



### **Wrap-Fee Program Brochure**

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As of March 31, 2026  
(Form ADV Part 2A)

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#### Wrap Fee Programs:

Asset Advisor  
FundSource®

Personalized Unified Managed Account – (PUMA)  
Private Advisor Network (PAN)

This firm brochure (“Brochure”) provides information about the qualifications and business practices of Chapin Davis Asset Management (“Chapin Davis”), a marketing name of Chapin Davis, Inc., a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”). If you have any questions about the contents of this Brochure, please contact us at (410) 435-3200 and/or by e-mail [Compliance@chapindavis.com](mailto:Compliance@chapindavis.com).

The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC as an investment adviser does not imply that Chapin Davis or any principals or investment adviser representative (“IAR”) or employees of Chapin Davis possess a certain level of skill or training in investment advisory or any other business.

Additional information about Chapin Davis also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This section discusses material changes since the last update.

We have made the following changes summarized below:

- This is a new wrap fee brochure

This Brochure is required to be updated at least annually within 90 days of December 31<sup>st</sup>, or sooner when material changes to our business take place.

Within 120 days of December 31<sup>st</sup>, each year, clients will receive a summary of material changes and an offer to provide a copy of the updated brochure.

Currently, our Wrap Fee Brochure may be requested free of charge by contacting us at (410) 435-3200 or [Compliance@chapindavis.com](mailto:Compliance@chapindavis.com). Our Wrap Fee Brochure is also available for download from our website [www.chapindavis.com](http://www.chapindavis.com) free of charge.

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#### **Item 4 – Services, Fees and Compensation**

Chapin Davis, Inc., a Maryland corporation, was founded in 1952. In 1991, the Firm began offering investment advisory services under the marketing name of Chapin Davis Asset Management (“Chapin Davis”, “Firm”, “CDAM”, “our”, “we”). Chapin Davis is a Registered Investment Adviser (RIA), registered with the SEC under the Investment Advisers Act of 1940, and as a broker-dealer under the Securities Exchange Act of 1934. The Firm is also a member of FINRA and SIPC.

Chapin Davis advises individuals (including high net worth individuals), corporations, retirement accounts, trusts, and other institutions. Chapin Davis typically provides investment advice with respect to equity and fixed income securities, options, open end mutual funds, exchange-traded funds (“ETFs”), and money market instruments. Chapin Davis offers investment management and advisory services, both on a discretionary and non-discretionary basis, wrap fee programs, full and limited financial planning, and investment advisory consulting. This document is Part 2 Appendix 1 of Form ADV (“Brochure”) which provides clients (“client”, “you” or “your”) with information about the wrap fee program advisory services we offer, the fees charged for our services, and our business practices. You should read this Brochure carefully and consult with your tax professional before you decide to engage advisory services.

As of December 31, 2024, CDAM managed \$448,554,215 of discretionary assets and \$90,544,779 of non-discretionary assets per form ADV Part 1 Regulatory Assets Under Management calculation instructions.

While this Brochure generally describes the services of Wrap Fee Programs offered through CDAM, certain sections also discuss the activities of our non-advisory employees, officers, partners, directors (or other persons occupying a similar status or performing similar functions) and investment advisor representatives (“IARs”) who provide investment advisory services on CDAM’s behalf, together referred to as “Supervised Persons”. Certain sections discuss the activities of IARs who recommend and service Wrap Fee Programs as dually licensed financial professionals. These IARs offer investment advisory services on behalf of CDAM and are able to offer brokerage products and services to both clients of CDAM and non-advisory clients of Chapin Davis through the affiliated broker-dealer, Chapin Davis, Inc. (“BD”), member FINRA/SIPC, together (“we”, “our” and “us”). BD is a fully disclosed introducing retail broker-dealer.

#### **What is a wrap fee?**

CDAM is able to offer Wrap Fee Programs via the BD’s relationship as an introducing broker-dealer utilizing the custodial and clearing services of First Clearing, a trade name used by Wells Fargo Clearing Services, LLC, Member SIPC (“WFCS”), a registered broker-dealer and non-bank affiliate of Wells Fargo & Company (referred to hereinafter as the “Clearing Firm”). Chapin Davis has an agreement with Wells Fargo Advisors (“WFA”), a trade name used by WFCS, pursuant to which WFA provides advisory and/or other services with respect to some of the Wrap Fee Programs. WFA is a non-bank affiliate of Wells Fargo & Company (“Wells Fargo”). The BD and CDAM are not related to or affiliated with WFA or the Clearing Firm. The Clearing Firm is a “qualified custodian” as described by Rule 206(4)-2 of the Investment Advisers Act. Unless otherwise specified, the Clearing Firm will maintain custody of client assets in these Programs. The BD, CDAM, WFA and the Clearing Firm each reserve the right to reject and refrain from

providing services to any client or client account for any reason and without providing a specific reason.

With a Wrap Fee account, an investor pays one annual asset-based management fee, which covers the custodial transaction charges. With non-wrap advisory services, an additional asset-based or per transaction charge is paid for by the investor directly to the custodian/broker-dealer in addition to the annual asset-based management fee. The Wrap Fee Program includes the compensation paid to CDAM, the IAR, performance reporting, billing of the Wrap Fee Program for CDAM, and transaction charges in accordance with the Wrap Fee Program Agreement (“Program Agreement”) and the terms of engagement by CDAM and the BD. Thus, the term “wrap” is used as the fees are considered wrapped together into one annual asset-based management fee paid by the investor. The Wrap Fee Program may cost more or less than purchasing such services separately. There are exclusions to what the Wrap Fee covers such as Option execution costs, trades directed away from the Clearing Firm, account servicing fees, certain exchange fees, postage on certain trades and other fees detailed in the respective Program Agreement. Regular brokerage commissions or sales charges will be applied to Ineligible positions. Refer to the Chapin Davis, Inc. Schedule of Client Fees found in the Brokerage Account New Account Packet and review the details of the trade confirmations provided by the Clearing Firm.

### **Services**

CDAM is able to offer several Wrap Fee Programs designed to help you meet your investment objective and goals: Asset Advisor, Custom Choice, Customized Portfolios, FundSource®, Personalized Unified Managed Account (“PUMA”), and Private Advisor Network (“PAN”).

Other CDAM advisory services include portfolio management services in a non-wrap fee structure, financial planning and consulting services. To learn more about CDAM’s non-wrap advisory services please refer to the separate CDAM Part 2A of Form ADV Brochure. This is also available free of charge upon request by using the contact information on the cover page of this document.

Our business model is not the same as a large, online, client directed or self-service advisor. Therefore, our pricing is not comparable to these types of business structures. You will pay more in fees for CDAM’s more personalized services which is less automated and supported primarily by IARs and professional staff.

### **ACKNOWLEDGMENT OF OUR FIDUCIARY STATUS WITH RESPECT TO RETIREMENT ACCOUNTS**

CDAM is a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) with respect to investment management services and investment advice provided to ERISA plans and ERISA plan participants. CDAM is also a fiduciary under section 4975 of the Internal Revenue Code of 1986, as amended (the “IRC”) with respect to investment management services and investment advice provided to individual retirement accounts (“IRAs”), ERISA plans, and ERISA plan participants. As such, CDAM is subject to specific duties and obligations under ERISA and the IRC, as applicable, that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice, the fiduciary must either avoid certain conflicts of interest or rely upon an applicable prohibited transaction exemption.

As a fiduciary, we have duties of care and of loyalty to you and are subject to obligations imposed on us by federal and state securities laws. As a result, you have certain rights that you cannot waive or limit by contract. Nothing in our agreement with you should be interpreted as a limitation of our obligations under the federal and state securities laws or as a waiver of any unwaivable rights you possess.

The Firm and IARs have an economic incentive to encourage investors to roll over assets into a retirement account for which the Firm and IAR will receive compensation or an increase in compensation. In contrast, if the investor leaves his/her assets in their existing plan or rolls the assets into a plan sponsored by their new employer, then the Firm and IARs will likely not earn compensation. Investors are under no obligation to roll over employer plan assets to an IRA or Plan under the Firm. Therefore, we have a Conflict of Interest when we make a recommendation to:

- Move assets that we are not being compensated on to an account/service that we would receive compensation.
- Move assets from an account/service on which we are compensated to an account/service that would generate higher compensation to us.
- Transfer assets from another firm to our firm.
- Roll over assets from a qualified retirement plan to an IRA at our firm.
- Engage our investment advisory consulting services regarding investing of retirement assets.

Prior to initiating a rollover from a qualified plan or an Individual Retirement Account (IRA), CDAM encourages investors to discuss their options with their financial professional and tax professional. To aid clients in this process CDAM has created the Consider Your Options – IRA Rollover Guide to help start the conversation.

To render Program services, clients must enter into a written Program Features and Fee Schedule Agreement (“Program Agreement”) setting forth the relevant terms and conditions of the advisory relationship. The Program Agreement must be signed by the client, IAR and an CDAM principal. In the Program Agreement, the term “Introducing Firm” refers to CDAM and the utilization of its affiliated broker-dealer to provide brokerage, execution, and other services under that Agreement; references to “Introducing Firm” shall include such affiliated broker-dealer, where applicable. Regardless of which Program you select, you will retain the right to: (1) withdraw securities or cash; (2) vote on shareholder proposals of beneficially owned security issues, or delegate the authority to vote on shareholder proposals to another person (note CDAM and their IAR cannot accept authority to vote client’s respective securities on their behalf); (3) be provided in a timely manner with a written confirmation or other notification of each securities transaction, and all other documents required by law to be provided to security holders; and (4) proceed directly as a security holder against the issuer of any security in your Account and not be obligated to join any person involved in the operation of the applicable Program, or any other client of the applicable Program, as a condition precedent to initiating such proceeding.

Program services encompass: exchange listed securities; over the counter and foreign securities; rights and warrants; corporate, municipal and U.S. Government debt securities; securities options; partnership interests involving real estate, oil and gas investments; real estate investment trusts

("REITS"), mortgage backed securities; certificates of deposit; commercial paper; exchange-traded fund shares; closed-end mutual funds shares; open-end mutual fund shares, including load-waived mutual funds, money market funds and, with respect to the Asset Advisor Programs, the ability to hold other types of securities and brokerage products.

As a minimum criterion for providing advisory services, the IAR must have satisfactory previous business experience, plus the required industry examinations and jurisdiction registrations, as applicable.

The IARs, who are also brokerage agents with the BD, are also able to offer brokerage products and services. You should discuss with the IAR the anticipated trading activity, service level needs, and type of investments and assess your total overall costs and needs when considering between a brokerage arrangement, a fee-based Advisory, or between Wrap Programs themselves. You would end up paying more in a Wrap Fee structure than in a brokerage-commission based account under certain circumstances, such as prolonged periods of inactivity or when holding an illiquid position.

As described herein in the section titled "Other Financial Industry Activities and Affiliations", CDAM offers a variety of advisory services. The individual advice given and actions taken in performing our duties to one client will typically differ from those taken with other clients and/or clients engaged in other CDAM or BD services. Additionally, there are times that we are limited in our ability to divulge or act upon certain information related to a specific security because of the BD or CDAM trading restrictions, which can be for a variety of reasons, or if an IAR is in possession of material non-public information related to a security.

### **Our Right to Terminate or Prohibit Service**

We reserve the right to terminate our services with a client (i.e. natural person, entity or associated person of an entity) should we discover or have a reasonable belief that he/she/it; is or attempting to conduct reckless activity; withholding material information; deceiving us; has provided misleading information; is conducting illegal activity; is using funds derived from illegal activity, including insurance fraud or tax evasion; is conducting activity we are unwilling or unable to support or which we do not have policies and procedures to address or are not properly licensed to conduct per FINRA or SEC rules and regulations or a respective state regulatory division; is causing an unreasonable or disproportionate burden on our Firm resources; is creating a hostile or threatening environment for our employees or officers; or should we believe is violating Anti-Money Laundering laws or the U.S. PATRIOT Act.

### **Fees and Compensation**

A portion of the Wrap Fee will be paid to the IAR(s) in connection with providing investment advisory services. This compensation could be more or less than an IAR would receive if you paid separately for investment advisory services in a non-wrap fee structure.

The Programs described in this brochure apply a Program Fee on Eligible Program Assets. CDAM currently does not implement a Firm wide Wrap Fee schedule. However, default Program fees are indicated in the Program Agreements and are negotiable between the client and the IAR. Excluded Assets are not included in the calculation of the Program Fee. For transactions in Excluded Assets, you will pay all usual and customary brokerage commissions/sales charges, transaction fees and other charges. Commissions and fees on Excluded Assets and other charges will be assessed

against your Account on or about the transaction date or another date when assessed by us or the Clearing Firm. Refer to the Program Agreement for details on fee exclusions, calculations, refunds and other information.

IARs must structure the service offered to their clients for efficiency and in accordance with their professional capabilities. The IAR considers many factors when recommending the Program Fee including: the amount of household assets under management, projected assets, the complexity of the investments, expenses applied that are not covered by the Program agreement, number of household accounts, account investment objective, anticipated transaction level, account position composition, pre-existing/legacy client relationship, account retention and special considerations for non-profit or charitable organizations, relationship interactions, financial and retirement planning and consulting considerations. IARs are professionals who are compensated for their advisory experience, guidance, knowledge, professional management services and the implementation of those recommendations and service requests. This includes services and recommendations that do not result in action taken. As an example, an annual investment review resulting in no recommended changes still required the time and work of the IAR. Clients may pay different Program Fees across the Firm and within the households serviced by the IAR.

We want all clients to make money from their investments and reach their goals. However, much of the nature of investing is out of our control. Future market conditions and performance are subject to change and cannot be predicted. The Program Fee will be applied regardless of whether you make or lose money. Generally, IARs of the Firm work independently from one another. They have their own style of service, and their investment approach may differ from opinions expressed by the Firm or other IARs. The Program Fee is individually negotiated based on the factors described above. However, a household with assets over \$2 million will likely pay a lower fee percentage than an account with \$50,000 all other things being relatively equal. IARs usually offer their immediate family or related accounts a lower fee than other accounts with similar fact patterns.

When discussing fees and our compensation, and the associated conflicts, we feel it is important for you to understand our costs and expenses and those related conflicts. Through CDAM's relationship with the affiliated BD, CDAM is charged a Platform Fee to utilize the services of the clearing firm's Advisory Program Platform. The Platform Fee supports the administrative services provided to us by the clearing firm to maintain and operate the Programs. This Platform Fee pays for the billing of your Program accounts, the processing of our account instructions, performance reporting made available to you and us, and a limited amount of trading costs for trades in the Programs. Asset Advisor and CustomChoice allow an allotted number of trades for us per year. This is an expense to us and your IAR. Expenses for the Platform are negotiated by the BD with the clearing firm. The Platform Expenses are structured as a basis point percentage of the Program Fee. It is a tiered, sliding schedule applied to the first \$100k, \$101k-\$250k, etc. For example, the expense applied to us is a basis point percentage on the first \$100,000, and a reduced percentage on the next \$101,000-250,000 and so on. NOTE: Clients who have legacy accounts or transferred to CDAM as a result of a merger or new advisor joining CDAM may be granted an exception to this fee schedule.

The clearing firm expenses not covered in the Program, are generally deducted from the IAR's gross compensation unless there is an arrangement between the IAR and CDAM to cover such

expenses. These expenses include directing trades other than through the Clearing firm, foreign receive and delivery fees for foreign securities, trade corrections, and clearing and execution costs over the allotted number of trades. This creates a conflict for the IAR as their compensation will be reduced by the expenses applied to them and thus have an incentive not to engage in the actions that would trigger these expenses. Please discuss with the IAR if you would like to trade foreign securities or foresee a higher level of trading over the allotted amount per year. The allotment includes both solicited and unsolicited trades, so your trade requests will apply to this count.

The IAR is assessed a monthly expense for Program accounts with values below \$50,000. This creates a conflict as the IAR's expense to maintain these accounts will be higher, thus the Program Fee recommended would need to factor in this expense. For account balances below \$50,000, please discuss the options available with your IAR.

### **Program Fee Calculation**

Program Fees are calculated on Eligible Assets, the billable asset value and fee calculation methodology is detailed in the Program Agreement, and in the section covering Eligible and Excluded Assets. Margin balances do not reduce the billing value of the account. The margined and/ or short positions will be billed using the effective fee rate on the account. Accrued interest will be included in billing. Equity securities would capture income between x-date and pay-date, if the quarter end occurs between these dates. Cash and cash equivalent products are included in the fee calculation. The Program Fee does not cover the internal expenses of the investments themselves such as: the operating expenses found with exchange traded funds (ETFs), closed-end funds, or open-end mutual funds. It also does not cover some trading fees when a portfolio manager sells currently held securities to prepare an account for entry into their investment model, and customary custodial account and service charges. These are borne by the investor and are in addition to the Wrap Fee. For more details regarding fee calculations and costs not covered by the Program Fee refer to the Program Features and Fee Schedule in your Program Agreement. **Please refer to the custodial brokerage account Client Agreement which includes the Chapin Davis, Inc. Schedule of Client Fees for account related terms, charges and service fees.**

The initial Program fee is calculated as of the date that the account is accepted into the Program and covers the remainder of the calendar quarter on a prorated basis. There is usually a short delay between inception and initial transactions. Subsequent fees will be determined for calendar quarter periods and shall be calculated per the Program Agreement. For clarity, the Program fee is assessed on cash and cash equivalents, on accrued but unpaid interest, and also on margin or other borrowing balances as included in the market value on which fees are assessed.

No fee adjustment will be made during any fee period for appreciation or depreciation in the value of the assets in your account during that period. Your account will be charged or refunded a prorated quarterly fee on net additions or net withdrawals in the account during a month if the net addition or net withdrawal would generate a fee or refund of at least \$40 for that quarter. A "flow fee" is a fee generated when assets are added to, or withdrawn, from an account. Flow Fees are processed once per month based on net additions/withdrawals in an account during the prior month and are calculated using a "weighting factor". When there is a change to the Wrap Fee, the request must be made in writing and accepted by you and CDAM. The Wrap Fee previously in effect shall continue until the next billing cycle effective date.

The unnegotiated account fee for each Program is set forth below.

**I. Asset Advisor**

Asset Advisor is a non-discretionary, client-directed investment advisory program. While the IAR serves as the portfolio manager and provides recommendations, the client ultimately makes investment decisions regarding what to buy, sell and hold within the account. Allowable assets include; Stocks, Bonds, Cash Alternatives, Mutual Funds, ETPs, ADRs, CDs, Options, Rights and Warrants, Advisory UITs, Advisory Alternative Investments, and thousands of No-Load, Load Waived, Fee Based and Institutional Share Class Mutual Funds.

The annual Program Fee, which is negotiable is 2.00%

**II. FundSource®**

This is a discretionary mutual fund advisory program with portfolios constructed of load-waived, no-load and institutional share class mutual funds. IARs can also create a tailored allocation for clients using the Wells Fargo Investment Institute's (WFII) recommended funds in FundSource Customized Blends. The Optimal Blend and Customized Blends offer automatic fund replacement as well as auto-rebalancing. Please see Program Wrap Fee Brochure for a description of the services and information applicable to the Program.

The annual Program Fee, which is negotiable is 2.00%

**III. Personalized Unified Managed Account – (PUMA)**

Separately Managed Accounts (SMAs) offer investors professional money management through third-party managers, allowing for customized portfolio tailored to their investment goals. The PUMA program provides access to SMAs, offering flexibility to hold a single portfolio or combine multiple portfolios into a comprehensive, customized account. Global Manager Research, a division of Wells Fargo Investment Institute, evaluates, recommends, and monitors investment managers based on criteria such as experience, performance, and investment philosophy.

There are two main fees to consider: 1) the Third-party SMA (external) manager fee and 2) the Advisory Fee charged by the Investment Adviser Representative (IAR). Together, these fees constitute the Effective Fee Rate, which is detailed in the Personalized Unified Managed Account Program Features and Fee Schedule agreement as the "Program Fee".

Once the Program Fee is established, changes in the fee charged by a third-party SMA manager may or may not affect the IAR's Advisory Fee, depending on whether the new fee is higher or lower. This creates a conflict of interest for the IAR, as higher manager fees reduce their Advisory Fee percentage.

To address this conflict, when recommending changes in managers or strategies, the IAR allows clients to evaluate and direct the selection of third-party SMA managers. This approach helps mitigate potential conflicts, ensuring that manager selections align closely with client objectives and attributes.

The IAR's recommendations are guided by managing potential fee impacts on their Advisory Fee, while clients have the opportunity to oversee the selection of third-party managers to best suit their investment goals.

In summary, the IAR's recommendations regarding third-party managers are influenced by potential changes in fees that could impact their own Advisory Fee percentage. There is an extensive list of managers available and it would be unreasonable for an IAR to evaluate all aspects of all managers. IARs do their best to conduct their fiduciary duty and select managers that align with the account objective and unique client attributes. Therefore to mitigate this conflict when the IAR's make recommendations to change managers/strategies, the selection of the Third-party SMA (external) manager is at the client's evaluation and direction.

**Please refer to the separate Brochure for more information and specific details regarding the Personalized UMA Roster & Management Fees.** Because the PUMA Program uses external managers to execute the account investments and trading and the platform expense the IAR is charged is higher than most other Programs offered at the Clearing Firm, the IAR will likely receive a lower percentage of the Program Fee than they would with other Programs that do not pay a third-party manager fee.

The annual Program Fee, which is negotiable is 2.00%

#### **IV. Private Advisor Network (PAN)**

Private Advisor Network is designed to give our clients direct access to professional money managers and their investment services. Each account is managed separately and distinctly, not as part of a pooled fund. This is a dual contract program in which the client signs an agreement with FCCS and the money manager. Please refer to the applicable managers separate disclosure brochure. **Unlike the other Wrap Programs, the third-party manager fee applies/bills their fee separately and is in addition to the Program Fee of the IAR. Therefore, your total expenses will likely be higher than other Wrap Programs that do not utilize a third-party manager.** This creates a conflict as the IAR will likely receive a lower Program Fee than they would with other Programs if they were the portfolio manager. Refer to the respective manager's disclosure document and management agreement for service and fee details.

The annual Program Fee, which is negotiable is 2.00%

#### **Prospectus Delivery**

For Programs that use a manager with discretionary authority, who are responsible for the day-to-day management of the account, prospectuses for funds registered under the Investment Company Act of 1940 will be delivered to that respective manager instead of the accountholder directly. Accountholders may request a prospectus by emailing a request to [compliance@chapindavis.com](mailto:compliance@chapindavis.com).

#### **Other Fees**

##### **Account Fees**

The Program Fee does not include customary account and custodial service fees such as the fee for checks, wire fees, insufficient funds fee, foreign financial transaction taxes when applicable,

other fees required by law and other account activity fees. **Please refer to the brokerage account Client Agreement and the included Chapin Davis, Inc. Schedule of Client Fees.**

### **Use of Money Market Funds**

Cash balances in your account could be invested in money market mutual funds. As a shareholder of a money market fund, you will bear a proportionate share of the money market fund's expenses, in addition to the Program Fee. In a low interest rate environment, the yield that you earn on cash and cash alternatives, including cash sweep funds, CDs and money market funds may not offset advisory fees. In some instances, the effective yield of the investment could in fact be negative. **Refer to the Cash Sweep information within this document under "Client Referrals and Other Compensation".**

If you invest in foreign stocks or American depositary receipts ("ADR"), you are typically subject to foreign tax withholding on the dividends paid or interest earned. An ADR represents underlying shares of a foreign corporation which are held and issued by a U.S. bank. While ADRs are traded on U.S. markets, the income and tax withholding are subject to the rules and regulation of the foreign tax authorities with jurisdiction over the underlying corporation. When dividends or interest are paid to investors of foreign securities, the tax authorities for that country require the payor to withhold taxes for certain foreign investors. This can negatively impact the rate of return. In some instances, U.S. clients are eligible to reclaim a portion of foreign taxes that are withheld and/or receive a preferential foreign tax rate on foreign securities by filing specific tax forms seeking such relief. We are neither legal nor tax professionals. Please consult your tax advisor for specific information on foreign tax withholding, your eligibility to reclaim a portion of taxes withheld and/or receiving a preferential foreign tax rate and the costs associated with these filings.

### **Non-Program, Ineligible/Excluded Assets**

For positions excluded from the Wrap Fee calculation you will incur the usual and customary brokerage sales charge and fee imposed on transactions in Excluded Assets which can include (i) odd lot differentials and transfer taxes; (ii) charges imposed by broker-dealers and custodians other than the BD or the Clearing Firm; (iii) offering discounts, commissions and related fees in connection with underwritten public offerings of securities; (iv) margin interest and operational fees and charges; (v) IRA fees; and (vi) any redemption fees, exchange fees and or similar fees (among which SEC fees are included) imposed in connection with mutual fund transactions. The BD and the financial professional, in their capacity as a broker agent, are eligible to receive the brokerage compensation regarding the securities deemed Excluded Assets.

### **Costs of Investments - Mutual Funds**

In addition to the Program Fee, as a shareholder of an open-end mutual fund, closed-end fund or exchange traded fund ("ETF"), you will bear a proportionate share of the fund's investment management fees and expenses. Mutual fund fees and expenses, including asset-based sales charges known as "12b-1 fees," vary based on the share class that is offered. Open-end mutual funds in an advisory share class have lower annual expenses than share classes that pay a sales load. Clients who purchase open-end mutual funds in other types of accounts, such as a brokerage account, typically purchase a commission share class or a share class with a contingent deferred sales charge that imposes a higher Annual Operating Expense structure, including 12b-1 fees or sales load. As a result, some clients are able to purchase a lower expense ratio advisory or institutional share class, while others must purchase a non-advisory/brokerage share class. The

types of mutual funds available for purchase are dependent upon the respective relationship the Clearing firm has with the fund company and any restrictions or minimums imposed. **For more information about the respective share class offerings and the fee and expense structure, please refer to the fund's most recently published prospectus.**

You should be aware that you likely would be able to invest in money market funds, mutual funds or ETFs in a brokerage capacity via a brokerage account with which the BD has a selling agreement with without incurring the annual Program fee. If you do, however, you will not receive the Program services provided under the Program agreement in an advisor capacity. Depending on the share class, mutual funds impose a sales load and/or a contingent deferred sales charge on direct investments. You will receive a prospectus for each fund purchased, as required by securities regulations. In addition, certain institutional investors can directly purchase shares of certain funds that do not charge shareholder services, sub-accounting or other related fees.

When the IAR is serving as the portfolio manager, it is a common practice to utilize the Advisory Share Class Finder Tool to determine the eligible share class with the lowest expense ratio allowable by the custodian, fund company, and Program guidelines. Such share classes are referred to as “institutional” or “advisory” (“advisory share class”). When an advisory share class with a lower expense ratio is made available to the Program, existing advisory share class positions will automatically convert at a designated time to the lower expense ratio share class. During the conversion process, usually 5 – 7 business days, trading will not be allowed in the affected positions. However, non-advisory share class holdings transferring into an account will need to be reviewed and manually converted from Excluded Assets to Eligible Assets and included in the Program fee calculation. For example: when converting an A share, the client is not eligible to convert shares if they have paid a sales load in the past 13 months. If converting a C share, any Contingent Deferred Sales Charge (CDSC) period must have expired before the request can be affected. Talk with your IAR regarding the analysis of converting an open-end mutual fund share class and how this could be beneficial to you. There are considerations other than costs and it is important to discuss the unique needs of your account such as timing of distributions and liquidity needs.

Fund companies have minimum dollar investment levels that certain managers are eligible for in separately managed accounts. In other types of accounts, such as brokerage and fee-based programs managed or sponsored by a third party, other share classes are used and will have varying fees, expenses and sales charges as offered by the fund companies and allowed for in the account.

### **Account Termination**

Your account agreement can be terminated by either party at any time upon written notice. If you terminate your Agreement, you will receive a pro rata refund of the Program fee. You have the right, within five (5) days of execution, to terminate the Client Agreement without penalty. In the event of cancellation of a Client Agreement, fees previously paid pursuant to the fee schedule will be refunded on a pro rata basis, as of the date notice of such cancellation is received by the non-canceling party, less reasonable start-up costs.

If you choose to terminate your agreement with any Program, the portfolio manager or IAR can liquidate your account if instructed to do so. It is typically favorable to the client to execute trades covered by the Program transaction allotment prior to the effective date of the Program

Termination. If so instructed, the portfolio manager or IAR will liquidate your account in an orderly and efficient manner. Once the Program is terminated however, the account will default to a brokerage account relationship and transaction charges and annual account fees will apply. You should be aware that certain mutual funds impose redemption fees as stated in their fund prospectus. You should also keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with your tax advisor beforehand.

We will not be responsible for market fluctuations in your account from the time of notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner. Factors that affect the orderly and efficient liquidation of an account might be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable, and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate an advisory account other than a non-discretionary, client-directed account, termination orders cannot be considered market orders. It usually takes several business days under normal market conditions to process your request.

If a program account is terminated, but you maintain a brokerage account with us, the money market fund used in a "sweep" arrangement will be changed and/or your shares will be exchanged for shares of another series of the same fund. You will bear a proportionate share of the money market fund's fees and expenses. You are subject to the customary brokerage charges for any securities positions sold in your account after the termination of program services.

#### **Additional Information - Compensation Structure**

IARs are compensated based on a tiered Firm level pay out on a net percentage basis of both their CDAM advisory compensation and their brokerage compensation earned through the BD, including in their capacity as an insurance agent. As their revenue increases so does their percentage payout tier. The IARs are able to provide securities brokerage products and services under separate commission-based arrangements in their capacity as a registered representative of the BD. IARs who are also insurance producers, are able to offer insurance products in their capacity through the BD when an advisory share class is not available on the insurance product being recommended. This compensation is separate and in addition to compensation they receive for performing advisory service under CDAM and brokerage sales and services through the BD. An IAR who is able to offer additional products or services could be incentivized to increase their compensation for their financial gain. As an IAR approaches the next level tier in their payout grid, this could create an incentive for them to generate additional revenue. We mitigate this by having a heightened supervision system in place for IAR's who are within ten (10) percent of reaching their next tier compensation level. Please talk with the IAR about their recommendations and to ask them about their compensation and how it could be affected by your engagement in their advisory service and other services. **Refer to the IAR's 2B Supplements which include the IAR's other business activity and affiliations, as applicable. A detailed report on the IRA can be found on the Investment Advisor Public Disclosure ("IAPD") at <https://adviserinfo.sec.gov/>.**

CDAM and the IAR are entitled to receive a percentage of the Program Fee for each account. As previously mentioned, the higher the Eligible Assets the lower the Platform expense that is applied. This creates a conflict as there is an incentive for the IAR to consolidate Eligible Assets into one

account to lower their Platform expense. This is mitigated in that if a collection of accounts of owners related to one another can be aggregated, into what is classified as a household, and that meets certain waiver criteria, the account owner(s) are eligible to receive a waiver for certain custodial annual fees: Investment Account, Uniform Gifts To Minors Act (“UGMA”) account, Uniform Transfer to Minors Act (“UGMA”), and custodian IRA annual fees.

### Item 5 – Account Requirements and Types of Clients

CDAM offers Program services to retail investors. Per the definition of Form ADV, Part 3 Form CRS, retail investors are a natural person, or the legal representative of such natural person, who seeks to receive or receives services primarily for personal, family or household purposes. This includes individuals, including high net worth individuals, trusts and estates. We also provide Program services to corporations, business entities, associations, charitable organizations, and trusts and estates not considered retail investors, as mentioned above. Based on our service model and infrastructure, we feel that investors who wish to regularly direct trades, such as on a daily or weekly basis, may not be best suited for discretionary portfolio management services. Likewise, investors with high cashflow demands that create a frequent and constant inflow and outflow of funds, place a disproportional higher operational burden on our operations and can inhibit us from providing portfolio management services to the best of our ability.

CDAM does not establish a minimum asset requirement for a Program. However, the Clearing firm and respective third-party managers have set recommended minimum accounts sizes. The Clearing firm, IAR and third-party manager have the right to decline to accept an account or an account below the minimum. Each custodian has Program value thresholds that trigger additional or higher fees for low account balances.

<b>Program Name</b>	<b>Minimum Account Size</b> set by First Clearing
<b>PUMA- Multi Strategy</b>	
Optimal Blend	\$200,000 or portfolio minimum
Custom Blend	\$10,000 subject to investment minimum
<b>PUMA- Single Strategy</b>	
SMA, CAAP Plus and Tactical ETF & Customized Portfolios Equity strategies	\$50,000
Allocation Advisors strategies – ESG Aware, Tactical Active/Passive and Intuitive Investor EFT	\$10,000
Allocation Advisors strategies – Strategic ETF, Active/Passive, Morningstar Strategic ETF, Morningstar ETF, Laffer Global and Laffer Dynamic U.S. Inflation	\$25,000
Compass Asset Allocation strategies – all but aggressive growth	\$250,000
Compass Asset Allocation strategies – aggressive growth	\$150,000
Customized Portfolios Equity strategies	\$50,000

FundSource Optimal Blend	\$25,000
FundSource Foundations Optimal Blend	\$10,000
FundSource Offshore SEI Optimal Blend	\$25,000
<b>Private Advisor Network (PAN) – subject to Manager’s minimum</b>	\$100,000
<b>Asset Advisor</b>	\$25,000

*Under certain circumstances the minimum initial investment required to participate in a Program may be waived.*

## **Item 6 – Portfolio Manager Selections and Evaluation**

Through the Clearing firm’s expansive platform, program offerings, operational resources and portfolio management resources we feel these Programs enable us to offer portfolio management services to meet our client’s needs, our business model, Firm infrastructure and fiduciary obligations. The resources and operational support of the Clearing firm, suite of Programs, research and due diligence capabilities and product and manager offerings are extensive.

Your IAR will need to assess your needs as discussed herein to make a Program(s) recommendation. There are numerous and evolving conditions and aspects to the Programs as well as outside influences such as market conditions, new industry products and other material factors. The conflict associated with the IAR’s compensation between one Program from another is mitigated in that his/her expense is consistent across all Programs. The IAR’s evaluation involves all or a combination of utilizing reputable third-party research reports and rating services (such as Morningstar), available research and publications about the managers, performance history, portfolio holdings, investment philosophy, commentary provided by the manager, the IAR’s own experience and other resources to support the IAR’s comfort level with the Program. We utilize the due diligence of the outside managers participating in the respective Program regarding their investment professionals. However, even as we monitor the relationship, should the client’s need change or the IAR begins to have concerns about a manager’s ability, changes then will likely be recommended. While conditions, facts and circumstances that were known at the time lead to a change, and perhaps a new course of action or recommendation we cannot be held to the benefit of hindsight and ask our clients to respect the reality of how decisions are made at a given point in time and what is known at that time.

We prefer to perform at least annual reviews with clients to confirm the portfolios are in alignment with stated investment objectives. We ask that you be responsive to our requests to discuss your Programs and financial matters. We cannot perform our services to the best of our abilities without your input, response to our requests for transaction approvals, communication of material changes in your financial profile, or your provision of material information that could reasonably affect our recommendations. During reviews, we can evaluate a portfolio’s performance relative to its benchmark, your needs, and if the account is meeting the investment objective. However, each IAR is a unique individual, and they are only able to provide services to the best of their ability, knowledge, and experience. They each have their own strengths and weaknesses, and their service levels will vary. Some IARs have the ability to manage advisory accounts on a discretionary basis and some IARs do not wish to offer this level of service. Clients also have the option to impose restrictions regarding the type of investments they wish to use and should bring these to the attention of their IAR in writing.

We utilize the performance reporting features available to us through the custodial portals. These reports are generated through report settings and default settings that enable only limited reporting parameter adjustments by the IAR. Performance information may not be calculated on a uniform and consistent basis. We cannot verify the accuracy or compliance standards for all third-party reporting programs, as much of the functionality is out of our control.

### **Non-Discretionary Service Limitation**

When you utilize a non-discretionary, client-directed Program you must be willing to accept that the IAR cannot affect account transactions without obtaining your verbal or written consent. Thus, in the event of a significant, time sensitive market occurrence, should you be unavailable, the IAR will be unable to effect account transactions (as they would be authorized to do so for an account where they have discretionary trading authority).

### **Limitations in Service**

- Should a client move to a state or jurisdiction which the Firm, our IAR or the custodian is not approved to conduct business or whereby is not exempt from registration, we reserve the right to suspend advisor services or temporarily reassign services internally to another IAR until proper license or registration approvals are in effect or notify you that we will be unable to service your accounts.
- Restrictions in our services and to whom we can provide services to will also be affected by changes in regulations, per policies of the Firm and the custodians.
- IARs may be unable to make recommendations or discuss securities of which they are in possession of material non-public information, they become an affiliate of CDAM. Restrictions regarding the type of products we are able to recommend in certain types of accounts, certain products we are not registered to offer, or other such restriction, such as by Executive Order or other condition outside our control may impact IARs ability to make recommendations or discuss these securities.
- There are restrictions for clients who move outside the United States (Offshore Customers). CDAM does not maintain accounts for Offshore Customers except those living on a U.S. military facility or U.S. embassy.
- Nothing in here is an offer or solicitation of any security, product or service in any jurisdiction where their offer or sale would be contrary to local law or regulation.
- We also reserve the right not to accept funds for which we cannot verify the source of or have a reasonable concern that doing so may violate Anti-Money-Laundering laws such as those administered by the Financial Crimes Enforcement Network (FinCEN).
- We are also held to a fiduciary standard of care. Investment strategies, product selections or courses of action that contradict what is generally considered in your best interest may require you to acknowledge that you are aware of the terms of the action and have chosen to move forward of your own accord.

### **Methods of Analysis**

Investing in securities involves risk of loss that you should be prepared to bear. IARs recommend Programs and create an investment plan based on the client's (your) unique needs and circumstances. As part of this process, IARs consider several factors when recommending a Program and a respective third-party manager, if applicable. When an IAR is serving as the portfolio manager, they may develop model investment strategies or manage accounts separately,

depending on the IAR's servicing structure. They analyze specific securities, categories, products or types of investment vehicles. IARs are able to conduct their analysis independently and based on their unique expertise, knowledge, experience, and style. Generally, methods of analysis include review of Program materials and manager reports, industry research reports, subscription ranking and reporting services, public reports, costs of the investments to the account holder, materials provided by the investment company, discussions with product providers, personal experience and educational, product sponsor and industry events.

### **Investment Strategies and Due Diligence**

Each IAR has his or her own area of expertise and individual management practices. In general, the more the IAR knows about you, the better job they can do. The Programs offer a variety of investment vehicles to address client needs.

Regarding the Programs where the IAR serves as the portfolio manager, as the IAR is the one making the Program recommendation, they cannot conduct due diligence on themselves. Rather their actions and recommendation of the Program itself are held to the investment advisor fiduciary standard. In their capacity as your portfolio manager, they have a conflict related to timing of trades. Front running or making trades counter to their client's trades is a conflict. This could create an advantage, whereby an IAR could enter an order with the knowledge that a pending order that has not yet been entered or executed and thus may affect the market price of the security in question for themselves or other related clients. To mitigate and manage this conflict, CDAM employs the following practice through a Code of Ethics, which sets forth certain minimum expectations for IARs trading in Programs. As detailed in this Code, IARs cannot engage in front running or trading to create an advantage on their behalf or of any other client or other person. We are committed to maintaining the highest standards of professional conduct and ethics; while discharging our obligations to our clients, to protect our business reputation, and to avoid even the appearance of impropriety in our investment activities on behalf of clients. We have supervision controls in place to prevent and monitor this behavior such as trade monitoring system which alerts principals for discrepancies in pricing and block trading practices to average price a trade across multiple accounts. All access personnel, regardless of role, are expected to conduct the Firm's business in full compliance with both the letter and the spirit of the Code, and any other Firm policies and procedures applicable.

### **Performance Based Fee**

CDAM does not charge performance-based fees

### **Voting Client Securities**

CDAM and IARs cannot accept the authority to vote client's respective securities' proxies on their behalf. Clients receive proxies directly from financial institutions or proxy services. IARs can only assist with questions regarding the validity of any such communication.

### **Risks of Loss**

**Investing in securities involves risk of loss that clients should be prepared to bear.** Chapin Davis cannot guarantee that it will achieve a client's investment objective. Clients' returns will fluctuate, and you may lose money. Below are some of the principal risks of investing in the types of securities recommended by Chapin Davis:

- **Capital Risk.** The most basic, fundamental risk of investing is the risk that you may lose 100 percent of the money you invest and/or obligate. All investments carry some form of risk, and the loss of capital is generally a risk for any investment instrument.
- **Commodities Risk.** ETFs that hold commodities, such as gold or silver, as well as oil royalty trusts, publicly traded master limited partnerships and other investment companies that invest in commodities, are subject to volatility because commodity prices and stock prices for companies in the commodity markets can fluctuate widely. These investments also depend upon specialized management skills and typically lack or have limited operating histories. These entities' success will vary depending on their underlying portfolios. For example, if the entities invest in oil and gas companies, their returns will be very dependent on highly volatile oil and gas prices. Unlike ownership of common stock of a corporation, investors in these entities typically would have limited voting rights and no ability to elect directors of these entities annually.
- **Credit Risk.** Credit risk involves situations where an investment's performance relies on a borrower's repayment of borrowed funds. With credit risk, a client can experience a loss or unfavorable performance if a borrower does not repay the borrowed funds as expected or required. Investment holdings that involve forms of indebtedness (i.e. borrowed funds) are subject to credit risk.
- **Currency Risk.** Fluctuation in the value of the currency in which your investment is denominated may affect the value of your investment and thus, your investment may be worth more or less in the future. All currency is subject to swings in valuation and thus, regardless of the currency denomination of any particular investment owned, currency risk is a realistic risk measure. Currency risk is generally a much larger factor for investment instruments denominated in currencies other than the most widely used currencies (U.S. dollar, British pound, Euro, Japanese yen, etc.).
- **Derivatives Risk.** Derivative instruments (for example, swaps, options, futures and index-based instruments) may be used for hedging or investment purposes, such as to gain exposure to particular securities or markets, in connection with hedging transactions or currencies, or to increase total return. The use of derivative instruments involves the risk that those instruments may not work as intended due to unexpected developments in market conditions or other causes.
- **Equity Risk.** Equity securities tend to be more volatile than some other asset classes. The value of an individual security can be more volatile than the market as a whole. This volatility affects the value of the client's overall portfolio. Small- and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility; higher failure rates; more limited markets, product lines or financial resources; and less management experience than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies.

- **Fixed Income Risk.** The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return to compensate for the additional risk. As nominal interest rates rise, the value of fixed income securities are likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate. Inflation-indexed securities, including Treasury Inflation-Protected Securities (TIPS), decline in value when real interest rates rise. In certain interest rate environments, such as when real interest rates are rising faster than nominal interest rates, inflation-indexed securities may experience greater losses than other fixed income securities with similar duration. Investments in high yield, high risk securities and unrated securities of similar credit quality (commonly known as “junk bonds”), as well as derivatives of such securities, are subject to greater levels of interest rate, credit, and liquidity risk than investments in other types of securities. These securities are considered predominately speculative with respect to the issuer’s continuing ability to make principal and interest payments.
- **Foreign Securities Risk.** Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These risks may include; currency risk, country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. To the extent that underlying funds or managers invest in issuers located in emerging markets, the risk may be heightened by political changes, changes in taxation, or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- **Inflation Risk.** Inflation risk involves the concern that in the future, your investment or proceeds from your investment will not be worth what they are today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely get you less than it can today.
- **Investment Company Securities Risks.** When a client invests in mutual funds or ETFs, the client will indirectly bear the client’s proportionate share of any fees and expenses incurred by the fund. Therefore, the client may incur higher expenses than if the client invested in a portfolio of similar investment securities. In addition, the client may be affected by losses of the underlying funds and the level of risk arising from the investment practices of the underlying funds (such as the use of leverage by the funds). Chapin Davis has no control over the investments and related risks taken by the underlying funds in which clients invest. In addition to risks generally associated with investments in investment company securities, ETFs are subject to the following risks

that do not apply to traditional mutual funds: (i) an ETF's shares may trade at a market price that is above or below its net asset value; (ii) an active trading market for an ETF's shares may not develop or be maintained; (iii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iv) trading of an ETF's shares may be halted if the listing exchange officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

- **Legal/Regulatory Risk.** Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.
- **Management Risk.** An Investment Adviser Representative's investment approach may fail to produce the intended results. If our perception of the performance of a specific asset class or underlying fund is not realized in the expected time frame, the overall performance of a client's portfolio may suffer. Chapin Davis may recommend independent money managers over which it has no control, and the independent manager could engage in mismanagement or fraud.
- **Margin Risk.** To the extent that a client elects to borrow to make investments through a margin account, the margin debit balance will increase the overall risk of the account magnifying losses and gains. A margin loan does not decrease until paid back and interest rates charged may exceed those available from other lenders. If the value of the investment securities purchased on margin declines, the client may be subject to a margin call requiring the client to deposit funds to pay off some or all of the margin loan or sell securities at current market prices that may be lower than the price at which securities were purchased. In addition, the advisory fee paid by the client is based on the value of invested securities and it is not reduced by the amount of the margin loan. As such, utilizing margin typically increases the assets under management, which increases the asset-based fee charged. The increased asset-based fee may provide an incentive for a Portfolio Manager to recommend the use of margin strategies. The use of margin is not suitable for all investors since it increases leverage in the account and therefore risk.
- **Market Risk.** Prices of securities in which clients invest may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by the client; conditions affecting the general economy; overall market changes; local, regional, or global political, social or economic instability; and currency, interest rate, and commodity price fluctuations. Investors should have a long-term perspective and be able to tolerate potentially sharp declines in market value.
- **Real Estate Risk.** Real estate investments and real estate investment trusts ("REITs") are subject to risks such as (i) possible declines in the value of real estate, (ii) adverse

general and local economic conditions, (iii) possible lack of availability of mortgage funds, (iv) changes in interest rates, and (v) environmental problems. In addition, REITs are subject to certain other risks related specifically to their structure and focus such as: dependency upon management skills; limited diversification; the risks of locating and managing financing for projects; heavy cash flow dependency; possible default by borrowers; the costs and potential losses of self-liquidation of one or more holdings; the possibility of failing to maintain exemptions from securities registration; and, in many cases, relatively small market capitalization, which may result in limited market liquidity and price volatility.

- **Style Risk.** Clients may invest in companies or mutual funds that are growth- and/ or value-oriented. If the Investment Adviser Representative incorrectly assesses the growth potential of a company or fund in which clients invest, the securities purchased may not perform as expected, ultimately reducing the client's return, or causing clients to lose money on the investment. With respect to value investments, the market may not agree with the Investment Adviser Representative's determination that portfolio stocks are undervalued, and the prices of such portfolio securities may not increase to what the Investment Adviser Representative believes are their full value. They may even decrease in value.

#### **Item 7 – Client Information Provided to Portfolio Managers**

In order to serve our clients and conduct day-to-day services with product vendors, we need to share non-public personal information in the normal conduct of our business with affiliates and with companies not affiliated with us. Updated client information received by us is shared in a timely manner with outside vendors as necessary. These updates are often provided daily. We need to share a client's personal information in order to process transactions, maintain accounts(s), and offer our products and services. This sharing allows us to provide better and more complete financial advice and comply with legal and regulatory requirements. When we share information with companies not affiliated with us who are under contract to perform services on our behalf, such as vendors that conducting auditing services or provide services directly related to an account's relationship with us, our agreements with these companies require that they keep client information confidential and not use such information for any unrelated purpose or they have privacy policies that restrict how they use the information visible to them. We share non-public personal information if required to respond to court orders, regulatory inquiries, or legal investigations. Please refer to our Privacy Notice on <https://chapindavis.com/wp-content/uploads/2025/03/2025-Privacy-Policy.pdf>.

#### **Item 8 – Client Contact with Portfolio Managers**

Your primary contact for information and consultation regarding your account(s) is your IAR. In certain instances, your IAR will coordinate a response with a third-party Portfolio Manager (if applicable) or arrange for you to consult directly with a third-party Portfolio Manager.

#### **Item 9 – Additional Information**

Investment advisers are required to disclose certain legal or disciplinary events relevant to a client's or prospective client's evaluation of our firm or the integrity of our management. In its advisory capacity, CDAM has no disciplinary events to report. In its broker-dealer capacity, Chapin Davis has the following events to report:

### **Disciplinary Information**

***Non-Compliance with FINRA Rules.*** In 2026, FINRA determined that Chapin Davis failed to maintain the required minimum net capital on 17 days between August 2021 and May 2022 and failed to notify the SEC or FINRA of these deficiencies. The Firm's miscalculations of its net capital also caused it to maintain inaccurate books and records and file 11 inaccurate Financial and Operational Combined Uniform Single (FOCUS) reports between April 2021 and December 2022. The firm also failed to establish and maintain a supervisory system, including written supervisory procedures, reasonably designed to achieve compliance with its net capital and recordkeeping obligations, as well as the Compliance Obligation of Regulation Best Interest (Reg BI) between June 30, 2020 and June 2023. As a result of this conduct, Chapin Davis violated Sections 15(c)(3) and 17(a) of the Securities Exchange Act of 1934, Exchange Act Rules 15c3-1, 15l-1(a)(1), 17a-3, 17a-5, and 17a-11, and FINRA Rules 4110(b)(1), 4511, 3110, and 2010. On March 31, 2024, the Chapin Davis without admitting or denying the findings, signed an Acceptance, Waiver, and Consent (AWC) with FINRA for the purpose of settling alleged rule violation, was censured and paid a fine of \$45,000.

In 2020, FINRA determined that from March 2016 to April 2018, Chapin Davis failed to implement its written Customer Identification Program ("CIP"), as required by FINRA Rule 3310(b). During the relevant period, the Firm also failed to implement its written AML policies and procedures relating to the detection and reporting of suspicious transactions, as required by FINRA Rule 3310(a). Without admitting or denying the findings, Chapin Davis entered an Acceptance, Waiver and Consent agreement, was censured and paid a fine of \$35,000.

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

Chapin Davis, Inc. is also an SEC registered broker-dealer and member of FINRA and SIPC, operating as Chapin Davis Investments. Management of Chapin Davis is overseen by persons registered as Investment Adviser Representatives and Registered Representatives of Chapin Davis, Inc. in its dual capacity as a Registered Investment Adviser and a Registered Broker-Dealer. Certain Investment Adviser Representatives of Chapin Davis Asset Management may be dually registered as registered representatives of Chapin Davis Investments. This can create a conflict of interest since these representatives can recommend that you maintain either a fee-based advisory account or a commission-based brokerage account. Advisory accounts are charged a quarterly fee based on the assets under management. This fee will fluctuate each quarter and may increase, or decrease based on the value of your account. Commission based brokerage accounts are charged a commission on each trade executed. The amount of commissions you pay will depend on the number and size of the investment securities that you purchase and sell. The decision to maintain a fee-based account or commission-based account may affect your total return and the compensation earned by the Investment Adviser Representative.

Philadelphia Partners Capital Management, LLC, an SEC registered investment adviser, is owned by Michael A. Galantino. Mr. Galantino is also the President of Chapin Davis, Inc. and is an Investment Adviser Representative of both Philadelphia Partners Capital Management, LLC and Chapin Davis Asset Management. The two firms are not affiliated and there is not a Relying Adviser Relationship between the firms nor is there a Finder/Solicitor Relationship between the two firms. Philadelphia Partners Capital Management, LLC is not a registered broker-dealer. Mr. Galantino has disclosed his involvement with Philadelphia Partners Capital Management on his U4 as an outside business activity from his employment with Chapin Davis Asset Management. Additionally, Philadelphia Partners Capital Management, LLC's Chief Compliance Officer is Carol Scicchitano. Ms. Scicchitano is an Investment Adviser Representative of Chapin Davis Asset Management and Philadelphia Partners Capital Management, LLC.

Chapin Davis advisers may also receive a portion of the brokerage commissions on purchases and sales of securities through Chapin Davis Investments on behalf of clients' accounts. ***Additional information about the broker-dealer arrangement is discussed below in the Code of Ethics, Participation or interest in Client Transactions and Personal Trading.***

In addition, Chapin Davis Insurance, Inc., a subsidiary of Chapin Davis Inc., advises clients with respect to their insurance needs. Certain Investment Adviser Representatives of Chapin Davis Asset Management are licensed agents and brokers with various insurance companies. Such Investment Adviser Representatives may receive insurance commissions when a client purchases an insurance policy or annuity from these representatives. An Investment Adviser Representative may have a conflict of interest when managing clients' assets on an annual fee basis and recommending insurance-based products for which they may receive a commission.

Neither Chapin Davis, nor our management personnel, 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 foregoing entities.

### **Brokerage Recommendations**

Chapin Davis, Inc. is a registered broker-dealer and a registered investment adviser, and it engages in broker-dealer business under the name of Chapin Davis Investments and it engages in investment adviser business under the name of Chapin Davis Asset Management. Both Chapin Davis Investments and Chapin Davis Asset Management are "doing business as" (or "dba") names for Chapin Davis, Inc. All investment adviser representatives of Chapin Davis Asset Management are also registered representatives of Chapin Davis Investments. Chapin Davis Investments is an introducing broker-dealer that clears transactions through First Clearing, a qualified custodian. First Clearing also has possession and control of the client accounts. First Clearing is a nonbank subsidiary of Well Fargo & Company. As a general practice, each Chapin Davis Asset Management client will establish a brokerage account with First Clearing through Chapin Davis Investments. Security transactions are executed through First Clearing and Chapin Davis Asset Management clients do not pay brokerage commissions on these trades. Not all investment advisers require their clients to direct their brokerage business to their clearing firm or affiliates. By requiring advisory clients to establish a brokerage account with First Clearing, it is possible that Chapin Davis is unable to achieve the most favorable execution of client transactions, and this practice may cost the clients more money. Chapin Davis mitigates this conflict by reviewing First Clearing's best execution against industry averages.

### **Trade Aggregation**

Chapin Davis will generally execute a block trade where client accounts are invested according to a model portfolio. Participants in a block trade typically receive their pro rata, average price per share allocation of the trade.

### **Best Execution**

Chapin Davis seeks to execute client transactions in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances. However, transactions will not always be executed at the lowest possible cost. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range and quality of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness.

Clients may also obtain lower rates from so-called discount brokers, although they would not have the benefit of Chapin Davis's investment advice.

### **Soft Dollars**

Chapin Davis does not enter into so-called "soft dollar arrangements," where it directs client transactions to a broker-dealer that provides research and brokerage services to Chapin Davis.

Investment managers recommended by Chapin Davis typically direct brokerage on the basis of best execution and/or the provision of research services by executing broker-dealers. These so-called "soft dollar arrangements" allow an investment manager to use research services provided by an executing broker for the benefit of all advisory clients of the investment manager, not just the clients who generated the commissions.

### **Brokerage for Client Referrals**

When selecting or recommending broker-dealers, Chapin Davis does not consider whether it receives client referrals from a broker-dealer or third party.

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

Chapin Davis has adopted a Code of Ethics for all supervised persons pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"). The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition against spreading rumors, restrictions on giving and accepting gifts, the reporting of gifts and business entertainment items, and personal securities trading procedures, among other items. Supervised persons must report their personal securities transactions quarterly and must review and acknowledge the Code of Ethics at least annually. Chapin Davis Asset Management Code of Ethics is founded on the three key principles:

- The interests of our clients must always be paramount in all our dealings.
- Supervised Persons may not take inappropriate advantage of their relationship with their clients.

- All personal securities transactions should avoid any actual, potential, or apparent conflicts of interest with our clients' interest.

Chapin Davis has adopted policies and procedures intended to provide assurance to our clients that our business dealings and those of our supervised persons are in compliance with applicable laws, regulations, and rules, our key principles, and the Code of Ethics. Chapin Davis expressly prohibits any supervised persons or related person from improperly profiting at the expense of our clients and/or competing with a client in any securities transaction. There may be occasions where a trade may be executed in the account of a supervised person or a related person either before or after a trade for a client. In such circumstances, if the supervised person or related person trade was executed on more favorable terms, Chapin Davis and/or the supervised person will make the client's trade equivalent by either crediting or debiting the client's account or will cancel and rebill the client's trade whichever is more advantageous to the client. It is Chapin Davis's policy that supervised persons and related persons trades are placed with or after client trades.

Chapin Davis has also adopted an Insider Trading Policy that prohibits supervised persons from trading on material non-public information. You may obtain a copy of our Code of Ethics, free of charge, by contacting Chapin Davis Compliance at (410) 435-3200 or by email at [compliance@chapindavis.com](mailto:compliance@chapindavis.com).

Investment Adviser Representatives of Chapin Davis may be dually licensed as investment adviser representatives and registered representatives of Chapin Davis. These representatives do not receive a portion of brokerage commissions for executing transactions on behalf of advisory clients. Fixed income transactions may be executed on a riskless principal basis by our clearing firm with no remuneration (mark-up / mark-down), mutual fund trades are executed with no sales load, while all other security transactions are executed on an agency basis with no commission.

## **Review of Accounts**

### **Reviews**

Chapin Davis's compliance and operations staff typically review clients' accounts on a daily and monthly basis to identify activity that may be inconsistent with certain established trade and account parameters. In addition, each IAR will review their clients' accounts with their clients, periodically but no less than annually, to ensure the account is in line with the client's objectives, asset allocation targets and ranges.

More frequent reviews may be initiated either by Chapin Davis's staff or the client. Several situations could prompt a review of a client's portfolio. These situations include but are not limited to changes in the long-term outlook or risk assessment for any given asset class, realized performance, risk inconsistent with a client's long-term objectives, changes in a client's circumstances, or other reasons determined during reviews of the client's portfolio and investment policy.

### **Reports**

Clients will receive regular account statements, at least quarterly, directly from First Clearing, a qualified custodian. Chapin Davis may provide more detailed written reports of performance, asset allocation, and manager information at the request of the client. Face-to-face meetings are available upon the client's request. More frequent reporting is available and special written reports

are available upon the client's request for which we may charge an additional fee. Clients are urged to compare the information in our reports with that of the statements from the qualified custodian. Special written reports are generated using various software or reporting applications offered by First Clearing.

### **Client Referrals and Other Compensation**

Chapin Davis may compensate registered persons or firms for providing referrals in accordance with the Advisers Act. This may create a conflict of interest because a solicitor has financial incentives to recommend our Firm to you for advisory services. This conflict is addressed by disclosure to the client regarding the nature of the referral arrangement. You are not obliged to retain our Firm for advisory services. Comparable services and/or lower fees may be available through other firms.

From time-to-time the Firm's investment adviser representatives may receive other compensation in the form of lunches, chocolates, popcorn, golf shirts, etc. from mutual fund wholesalers or similar product representatives that are less than \$100 in value during the calendar year. These items are not intended to influence an investment adviser representative to sell their product but remind them to look at their product when reviewing available investment options. These small gifts could be deemed to be a conflict of interest if they are given in excess. Chapin Davis mitigates this potential conflict by limiting the total compensation to \$100 or less per year per wholesaler or similar product representative. Lunches provided during product training events or due diligence meetings are not included in the \$100 per wholesaler cap, however, they are limited to reasonable industry practices.

### **Custody**

Each client's assets are under the custody and control of a "qualified custodian", which is the clearing broker that holds the advisory assets. Through this arrangement, the client's assets are protected by SIPC and the financial strength of the clearing broker. The Firm has a clearing agreement with First Clearing Corporation, a Wells Fargo company, a qualified custodian. You will receive account statements directly from First Clearing at least quarterly. Such statements will be sent to the postal mailing address or notification of electronic statement availability to the email address you provided to Chapin Davis. You should promptly and carefully review the statements you receive from First Clearing. You should also compare the statements received from First Clearing to any performance reports that may be provided by Chapin Davis.

In addition, under the investment advisory rules, Chapin Davis is also deemed to have custody of your assets. Such custody does not allow Chapin Davis to disburse client assets or in any way control such assets except for the express purpose of deducting advisory fees. Additionally, advisory accounts in which a Chapin Davis adviser is appointed as Trustee or Power of Attorney or granted investment discretion are also accounts for which Chapin Davis is deemed to have custody.

Third-party money managers may also provide you with periodic statements reflecting information about your account(s) if you receive services from such managers. Clients should compare these

statements with the statements they receive from the qualified custodian who holds their account assets.

Since Chapin Davis is deemed to have custody of advisory assets, the Firm is required, under the Investment Advisors Act of 1940, to undergo an annual surprise custody audit by an independent, third-party accredited accountant. The purpose of the audit is to ensure that the Firm is not in violation of the safekeeping requirements applicable to your assets. Our auditors may contact some of our clients during their audit to verify the value of your account and/or specific activity within your account.

### **Discretionary Authority**

Pursuant to the terms of the Advisory Agreement with Chapin Davis, clients may grant CDAM and IAR discretionary authority to invest client's assets. When allocating assets and selecting investments, CDAM and IAR are required to comply with the client's written investment policies, limitations, and restrictions, as agreed upon by the client and CDAM and IAR in the Advisory Agreement. Any investment restrictions that a client wishes to impose on the management of their account must be provided to CDAM and IAR in writing. There are provisions within the Advisory Agreements for clients to communicate in writing their restrictions.

Clients who have granted discretionary trading authority to CDAM and IAR are required to grant a "limited power of attorney" over client's brokerage or custodial account for the limited purposes of trading and fee deduction. The client grants this authority in the brokerage or custodial account application.

### **Financial Information**

Chapin Davis has no additional financial circumstances to report.