

## **Connolly Financial Advisors, Inc.**

**231 Sutton Street Suite 2D-1  
North Andover, MA 01845**

**Phone number: 800.758.1112**

**Fax number: 800.758.1112**

**www.ConnollyAdvisors.com**

**2/3/2022**

### **FORM ADV PART 2 BROCHURE**

**This brochure provides information about the qualifications and business practices of Connolly Financial Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 800-758-1112 or [rosec@connollyadvisors.com](mailto:rosec@connollyadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Connolly Financial Advisors, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Connolly Financial Advisors, Inc. is 148298.**

**Connolly Financial Advisors, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

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## **Advisory Business**

Form ADV Part 2A, Item 1

Connolly Financial Advisors Inc. (hereinafter CFA) is an investment advisory firm that has been in business since 9/9/2008 and Rosemarie A. Connolly is the 100% owner of the firm. Ms. Connolly is CFA's Managing Director and would be glad to speak with you about CFA at any time. She can be reached at 800-758-1112.

### **OUR SERVICES:**

CFA provides wealth management and investment management services primarily to individuals. The firm also provides financial planning services and retirement plan services to individuals. We provide investment management services to other types of clients as well, such as trusts, estates, business entities, charitable organizations, foundations, pension and profit-sharing plans.

### **OUR SERVICES – WEALTH MANAGEMENT:**

Our wealth management process involves defining financial and life goals and creating investment strategies designed to achieve the desired results based on the client's particular circumstances. Comprehensive financial planning services are designed to allow CFA to coordinate subject-matter experts to ensure clients get continuing good advice regarding their financial plans.

Wealth management services include investment management and comprehensive financial planning:

The starting point for the investment management process is deciding on an investment strategy. The client's investment strategy will reflect the client's investment objectives, risk tolerance and any investment restrictions that are desired.

The financial planning process begins with analytical procedures designed to organize financial data, identify needs and opportunities, and evaluate alternative courses of action. A financial plan may include current net worth monitoring, income tax planning, cash flow and budgeting strategies, specific investment and asset allocations, retirement planning, employee benefit plan analysis, estate and gift plans, education savings and distribution strategies and risk management analysis of life, health, property, long-term care and disability coverage.

Our wealth management goal is to develop a comprehensive plan for the successful management of personal income, assets, and liabilities in meeting the client's financial goals and lifetime objectives. Depending on individual preferences some form of written plan may be produced as part of the wealth management process.

This is a general description of our wealth management process. Because everyone is unique this general description does not discuss the many individual issues and factors that may be involved in our wealth management process. Due to the dynamic nature of a client's life, each client is advised that they should promptly notify us of all material changes in their financial situation or investment objectives.

CFA manages advisory accounts on a non-discretionary basis only. In providing non-discretionary services, CFA will obtain the approval of the client before executing a trade or changing a strategy.

## **OUR SERVICES – INVESTMENT ADVISORY:**

CFA provides investment advisory services which begin with an appropriate investment strategy. The client's investment strategy will reflect the client's investment objectives, risk tolerance and any investment restrictions that are desired. For investment advisory services, CFA uses the SEI Private Trust Company (SEI) custodial platform exclusively. In addition to administration of investment accounts, SEI provides investment management services and investment managers. Selection and monitoring of the investment managers are additional services provided by SEI. Since SEI Private Trust Company is a trust institution, not a brokerage firm, client assets are segregated from SEI's assets and are custodied in the name of each client directly.

### SEI Advisor Wealth Platform

Minimum Account Size \$250,000; however, this may be negotiable.

CFA provides investment supervisory services on portfolios investing entirely in mutual funds, exchange traded funds and in individual securities investing through separately managed accounts.

The Investor Wealth Solutions program provides investment strategy incorporating behavioral finance implemented through a manager-of-managers structure. The investor agrees to one or many mutual fund asset allocation or separately managed account models. The investment managers of the underlying mutual funds are selected by SEI. SEI utilizes independent institutional investment firms. The managers are monitored by SEI to ensure that their investment styles and performance remain consistent with the objectives of the mutual funds or asset class.

SEI Private Trust Company acts as a transfer agent and custodian for the investor's account. SEI Private Trust Company provides reporting services including consolidated quarterly statements, quarterly performance reports and year-end tax reports.

Total operating expenses range from 0.39% to 1.25% for equity and balanced portfolios, depending on the program (Fund of Funds program, Integrated Managed Accounts or Tactical ETF strategies), on taxable or tax-deferred strategies and on whether there will be alternative investments in the portfolios. Operating expenses are less for defensive and conservative strategies. The total client fee includes either the operating expenses charged by the mutual fund(s), or the money manager fees if separately managed accounts are used, and the advisory fee charged by CFA.

Accounts will be monitored continuously and, when appropriate, CFA will suggest a reallocation of the portfolio based on changing economic or market conditions or changes in the client's individual circumstances.

In addition, CFA will typically accept on clients' behalf any manager changes recommended by SEI in said portfolio strategy because one reason that SEI has been chosen for clients' portfolios is their ability to do due diligence on managers and to suggest changes when appropriate.

If CFA determines that the manager change or the rebalance is not appropriate, CFA will contact the client to discuss it and CFA will instruct SEI to deviate from the model according to the client's direction.

## **OUR SERVICES - FINANCIAL PLANNING:**

CFA provides financial planning advice and financial plans. Implementation of financial plan recommendations is entirely at the client's discretion. In general, the financial advice or plan will address any or all of the following areas of concern:

- **PERSONAL:** Family records, budgeting, personal liability, employee benefits, net worth, estate information, education plans and financial goals.
- **TAX:** Income tax planning for current and future years. CFA will illustrate the impact of various investments on a client's current income tax and future tax liability.
- **CASH FLOW:** CFA will provide an analysis of the client's spending and savings patterns and CFA will develop with the client a more disciplined and sustainable spending and saving program in order to help clients reach their financial goals.
- **DEATH & DISABILITY:** Cash needs at death, income needs of surviving spouse and dependents, estate and gift plans and disability income analysis.
- **RETIREMENT:** Analysis of various strategies and investment plans to help the client achieve his or her retirement goals.
- **RISK MANAGEMENT:** Analysis of life, health, property, long-term care and disability coverages.
- **INVESTMENTS:** Analysis of investment alternatives and asset classes for a client's portfolio.

CFA gathers required information through in-depth personal meetings. Information gathered includes current financial status, future goals and attitudes towards risk. Related documents supplied by the client are reviewed. Should a client choose to implement the recommendations contained in the plan, CFA suggests the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker.

Additionally, CFA provides advice on non-securities matters. Generally, this is in connection with the rendering of estate planning, insurance, and personal advice.

## **OUR SERVICES - BUSINESS RETIREMENT SERVICES:**

CFA provides several advisory services for business retirement plans. Clients may choose any or all of these services.

**Investment Policy Statement Preparation (hereinafter referred to as "IPS"):**

CFA will meet with the client (in person, virtual meeting or over the telephone) to determine the plan's investment needs and goals. CFA will then prepare a written IPS stating those needs and goals and encompassing a policy under which these goals are to be achieved. The IPS will also list the criteria for selection of investment vehicles and the procedures and timing interval for monitoring of investment performance.

**Selection of Investment Vehicles:**

CFA will review various investments, consisting exclusively of mutual funds (both index and managed) to determine which of these investments are appropriate to implement the business or employee plan's IPS. The number of investments to be recommended will be

determined by the plan, based on the Investment Policy Statement.

**Monitoring of Investment Performance:**

Plan investments will be continuously monitored based on the procedures and timing intervals delineated in the Investment Policy Statement. CFA will supervise the plan's portfolio and will make recommendations to the plan as market factors and the plan's needs dictate.

**Employee Communications:**

For pension, profit sharing and 401(k) plan clients wherein there are individual accounts with participants exercising control over assets in their own account ("self-directed plans"), CFA can also provide educational support and investment workshops designed for the Plan participants. The nature of the topics to be covered will be determined by CFA and the client under the guidelines established in ERISA Section 404(c), if applicable. The educational support and investment workshops will not provide Plan participants with individualized, tailored investment advice or asset allocation recommendations, but will be designed to address the group attending the workshop.

**ADVISORY SERVICES TAILORED TO THE INDIVIDUAL NEEDS OF THE CLIENT:**

CFA creates a portfolio consisting of individual equity securities, bonds or other fixed-income vehicles, and/or no-load and/or load-waived mutual funds. CFA allocates the client's assets among various investments taking into consideration the overall management style selected by the client. The mutual funds are selected on the basis of any or all of the following criteria: the asset class or industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; the fund's performance history; and the fund's management fee structure. Portfolio weighting between funds and asset classes are determined by each client's individual needs and circumstances. Clients have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf.

Clients retain individual ownership of all securities.

CFA does not participate in any wrap fee programs.

As of December 31, 2021, the amount of client assets that are managed by CFA on a non-discretionary basis is \$59,840,000. There are no accounts managed on a discretionary basis.

***Summary of Material Changes***

Form ADV Part 2A, Item 2

No material change has occurred since the last annual update of CFA's brochure on 1-15-21.

There has been no change in ownership or business assets.

## **Fees and Compensation**

Form ADV Part 2A, Item 3

CFA is compensated for advisory services on a fee basis rather than a commission basis. Our standard annual fees vary between 1% and 1.75% depending upon the types of assets under management and the specific services provided. In limited circumstances and in our discretion, our advisory fees may be negotiated with the client.

CFA will allow investment accounts of members of the same household to be aggregated for purposes of determining annual fees. For example, we allow such aggregation when we separately manage investment accounts for the minor children of current clients.

Our fees are stated in the Investment Advisory Services Agreement each client signs. This agreement defines our relationship with each client. It describes the services we will provide to our client and the client's obligations to us. A minimum fee may be required for wealth management, investment advisory or financial planning services and if so, it will be stipulated in the agreement.

CFA also provides these consulting services on an engagement basis:  
Financial planning services only without investment advisory services at rates ranging from \$1,100 to \$10,000.  
Pension consulting services to determine an appropriate retirement plan for the business and the employees at the standard hourly rate of \$250/hour, plus out of pocket expenses.

### **GENERAL INFORMATION ON FEES:**

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar, higher or lower fees.

**Termination of Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days prior written notice. Upon termination of any account, any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

**How Fees are Deducted from Client Assets:** Clients may select to be direct billed for our services or to have the custodian for the investment account deduct our fees from the investment account. The Financial Services Agreement can be amended by the client if they do not want the custodian to directly debit CFA's fees from a client's custody account. Each quarterly account statement indicates all amounts disbursed from the account including fees paid directly to CFA.

Clients are informed that it is their responsibility to verify the accuracy of the custodian statement and fee calculation. The investment account custodian will not determine whether the fee is properly calculated.

In addition to the quarterly account statement, CFA provides clients with a quarterly fee summary in advance of what they will see on their next quarterly account statement.

**How Fees are Calculated:** The client will incur a pro rata charge for bona fide services rendered during the term of the Financial Services Agreement. Clients will be charged in arrears at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter.

CFA does not require clients to pay fees in advance. Therefore, there are never any prepaid fees.

**Mutual Fund Fees and Expenses:** All fees paid to CFA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds 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. A client could invest in a mutual fund directly, without the services of CFA. In that case, the client would not receive the services provided by CFA which are designed, among other things, to assist the client in determining which mutual funds are most appropriate to each client's financial condition and objectives, and regular reviews of portfolios. Accordingly, the client should review both the fees charged by the funds and the fees charged by CFA to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Money Manager Fees:** Money managers may be used rather than mutual funds for certain client accounts. All fees paid to CFA for investment advisory services are separate and distinct from the management fees charged by the money managers. The management fees of selected money managers are described in the disclosures provided with the SEI application. A client could invest directly with the money manager, without the services of CFA. In that case, the client would not receive the services provided by CFA which are designed, among other things, to assist the client in determining which investments are most appropriate to each client's financial condition and objectives, and regular reviews of portfolios. Accordingly, the client should review both the fees charged by the managers and the fees charged by CFA to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Custodial Fees:** The custodian will charge separate fees which are customary fees such as wire fees, overnight delivery fees, account closing fees, stop pay fees, non-SEI mutual fund transaction fees and non-SEI managed account program individual stock ticket charges. The custodian will also charge a \$15 quarterly minimum account balance fee for those clients with account balances below \$50,000 in any quarter. See the Types of Clients and the Brokerage sections of this brochure for more details.

**Other Fees:** Neither CFA nor any supervised persons accept compensation for the sale of securities or other investment products. In addition, neither CFA nor any supervised person accept asset-based sales charges or service fees from the sale of mutual funds. Therefore, there is no conflict of interest and no incentive to recommend investment products based on the compensation received, rather than our client's needs. Clients have the option to purchase any investment products that we recommend through other brokers or agents.



## ***Performance-Based Fees and Side-By-Side Management***

Form ADV Part 2A, Item 4

Neither CFA nor any of its supervised persons accept performance-based fees, which are fees based on a share of capital gains or capital appreciation of the assets. There are no other types of fees charged in addition to the fees for our services as described in the Fees and Compensation section of the brochure. Therefore, there is no conflict of interest nor any incentive to favor accounts which have an additional performance-based fee for CFA or its supervised persons because there is no side-by-side management of these types of accounts.

In summary, the fee charged by CFA is calculated exactly as described in the Fees and Compensation section of the brochure and is not charged based on a share of capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.  
(Section 205(a)(1) of the Investment Advisers Act of 1940, as amended).

## ***Types of Clients***

Form ADV Part 2A, Item 5

CFA offers personalized wealth management and investment management services primarily to individuals. We generally require a minimum account balance of \$250,000; however, there are exceptions to this requirement and we may waive this minimum requirement based on the facts and circumstances.

We also provide investment management services to other types of clients such as trusts, charitable organizations, foundations, pension and profit-sharing plans and business entities. There is no account minimum for these types of clients.

There is no minimum account size or annual fee requirement for Financial Planning Services clients.

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

Form ADV Part 2A, Item 6

We may offer investment advice on any investments held by a client at the start of the advisory relationship. Recommendations for new investments may include domestic and foreign debt and equity securities, United States municipal and government securities, US registered mutual funds and exchange traded funds, real estate investment trusts (REITS), direct participation programs such as limited partnerships, private placements, exchange traded options and cash management products.

CFA's security analysis methods include fundamental analysis, technical analysis, charting and cyclical analysis.

The main sources of information that CFA uses include financial newspapers and magazines both on-line and paper, research materials prepared by others, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases. In addition, CFA may also utilize other sources of information such as on-line services, Advent, Morningstar, BigCharts, ValueLine, Zachs Reuters, etc.

CFA may utilize different investment strategies, based upon the needs of the client, including long-term purchases (securities held at least a year), short-term purchases and option writing.

Investing in securities involves risk of loss that clients should be prepared to bear. Investment return and principal value of an investment will fluctuate. Typical investment risks include market risk typified by a drop in a security's price due to a company specific event (e.g. unsystematic risk), or general market activity (e.g. systematic risk). In addition, certain strategies may impose more risk than others. For example, with fixed income securities, a period of rising interest rates could erode the value of the bond since bond values generally fall as bond yields rise. Investment risk with international securities also includes fluctuation in currency values, differences in accounting practices and economic and political instability. We do not represent, warrant, or imply that our investment management services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or avoid losses.

## ***Disciplinary Information***

Form ADV Part 2A, Item 7

Neither CFA nor any of its supervised persons has ever been charged or found liable by any criminal court, civil court, self-regulatory organization or administrative proceeding before the SEC, any federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority.

Neither CFA nor any of its supervised persons is a named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses.

Neither CFA nor any of its supervised persons has ever been involved in a violation of an investment-related statute or regulation.

Neither CFA nor any of its supervised persons has ever been the subject of any order, judgment or decrees permanently or temporarily enjoining, or otherwise limiting CFA or its management person from engaging in any investment-related activity, or from violating any investment-related statute, rule or order.

Neither CFA nor any of its supervised persons has ever been found by any criminal court, civil court, self-regulatory organization or administrative proceeding before the SEC, any federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority to have been involved in any violation of an investment-related activity, investment-related statute, rule or order.

For Massachusetts Residents: Massachusetts law requires disclosure that information on disciplinary history and the registration of CFA and its associated persons may be obtained by contacting the Public Reference Branch of the Securities and Exchange Commission at (202) 942-8090.

Disciplinary history may also be obtained from the Massachusetts Securities Division at (617) 727-3548, and if asked, CFA and its associated persons must also disclose the history, if any.

For Pennsylvania Residents: Pennsylvania law requires disclosure that information on disciplinary history and the registration of CFA and its associated persons may be obtained by contacting the Public Reference Branch of the Securities and Exchange Commission at (202) 942-8090.

Disciplinary history may also be obtained from the Pennsylvania Department of Banking and Securities at (800) 722-2657, and if asked, CFA and its associated persons must also disclose the history, if any.

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

Form ADV Part 2A, Item 8

Neither CFA nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither CFA nor any of its management persons are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the forgoing entities.

CFA is affiliated with R. Connolly CPA, CFP a sole proprietor firm providing tax preparation, accounting and business consulting services. Both businesses are owned entirely by Rosemarie Connolly.

Tax and accounting services provided by R. Connolly, CPA, CFP are separate and distinct from the advisory services of CFA, and are provided for separate and typical compensation. There are no referral fee arrangements between CFA and R. Connolly, CPA, CFP for any recommendations. No CFA client is obligated to use R. Connolly, CPA, CFP for any tax or accounting and business services. Therefore, the relationship does not create a material conflict of interest with clients.

Rosemarie Connolly is an investment adviser representative associated with CFA and in her individual capacity she is also a licensed insurance agent with various insurance companies, and in such capacity, may recommend, on a fully disclosed commission basis, the purchase of certain insurance products. While CFA does not sell such insurance products to its investment advisory clients, CFA does permit these investment adviser representatives, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients upon the client's request. Pennsylvania clients will not be offered insurance products until an investment adviser representative at CFA is licensed in Pennsylvania to sell insurance. A conflict of interest exists to the extent that CFA recommends the purchase of insurance products where individuals associated with CFA receive insurance commissions or other additional compensation. The implementation of any or all insurance recommendations is solely at the discretion of the client.

There are no other related parties to CFA.

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

Form ADV Part 2A, Item 9

### **CODE OF ETHICS:**

CFA has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. CFA's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth CFA's practice of supervising the personal securities transactions of supervised persons with access to client information. Individuals associated with CFA may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the expressed policy of CFA that no person employed by CFA shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, CFA requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. CFA requires such access persons to also receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

CFA requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. CFA's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline.

Clients may request a copy of our Code of Ethics at any time.

### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING:**

CFA or individuals associated with CFA may buy or sell securities identical to those recommended to clients for their personal accounts.

It is the expressed policy of CFA that no person employed by CFA may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

CFA nor any related person(s) does not have any interest or position in any security(ies) which it recommends to clients.

As these situations may represent a conflict of interest, CFA has established the following restrictions in order to ensure its fiduciary responsibilities:

1) No employee or owner of CFA shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No employee or owner of CFA shall prefer his or her own interest to that of the advisory client.

- 2) CFA maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of CFA.
- 3) All clients are fully informed that certain individuals may receive separate compensation when effecting insurance transactions during the implementation process.
- 4) CFA emphasizes the unrestricted right of the client to decline to implement any advice rendered, except in situations where CFA is granted discretionary authority of the client's account. However, there are no discretionary clients.
- 5) CFA emphasizes the unrestricted right of the Financial Planning or Corporate Retirement Services client to select and choose any broker or dealer and/or insurance company (s)he wishes.
- 6) CFA requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- 7) Any individual not in observance of the above may be subject to termination.

## **Brokerage Practices**

Form ADV Part 2A, Item 10

### **BROKERAGE:**

#### **INVESTMENT SUPERVISORY SERVICES**

CFA will generally recommend that clients utilize the brokerage and clearing services of SEI Private Trust Company.

CFA participates in the SEI Enhanced Advisors (SEI/EA) services program offered to independent investment advisors by SEI Private Trust Company, a trust company not affiliated with CFA. Investment Supervisory Services clients in need of securities transaction and custodial services will have SEI Private Trust Company recommended to them. As part of the SEI/EA program, CFA receives some non-monetary benefits of being on the SEI platform which are fully disclosed in the following section entitled Client Referrals and Other Compensation. CFA uses the services of SEI Enhanced Advisors based on these factors: the professional services offered and the custodial platform provided to clients.

Based on its business model, CFA will not seek to exercise discretion to negotiate trades among various brokers on behalf of clients. CFA will, however, periodically attempt to negotiate lower transaction fees for its clients with SEI Private Trust Company. See the Fees and Compensation section of the brochure for information on SEI custodial fees charged.

CFA may not accept Investment Supervisory Services client accounts that do not direct the use of SEI Private Trust Company for securities transactions. This policy may or may not result in CFA's clients paying transaction or other fees that are higher than those available through other brokers, dealers or trust companies. Not all advisers require clients to direct the use of a particular broker, dealer or trust company for securities trades.

Due to the nature of non-discretionary management, CFA does not aggregate the purchase or sale of securities for client accounts. There are no costs to clients of not aggregating accounts in the SEI program.

#### **FINANCIAL PLANNING AND BUSINESS RETIREMENT SERVICES:**

CFA's Financial Planning and Business Retirement Services practices do not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, or obtaining the best price. Therefore, Business Retirement Services clients, and those Financial Planning clients who do not want to become Investment Supervisory Services clients of CFA, will be required to select their own broker dealers for the implementation of CFA's securities recommendations. CFA may recommend any one of several brokers. CFA clients must independently evaluate these brokers before opening an account. The factors considered by CFA when making this recommendation are the broker's ability to provide professional services, CFA's experience with the broker, the broker's reputation, and the broker's financial strength, among other factors. CFA's Financial Planning and Business Retirement Services clients may use any broker or dealer of their choice.



## ***Review of Accounts***

Form ADV Part 2A, Item 11

### **REVIEWS AND REVIEWERS OF ACCOUNTS:**

All accounts are reviewed by Rosemarie Connolly, Managing Director. Reviews can be discussed at client meetings (in person, at virtual meetings or over the telephone).

We monitor client accounts on a continuous and best-efforts basis and conduct formal reviews with our clients annually. More frequent reviews may be made based on the nature and complexity of the client's account.

Business Retirement Services accounts will be reviewed as contracted for at the start of the advisory relationship.

Stand-alone Financial Planning clients may contract for additional reviews for a separate fee.

Clients receive statements of holdings and activity quarterly by the custodian of the assets. Clients are able to review their investment accounts at any time on their Custodian's secure website.

## **Client Referrals and Other Compensation**

Form ADV Part 2A, Item 12

CFA does not receive any economic benefits such as sales incentives or prizes from non-clients for providing investment advice. CFA does not use solicitors or pay client referral fees to any person who is not a CFA employee.

CFA is aware of the special considerations promulgated pursuant to Rule 206(4)-3 under the Investment Advisers Act of 1940. As such, appropriate disclosure shall be made, all written instruments will be maintained by CFA and all applicable Federal and/or State laws will be observed if such referral arrangements are initiated.

As disclosed in the Brokerage Practices section above, CFA participates in SEI's Enhanced Advisors ("SEI/EA") service program. While there is no direct linkage between the investment advice given and participation in the SEI/EA program, benefits are received which would not be received if CFA did not give investment advice to clients. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving SEI participants exclusively; ability to have investment advisory fees deducted directly from client accounts; access to mutual funds and money managers which generally require significantly higher minimum initial investments or are generally available only to institutional investors, and both proprietary research and research developed by a third party.

CFA clients benefit from the SEI's Enhanced Advisors ("SEI/EA") service program. The benefits received by the clients through participation in the SEI/EA program may or may not depend upon the amount of transactions directed to, or amount of assets custodied by SEI Trust or its affiliates.

The client and firm services provided by SEI Private Trust Co. were factors in CFA's choice of SEI Private Trust Co. for custody and brokerage services. As part of its fiduciary duty to clients, CFA endeavors always to put the interests of its clients first.

## ***Custody***

Form ADV Part 2A, Item 13

Custody of client assets will always be maintained with the independent custodian selected by the client. CFA does not have custody of any client funds.

CFA sends the client a quarterly itemized invoice including the formula used to calculate the fee, the period covered by the fee and the amount of assets under management on which the fee is based. CFA also sends the qualified custodian written notice of the amount of the fee to be deducted from the client's account. CFA is considered to have limited custody since its fees are directly debited via a qualified custodian.

Written authorization to deduct advisory fees from an account held by a qualified custodian is provided by the client to CFA in the client's signed application for each account, which reports the agreed upon advisor fee, and in paragraph 5 of the client's signed contract with CFA.

The qualified custodian has custody of client funds and the qualified custodian sends at least quarterly account statements directly to CFA clients. Clients should carefully review those statements provided by the qualified custodian.

## ***Investment Discretion***

Form ADV Part 2A, Item 14

CFA and related persons have no authority to determine, without obtaining specific client consent, the securities to be bought or sold, the amount of securities to be bought or sold, the broker or dealer to be used, or the commission rates to be paid on security purchases, if any. CFA and related persons do not accept discretionary authority to manage securities accounts on behalf of clients.

## ***Voting Client Securities***

Form ADV Part 2A, Item 15

### **PROXIES:**

As a matter of firm policy, CFA does not vote proxies on behalf of clients. CFA directs the investment account custodian to forward directly to the client copies of all proxies and shareholder communications relating to the client's investment assets. Each client tells the custodian how to vote proxies. The client also makes all elections relative to any corporate action notification such as mergers, tender offers, or bankruptcy proceedings. CFA realizes that voting requests range from routine matters to unique situations. If a client has a specific question about a voting matter the client should contact Rosemarie Connolly.

### **CLASS ACTION SETTLEMENTS:**

CFA may or may not process client claims in class action lawsuits or similar settlements involving securities owned by the client. Clients will receive the documentation for class action claims directly from their investment custodian. Each client should verify with their custodian or other account administrator whether such claims are being made on the client's behalf by the custodian or if the client is expected to file such claims directly. If the claim is not being filed by the custodian the client should consult with us to determine what, if any, action should be taken.

## ***Financial Information***

Form ADV Part 2A, Item 16

No balance sheet or other financial information is provided for CFA because it is not required. CFA does not have custody of client funds or securities. The dollar amount and other reporting thresholds for including the required balance sheet are prepayment of more than \$500 in fees per client and 6 months or more months in advance. CFA does not meet these reporting requirements. CFA does not have any material adverse financial conditions to disclose and we have never been the subject of a bankruptcy petition.

## Requirements for State-Registered Advisers

Form ADV Part 2A, Item 17

### INFORMATION RELATED TO THE PRINCIPAL EXECUTIVE OFFICER:

The principal executive officer and management person for CFA is Rosemarie Connolly. Following is required information relating to Rosemarie Ann Connolly born: 1963.

#### EDUCATION

College of the Holy Cross, BA, Economics and Accounting, 1985  
Bentley College, MST (Master of Science in Taxation), 1989  
Merrimack College, Certificate in Financial Planning, 2000

#### EMPLOYMENT HISTORY

President and Chief Compliance Officer, Connolly Financial Advisors, Inc.  
09/2008 to Present.

Sole Proprietor, R. Connolly, CPA, CFP 11/1989 to Present.

Investment Advisor, Legacy Investment Advisors, 12/2006 to 09/2008.

Registered Representative, Purshe Kaplan Sterling Investments, 12/2006 to 12/2007

Registered Representative and Investment Advisor Representative, AXA Advisors, LLC, 06/2005 to 12/2006.

Registered Representative and Investment Advisor Representative, Trusted Advisors Securities Corp., a division of MONY Securities Corp. (acquired by AXA Advisors), 11/2002 to 6/2005.

### OTHER BUSINESS ACTIVITIES:

In addition to the business of giving investment advice, CFA also offers accounting and bookkeeping services. The approximate amount of time spent by CFA employees on this business is 5-10 hours a week.

#### CFA ACCOUNTING AND BOOKKEEPING SERVICES

In general, the accounting and bookkeeping services may address any or all of the following areas, however the extent of the services provided will depend on the client:

- **BOOKKEEPING SERVICES**  
Bookkeeping services can include preparation of financial statements, processing accounts payable and accounts receivable, managing bank and general ledger reconciliations, payroll processing, preparation of quarterly tax filings, performing month end closings, tracking fixed assets, preparing the trial balance and journal entries, and performing month end reports and closings.

- **ACCOUNTING SERVICES**

General accounting services can include accounting system analysis and design, internal control analysis, assisting management with preparation of operating budgets and overall business accounting services, and preparation of year end reports to be provided to client's tax accountant.

Compensation to CFA for accounting and bookkeeping services desired by the client is charged at hourly rates of \$85 - \$200 and are based on the type and extent of services provided.



## ***Additional Information***

### **PRIVACY POLICY:**

CFA has adopted policies and procedures designed to keep client information private and secure. We do not disclose any non-public, personal information about our clients or former clients to any nonaffiliated third parties, except at the request of a client or as permitted by applicable law or required by regulation. CFA maintains physical safeguards to protect such unauthorized disclosure and will notify clients of its policies and practices in this regard upon request or at any time at which there is a material change in its policies which would require their consent. The privacy policy is always available to our clients on our website [www.connollyadvisors.com](http://www.connollyadvisors.com). CFA does not sell customer lists.

While servicing a client's account, we may share some information with our service providers. Service providers may include transfer agents, custodians, broker-dealers, accountants and lawyers. We restrict internal access to nonpublic personal information about the client to those persons who need access to that information to provide services to the client and to perform administrative functions. For the full text of our Privacy Policy, please contact our Chief Compliance Officer.