, fee waivers, cash sales awards and any other methods of cash compensation.

### **Other Compensation to BridgePort**

BridgePort may enter into various arrangements with some Approved Product Sponsors referred to as revenue sharing arrangements. These situations present a conflict of interest for us because of the benefits received. We do not share these additional benefits or revenue with our Advisors.

Although not a material consideration when determining whether to recommend that a client use the services of a particular clearing broker-dealer, BridgePort can receive from clearing broker-dealers support services and/or products, some of which assist us to better monitor and service client accounts maintained at such institutions. These services can include investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used in furtherance of our investment advisory business.

### **Cash/Non-Cash Compensation Received by Advisors**

Certain product sponsors provide your Advisor with economic benefits as a result of your Advisor's recommendation or sale of the product sponsors' investments. These other products and services can benefit BridgePort and/or your Advisor but may not benefit you. The economic benefits received can include but are not limited to financial assistance or the sponsorship of national or regional conferences, client meetings, or other events. The economic benefits can also include educational sessions, marketing support, payment of travel expenses, occasional business entertainment, including meals, virtual entertainment and invitations to sporting events, and educational opportunities.

Sponsors may also provide technology tools to assist your Advisor in providing various services to clients, including (but not limited to), software and other technology (and training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of fees from clients' accounts, and assist with back-office training and support functions, record-keeping and client reporting.

Some of these services may be used to service all or some substantial number of accounts, including those that are not specifically maintained by an individual product sponsor. These services are intended to help manage and further develop the business enterprises of BridgePort and your Advisor and can include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. Some product sponsors may make available, arrange and/or pay vendors for these types of services or discount or waive fees it would otherwise charge.

These economic benefits may be received directly by your Advisor or indirectly through BridgePort, which can enter into specific arrangements with product sponsors. A recommendation/requirement that clients maintain their assets in accounts based in part on the benefit to your Advisor or BridgePort or the availability of some of these products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided creates a potential conflict of interest. These economic benefits could influence your Advisor to recommend certain products/programs over others.

### **Relationship with Affiliates**

As discussed in Item 9, BridgePort is under common ownership with a registered broker-dealer, Cambridge Investment Research, Inc. and Cambridge Investment Research Advisors, Inc., a registered investment advisor. BridgePort, CIRA, and CIR are owned by Cambridge Investment Group, Inc. Both CIR and CIRA receive economic (cash and noncash) benefits from product sponsors, clearing brokers, and custodians. BridgePort maintains relationships with several of the same product sponsors and clearing brokers (or affiliates thereof). BridgePort may receive more advantageous pricing and/or revenue sharing arrangements from product sponsors and/or clearing brokers and custodians by virtue of its relationship with CIR and CIRA. This creates an incentive for BridgePort to utilize these sponsors and/or clearing brokers and custodians relative to those that do not have similar agreements with CIR or CIRA.

### **Financial Information**

BridgePort does not require or solicit Clients to prepay fees of more than \$1,200, six months or more in advance.