

# Boston Fides Financial, Inc. Client Brochure

*This brochure provides information about the qualifications and business practices of Boston Fides Financial, Inc. If you have any questions about the contents of this brochure, please contact us at (617) 710-6007 or by email at [john@bostonfidesfinancial.com](mailto:john@bostonfidesfinancial.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 Boston Fides Financial, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Boston Fides Financial, Inc.'s CRD number is: 158462*

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*Registration does not imply a certain level of skill or training.*

Version Date: 8/4/2011

## **Item 2: Material Changes**

Boston Fides Financial, Inc. has not yet filed an annual updating amendment using the ADV Form 2A. Therefore there are no material changes to report.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Boston Fides Financial, Inc. is a Corporation organized in the state of Massachusetts.

This firm has been in business since June 2011, and the principal owner is John Robert O'Connell.

### B. Types of Advisory Services

Boston Fides Financial, Inc. (hereinafter "BFF") offers the following services to advisory clients:

#### *Investment Supervisory Services*

BFF offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. BFF creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

BFF evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### *Services Limited to Specific Types of Investments*

BFF generally limits its money management to mutual funds, bonds, fixed income, ETFs, and government securities. BFF may use other securities as well to help diversify a portfolio when applicable.

### C. Client Tailored Services and Client Imposed Restrictions

BFF offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent BFF from properly servicing the client account, or if the restrictions would require BFF to deviate from its standard suite of services, BFF reserves the right to end the relationship.

#### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. BFF DOES NOT participate in any wrap fee programs.

#### **E. Amounts Under Management**

BFF is a newly formed investment advisory firm, as such; its current assets under management are not yet reported.

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Investment Supervisory Services Fees*

Total Assets Under Management	Annual Fee
\$50,000 - \$1,000,000	0.50%
Above \$1,000,000	0.35%

These fees are non-negotiable. The final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in advance, and clients may terminate their contracts with seven days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Fees that are collected in advance will be refunded based on the prorated amount of work completed up to the day of termination within the quarter terminated. The fee refunded will be the balance of the fees collected in advance minus the daily rate\* times the number of days in the quarter up to and including the day of termination. (\*The daily rate is calculated by dividing the quarterly AUM fee by the number of days in the termination quarter). Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

### B. Payment of Fees

#### *Payment of Investment Supervisory Fees*

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in advance.

### C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by BFF. Please see Item 12 of this brochure regarding broker/custodian.

### D. Prepayment of Fees

BFF collects fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be deposited back into client's account within fourteen days.

The fee refunded will be the balance of the fees collected in advance minus the daily rate\* times the number of days in the quarter up to and including the day of termination. (\*The daily rate is calculated by dividing the quarterly AUM fee by the number of days in the termination quarter).

### **E. Outside Compensation For the Sale of Securities to Clients**

Neither BFF nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

BFF does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

BFF generally provides management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

### ***Minimum Account Size***

There is an account minimum, \$50,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

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

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

BFF's methods of analysis technical analysis, strategic and tactical asset allocation .

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Strategic Asset Allocation's** primary goal is to create an asset mix that will provide the optimal balance between expected risk and return for a long-term investment horizon.

**Tactical Asset Allocation** is where an investor takes a more active approach that tries to position a portfolio into those assets, sectors, or individual stocks that show the most potential for gains.

#### ***Investment Strategies***

BFF uses long term trading, short term trading, and options writing (including covered options).

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### *Methods of Analysis*

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Strategic Asset Allocation** focuses on long term investments. The rise and fall of certain securities may not react according to predicted trends.

**Tactical Asset Allocation** is based on specific market anomalies that may change or disappear in the future. Other factors such as risk tolerance, market timing, portfolio size, investment expenses, etc. may also affect the portfolio performance.

### *Investment Strategies*

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading and options writing generally hold greater risk and clients should be aware that there is a material risk of loss using either of these strategies.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

BFF generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize options writing. Options writing generally hold greater risk of capital loss and clients should be aware that there is a material risk of loss using this strategy.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SR) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither BFF nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither BFF nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither BFF nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

### **D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

BFF does not utilize nor select other advisors or third party managers. All assets are managed by BFF management.

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

### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

BFF does not recommend that clients buy or sell any security in which a related person to BFF or BFF has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of BFF may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of BFF to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. BFF will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of BFF may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of BFF to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. BFF will always transact client's transactions before its own when similar securities are being bought or sold.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

The Custodian, Scottrade, Inc. (CRD # 8206), was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. BFF will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian. By not using TD Ameritrade as the Custodian, clients may not receive best execution.

#### **1. Research and Other Soft-Dollar Benefits**

BFF receives research, products, or other services from its broker-dealer or another third-party in connection with client securities transactions (“soft dollar benefits”). There is no minimum client number or dollar number that BFF must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for BFF to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. The first consideration when recommending broker/dealers to clients is best execution.

#### **2. Brokerage for Client Referrals**

BFF receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### **3. Clients Directing Which Broker/Dealer/Custodian to Use**

BFF will not allow clients to direct BFF to use a specific broker-dealer to execute transactions. Clients must use BFF recommended custodian (broker-dealer). By requiring clients to use our specific custodian, BFF may be unable to achieve most favorable execution of client transactions and this may cost clients’ money over using a lower-cost custodian.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

BFF maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing BFF the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

## **Item 13: Reviews of Accounts**

**A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed at least monthly only by John Robert O'Connell, Managing Member. John Robert O'Connell is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at BFF are assigned to this reviewer.

**B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

**C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

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

**A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

BFF does not receive any economic benefit, directly or indirectly from any third party for advice rendered to BFF clients.

**B. Compensation to Non – Advisory Personnel for Client Referrals**

BFF does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

**Item 15: Custody**

BFF, with client written authority, has limited custody of client's assets through direct fee deduction of BFF's Fees only. Constructive custody of all client assets and holdings are maintained primarily at Scottrade, Inc. (CRD # 8206). Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

BFF does not have discretion over client accounts at any time.

## **Item 17: Voting Client Securities (Proxy Voting)**

BFF will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

BFF does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither BFF nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

BFF has not been the subject of a bankruptcy petition in the last ten years.

## **Item 19: Requirements For State Registered Advisers**

### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

BFF currently has only one management person/executive officer; John Robert O'Connell. John Robert O'Connell's education and business background can be found on the Supplemental ADV Part 2B form.

**B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

John Robert O'Connell's other business activities can be found on the Supplemental ADV Part 2B form.

**C. How Performance Based Fees are Calculated and Degree of Risk to Clients**

BFF does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

**D. Material Disciplinary Disclosures for Management Persons of this Firm**

No management person at BFF or BFF has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

**E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

Neither BFF, nor its management persons, has any relationship or arrangement with issuers of securities.