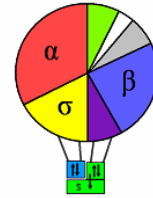


# GENERAL INFORMATION & DISCLOSURE BROCHURE

## *Advanced Portfolio Design, LLC*



266 Main Street Nashua, NH 03060  
(603) 889-4300

### **Advanced Portfolio Design, LLC**

Advanced Portfolio Design, LLC first registered with the State of New Hampshire and the state of Massachusetts as an investment advisor in 2006.

We are a specialty firm focused on applying leading edge asset allocation planning and high quality investment selection processes with special consideration given to constantly changing tax issues, and changing cash flow needs. We work primarily with people whose investment portfolios have reached a “critical mass” where mistakes or lack of proper attention are unacceptable. We also help clients handle difficult or complex financial decisions around the main areas of financial planning including, but not limited to; retirement planning, cash flow, tax planning, estate planning, and protection planning.

We believe that the top priority in a wealth planning relationship should always be to develop an intimate understanding of the clients’ needs and financial circumstances.

As a Fee-Only firm, we believe our interests are tied to our clients’ best interests. Since most of our fees are calculated as a percentage of managed assets, most of our future revenue will improve or decline based on our clients’ financial results.

## **Our Staff**

### **Peter J. Canniff, CFP®**

The President of Advanced Portfolio Design, LLC, and the only person giving investment advice, is Peter J. Canniff, CERTIFIED FINANCIAL PLANNER™ professional. Born in 1966, Peter graduated from Fitchburg State College in 1988 with a degree in business management. College work experience led to a six year run in restaurant management after graduation. In 1994, Peter began working in financial planning and portfolio design serving clients in New Hampshire and Massachusetts.

In order to quickly adapt to new technology and utilize more customized and comprehensive client service capabilities, he founded Advanced Portfolio Design, LLC in 2006. Peter is also engaged in a small investment real estate business which does not cross over nor interfere with his financial advisory business.

### **Julie E. Fortin**

Julie Fortin has been employed as an Assistant Financial Advisor at Advanced Portfolio Design, LLC since 2007. Julie is responsible for managing financial planning operations and processing complex financial data for our Portfolio Management, Financial Planning and Wealth Planning software.

Julie brings 10 years of prior experience working in investment banking and investment management. She brings significant experience in mutual fund accounting and financial data validation. Julie also has a bachelor's degree in Business Management from Westfield State College and a Master of Finance degree from Suffolk University's Sawyer Business School.

Julie is currently pursuing the Certified Financial Planner® designation. Julie assists by working on financial plans for our existing clients. Upon completing the CFP® course work, which generally requires two to three years, Julie will begin working directly with existing clients and taking on new clients as a Financial Advisor.

## **Our Clients**

- Most of our clients are families, individuals or business owners, but we will also work with businesses, charities and trusts & estates.
- We do not currently\* have a minimum size for client accounts.
- We believe our company is extremely well suited to work with clients with investment portfolios between \$250,000 and \$5,000,000.

## How We Work With Our Clients (Fee-Only)

We are a Fee-Only **asset management** and **financial planning** firm.

**Asset Management** - we manage your account for a percentage of the assets under our management. The annual fee ranges from 0.4% to 1.9%, depending on the size and complexity of your account. Most fees are expected to fall between 0.9% and 1.2%. The fee is paid quarterly, at the end of each quarter. Many investments that are used (such as mutual funds and exchange traded funds) have internal expenses that will also be considered in making investment decisions. Additionally, we may select and monitor other money managers (registered in your state) on your behalf.

We do not currently\* make investment decisions for our clients. We make recommendations which we will execute upon client approval.

**Financial planning** - we charge up to \$180 per hour, depending on the complexity of your financial situation, for consultations. For comprehensive financial planning services we may negotiate a flat fee which will be commensurate with the time involved and the hourly rate. A flat rate can help reduce a client's worries about making changes and asking questions. Flat fees typically range from \$1,000 to \$6,000. We will give you advice on your financial concerns, including, but not limited to: investments, taxes, insurance, retirement and estate planning. You will be the sole determiner of how many hours of financial counseling you'll need, and you can terminate at any time

**Wealth Planning** – We believe the most successful outcomes are a result of combining asset management and financial planning. This is our preferred avenue for working with clients. When clients take advantage of both our Asset Management services and our Financial Planning services (see below) this shall be referred to as “Wealth Planning.” If this service is appropriate, clients will be eligible for a reduced rate on both financial planning and asset management fees to account for the efficiency of crossover areas pertaining to investment planning. The financial planning fee may be in the form of an add-on to the percentage of assets fee, an hourly fee, or an annual flat rate based on estimated hours. Once your wealth planning fee has been calculated, you and your advisor may choose to use that amount to calculate a percentage of net worth fee for use in future years. A percentage of net worth fee may tie our interests in more tightly with the client's overall circumstances.

We will also function as a sort of financial coach or quarterback to help you coordinate your activities with your other professional advisors. When your situation requires specialized expertise which falls outside of our specialties, we will tell you and can help you identify and work with other advisors.

Refunds - If you wish to terminate our association, any prepaid fees, which are not allocated to hours worked, will be promptly refunded to you. Financial planning fees are fully refundable if requested within 5 days. You may request a refund by notifying us in writing (by mail or in-person) at Advanced Portfolio Design, LLC 266 Main Street Nashua, NH 03060. Asset management fees are charged after they are earned and are not refundable.

## General Information

**Our Philosophy** - Getting to know you - The most important thing is for us to get to know our clients. We will need to know what level of information will bring you to the appropriate comfort level. We believe in educating clients on financial issues that matter to them, in a way that they can easily understand. We will also need to spend time getting to know our clients' personal goals and concerns as well as their family, business and financial circumstances.

**Financial Planning** - We prefer to work with clients based on a comprehensive financial planning relationship which considers their specific goals, time-frame and level of risk aversion. We believe that it is important to have a good understanding of a client's tax situation, current and future cash flows, overall investment holdings and experience, estate plan, and family circumstances.

**Portfolio Design** - We design portfolios based on **Asset Allocation** planning (Modern Portfolio Theory). Please refer to <http://www.sec.gov/investor/pubs/assetallocation.htm> for some good information on asset allocation planning. Simple computer models will be used for simple cases or smaller portfolios. More complex models will be used as appropriate. Additional complexity will be built in for portfolios requiring varying tax brackets, and varying cash flows or to work with investments you have which may not be repositionable. Clients may select an active or a passive investment style. Our investment strategy is investing for the long term, medium term and short term. We help clients prepare for the money they will spend tomorrow and thirty years from now, as well as the wealth that will be left behind for heirs or charities.

**Investment Selection** - We give advice on (but don't necessarily recommend) all types of securities, ranging from government bonds through mutual funds to commodities. We engage primarily in fundamental security analysis. Our main sources of information are financial newspapers & magazines, research materials prepared by others, corporate rating services, annual reports and company press releases. Most of our investment strategies rely on developing a diversified portfolio of mutual funds and exchange traded funds using modern portfolio theory.

On occasion, we may buy or sell securities that we recommend to you. There is no conflict of interest as the securities we recommend are widely held and publicly traded and we are too small an investor to affect the market. We always place your interests (and your trades) ahead of our own.

To date we have not recommended Separately Managed Accounts (SMAs) to our clients. We will continue to evaluate SMAs on an ongoing basis to determine whether they may be an appropriate and cost effective investment strategy for our high net worth clients.

**Investment Review** – We review managed accounts on an ongoing basis, and financial planning accounts at least annually. The calendar is the triggering factor. Accounts at other money managers are reviewed when we get their statements- usually quarterly. We screen all managed investments each quarter to determine whether to recommend buy, sell, hold or probation for the investment. Then, with each client, we discuss our recommendations as well as the merits of replacing investments and rebalancing accounts at that particular time.

**Financial Plan Reviews** - Financial plan reviews are performed as-needed based on the client's needs. This is generally based on quarterly in-person discussions with the client regarding their financial situation. For example a tax review may be annual, but an estate review may be only upon a change to the client circumstances or the estate tax laws.

**Account Reviews (with clients)** - For asset management clients we prepare a quarterly performance and asset allocation report. We will also include a written commentary and detailed investment data at least annually. We believe clients have a right to know what their investments are, why they have them, and how they are doing. We will review these reports together in-person, or by phone, at least annually. But, quarterly or semi-annually in-person reviews are preferred. For some clients, more frequent reviews may be appropriate. In addition, you'll get statements from your broker/dealers, mutual funds and other money managers, as appropriate.

**Selecting a brokerage company** - We generally recommend that our clients hold their accounts at a broker that allows us broad access to our clients' account information. We currently recommend that our clients use TD Ameritrade or Fidelity. They both have excellent reputations, low costs to the client and very large investment selections. These companies provide us with the capability of downloading client account information, on a daily basis, in a format that integrates well with our financial planning and portfolio management software.

If you would like us to manage assets that are held outside of such an account, in most cases we will likely need to rely on quarterly account statements to review those accounts.

## **Disclosure and Conflicts of Interest**

Our business has been designed to minimize all possible conflicts of interest. Whenever we feel there is a potential conflict of interest with our clients we will discuss it with the client up front.

### **Potential conflicts**

- In 2008 Fidelity began charging us a fairly significant fee for using their platform for our client accounts. The fee will be waived when we reach a higher level of assets in their accounts. This creates a financial incentive for us to steer accounts to their platform as opposed to others. Prior to this requirement we were already recommending Fidelity more frequently than TD Ameritrade and we were already on track to reach the higher asset level required some time during 2009.
- Since most of our fees are based on a percentage of managed assets, we may have a financial incentive to discourage you from spending or giving away your assets. We will always disclose this conflict clearly and immediately upon discussing such issues.

### **Ways we avoid conflicts of interest**

- We are an independent, fee-only financial advisory firm. We do not earn sales commissions by selling securities or insurance products. We do not work for investment companies or insurance companies. We work only for you, our clients.
- The work we do and the recommendations we make are always intended to be in the client's best interest.
- We will always place client trades ahead of our own.
- You are free to select any broker you wish for implementation of our advice.
- If you wish us to handle transactions for your accounts you will need to select a broker that will allow us to do so. Minimizing transaction costs should be an important factor for you to consider.
- If you want us to recommend a broker, you will get a recommendation based on the broker's costs, skills, reputation, dependability and compatibility with you, and not upon any financial agreement between the recommended broker and us.
- We do not compensate anyone, either directly or indirectly, for client referrals.

### **Disciplinary History**

We currently have no disciplinary history.

You may obtain disciplinary history information for investment advisers in Massachusetts from the MA Securities Division by calling (617) 726-3548. Similar information may be obtained about investment advisers in New Hampshire by calling the NH Bureau of Securities at (603) 271-1463.

Certified Financial Planner Board of Standards Inc. owns the certification marks CFP<sup>®</sup>, CERTIFIED FINANCIAL PLANNER<sup>™</sup> and CFP (with flame logo)<sup>®</sup> in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements.

\* The word "currently" is intended to indicate we are considering a change in policy in the near future.