



# NAMCOA<sup>®</sup>

Registered Investment Advisor

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Naples Asset Management Company<sup>®</sup>, LLC

## FIRM BROCHURE

**Effective August 28, 2017**

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This Brochure provides information about the qualifications and business practices of Naples Asset Management Company<sup>®</sup>, LLC. ("NAMCOA") If you have any questions about the contents of this Brochure, please contact us at 239-593-5525. 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.

Naples Asset Management Company<sup>®</sup>, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Naples Asset Management Company<sup>®</sup>, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Naples Asset Management Company<sup>®</sup>, LLC is 133978.

**Naples Asset Management Company<sup>®</sup>, LLC**  
**Form ADV Part 2A**  
**Firm Brochure**

**IARD/CRD No. 133978**  
**SEC File No.: 801-66945**

## **Item 2 - Material Changes**

The last annual update of this brochure was in February 2016. Since that time, NAMCOA has created a Wrap Fee Program and with this filing update, we are also making the initial filing of the Wrap Fee Program Brochure (Form ADV Part 2A, Appendix 1).

We have also adding language to this Firm Brochure (Form ADV Part 2A) to allow an Investment Advisory Representative ("IAR") to conduct his/her investment advisory activities under a separate business name or "DBA" ("doing business as"). Such advisors, while registered with NAMCOA as IARs, are independent contractors. NAMCOA supervises the IARs' investment advisory activities.

Item 4 is updated to reflect three model accounts offered by NAMCOA and financial planning services offered by CFPs.

Item 4 to state NAMCOA does not limit its advisory services to specific types of investments

Item 5 is updated to reflect NAMCOA may charge fees on a flat fixed, flat floating or customized tiered basis

Item 5 is updated to reflect clients charged management fees on a monthly basis will not have their accounts pro- rated for contributions or withdrawals

Item 8 is updated to reflect the risk of types of investments used by NAMCOA in client portfolios

Item 10 is updated for potential conflicts of interests and other financial registrations

Item 13 is updated to reflect market events that might trigger interim client account reviews

Item 18 is updated in reference to advance fees collected by NAMCOA

# Table of Contents

|  |    |
|--|----|
| Item 2 - Material Changes.....   | 2  |
| Table of Contents.....   | 3  |
| Item 4 — Description of Services and Fees .....                            | 4  |
| Portfolio Management Services .....  | 4  |
| Retirement Plan Services .....   | 8  |
| Investor Education .....   | 8  |
| Consulting Services .....  | 8  |
| Item 5 — Fees and Compensation.....  | 10 |
| Item 6 — Performance-Based Fees and Side-By-Side Management.....           | 11 |
| Item 7 — Types of Clients .....  | 12 |
| Item 8 — Methods of Analysis, Investment Strategies and Risk of Loss ..... | 12 |
| Item 9 — Disciplinary Information.....                                     | 15 |
| Item 10 — Other Financial Industry Activities and Affiliations.....        | 15 |
| Item 11 — Code of Ethics.....  | 16 |
| Item 12 — Brokerage Practices .....  | 17 |
| Item 13 — Review of Accounts.....  | 18 |
| Item 14 — Client Referrals and Other Compensation .....                    | 19 |
| Item 15 — Custody .....  | 19 |
| Item 16 — Investment Discretion.....                                       | 20 |
| Item 17 — Voting Client Securities .....                                   | 20 |
| Item 18 — Financial Information .....                                      | 20 |
| Item 19 — Requirements for State Registered Advisers .....                 | 20 |
| Privacy Policy .....   | 20 |
| Business Continuation Plan.....  | 21 |

## Advisory Business

(Form ADV Part 2A, Item 4)

### **Item 4 — Description of Services and Fees**

Naples Asset Management Company®, LLC (“**NAMCOA**”) is a registered investment adviser (“**RIA**”) based in Naples, Florida and is registered to conduct business in states it is registered, or qualifies for an exemption or exclusion from registration requirements. We are organized as a limited liability company under the laws of the State of Florida. We have been providing investment advisory and consulting services since 2003. Paul McIntyre is the Managing Director, owner and serves as the Chief Compliance Officer of the firm.

NAMCOA provides investment advisory services through supervised financial professionals who are investment advisory representatives (“**IARs**”) of the firm. The majority of IARs conduct their investment advisory activities under NAMCOA. However, an IAR is allowed to conduct his/her investment advisory activities under a separate business name or “**DBA**” (“doing business as”). Such advisors, while registered with NAMCOA as IARs, are independent contractors. NAMCOA supervises the IARs’ investment advisory activities. Investment advisory agreements (“**IAAs**”) and marketing materials clearly disclose NAMCOA as the RIA with whom clients are engaging for investment advisory services. Currently, we offer the following investment advisory services:

- **Portfolio Management Services**
- **Investor Education**
- **Retirement Plan Services**
- **Consulting Services**

### **Portfolio Management Services**

NAMCOA offers portfolio management services on a discretionary and non-discretionary basis. NAMCOA may offer an initial complementary general consultation to discuss services available, and determine the suitability of a potential client-adviser relationship. Portfolio management services will only begin after the client and NAMCOA have formalized the relationship with a signed Advisory Services agreement. Once the relationship is formalized, NAMCOA and the client will share in a data gathering process to try to determine the client’s personal needs, goals, intentions, time horizons, risk tolerance and investment objectives.

Portfolio management services involve ongoing and continuous portfolio management services that include, but are not limited to, risk management, investment policy, asset allocation, active or passive strategy, and performance monitoring. In the delivery of investment management services, NAMCOA provides investment advisory services.

Investment objectives may range from conservative income to aggressive growth, with the input of each client, NAMCOA will attempt to construct a diversified portfolio of investments that are within its realm of expertise.

In addition to custom tailored portfolios. NAMCOA offers three separately managed account models that can further customized around a client profile and objectives.

**Monthly Needs Portfolio** is an actively managed equity long portfolio with an objective of providing long term capital appreciation and dividends. The Portfolio adheres to a simple strategy of investing in a weighted portfolio of 25 stocks consisting of sectors that the average consumer spends monies on each month.

Even though the portfolio has some companies with retail distribution, the portfolio is not weighted to that sector and is not focused on the retail end, but is mainly made up of manufactures, processors, and service providers for each one of the sectors selected. The Portfolio focuses primarily on U.S large-cap value stocks, but can invest in mid to small cap equities and foreign companies as well. The portfolio does not use any leverage.

**Real Income Portfolio** is an actively managed diversified equity long portfolio with an objective of providing high income from dividends. The portfolio focus primarily on Real Estate Investment Trust, but can invest up to 30% in preferred stock and floating rate interest products. The portfolio targets to invest in 25 to 35 equities. The portfolio does not use any leverage or derivatives. The portfolio can invest in a variety of REITs including Retail (shopping malls and freestanding retail), Residential (multi-family rental apartment and manufactured housing), Healthcare (hospitals, medical centers, nursing facilities and retirement homes) Office (office buildings) and Mortgages (first, second and mezzanine mortgages). Within each specific market and sector we look for population shifts, job growth, interest rate trends, economic data and other trends.

**ETF Balanced Portfolios** are risk-based actively managed multi-asset class portfolios. Based upon clients' Risk Profile (from Conservative up through Aggressive) each portfolio is designed and managed to achieve client goals within their risk tolerance. The Asset Class Mix is derived from the Risk Profile of each client and rebalanced on an ongoing basis as market prices change (as opposed to quarterly or annually) enabling the manager to take advantage of, and guard against short term price fluctuations. Exchange Traded Funds (ETFs) are used to gain exposure to different asset classes in a cost-effective and broad based manner. ETFs have very low internal expenses compared to mutual funds; are transparent as their holdings change rarely which leads to greater tax efficiency versus mutual funds.

Additionally, based upon information provided by the client, NAMCOA may prepare an evaluation of existing portfolio investments and provide recommendations to the client for other investments as appropriate.

Clients may provide instructions to NAMCOA to refrain from investing in particular industries, invest in limited amounts of securities, and/or request that NAMCOA issue checks or electronic fund transfers to or for the benefit of the client. The checks or fund transfers will be completed by the custodian, and sent directly to the client. Please note: **NAMCOA does not have custody over client funds.**

### **Wrap Fee Program**

NAMCOA sponsors the Advisor Managed Wrap Fee Program (the "Program") and offers the services of the Program to both its existing and prospective clients. Under a wrap fee program, the wrap fee

program sponsor arranges for the client to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee.

Participation in a wrap fee program may cost the clients more or less than purchasing such services separately. Clients who are recommended the services of the Program by Advisor should receive a copy of Appendix 1 of Advisor's Form ADV, for the Program (the "Wrap Fee Program Brochure") which contains important information about the Program that should be read carefully. If you did not receive a copy of the Wrap Fee Program Brochure, please contact us at (239) 593-5525.

In addition to sponsoring the Program, Advisor also makes available some of its portfolio management services to the Program's wrap fee clients. There are no material differences in how Advisor manages the accounts of the Program's wrap fee clients and Advisor's other non-wrap fee clients. As compensation for its provision of portfolio management services to clients of the Program, Advisor receives a portion of the Program's wrap fee.

### **Types of Investment**

Depending on the needs of the clients, NAMCOA may recommend or provide consulting services on listed securities, exchange traded funds, mutual funds, corporate bonds, U.S. Government securities, tax-exempt municipal bonds, options, real estate and other fixed income securities. NAMCOA does not limit its advice to any specific types of investments.

### **Types of Investments Services**

NAMCOA provides portfolio management, investment advisory and consulting services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, broker dealers, municipalities, registered mutual funds, private investment funds, registered investment advisors and trust programs.

NAMCOA's advisory relationship is formalized at the time NAMCOA and the client sign an Advisory Services Agreement.

### **Third Party Managed Account Solutions**

In addition to offering services directly to investment advisory clients, the Advisor also provides investment management services through and sponsored by independent, third party investment firms, other registered investment advisory firms, and investment management consultants (collectively, "**Third Party Advisors**" or "**Platform Managers**").

NAMCOA has entered into agreements with Envestnet Asset Management, Inc., FOLIO, SEI Private Trust Company, ePlan, or/and other such firms (collectively, "**Platform Managers**") relating to the investment advisory and performance measurement services that may be provided to a Client by Advisor and a Platform Manager. Advisor may determine that Client may be a suitable participant and may recommend to Client that Client participate in the Managed Account Solutions Program (the "Program") offered by Platform Manager.

Third Party Advisors and Platform Managers are responsible for managing brokerage accounts for their customers.

Client understands that a Platform Manager and Advisor are not affiliated other than through jointly providing services to the Program. A Platform Manager, a registered investment adviser, operates the technology platform on which the Program functions and renders investment advice to Advisor and/or Client, including recommending an appropriate asset allocation for Client and specific investment managers or investment products. Aspects outlining services, costs and management options are disclosed in the appropriate Third Party Advisor's or Platform Manager's Firm Brochure (Form ADV Part 2), other disclosure brochures/documents, investment advisory contracts, and account opening documents. Each investor will be required to sign an advisory agreement directly with the Third-Party Advisor selected.

In addition to a Platform Manager's advisory services offered in their Program, other advisory service tools may be provided, including administrative and technology services. A Client's Advisor determines which services and Programs to utilize with its Clients and may utilize the services of other third-party services providers in conjunction with the Programs that a Client may discuss with their Advisor for a description of that Advisor's specific use of a Program.

**The services offered by a Platform Manager may include:**

- Assessment assistance of the Client's investment needs and objectives
- Investment policy planning assistance
- Assistance in development of an asset allocation strategy designed to meet the Client's objectives
- Recommendations on suitable style allocations
- Identification of appropriate managers and investment vehicles suitable to the Client's goals
- Evaluation of asset managers and investment vehicles meeting style and allocation criteria
- Engagement of selected asset managers and investment vehicles on behalf of the Client
- Ongoing monitoring of individual asset manager's performance and management for "Approved" investment strategies
- Review of Client accounts to ensure adherence to policy guidelines and asset allocation
- Recommendations for account rebalancing, if necessary
- Online reporting of Client account's performance and progress

For all Programs, Client and Advisor compile pertinent financial and demographic information to develop an investment program that will meet the Client's goals and objectives. Utilizing the Platform Manager's tools, Advisor will allocate the Client's assets among the different options in the Program and determine the suitability of the asset allocation and investment options for each Client, based on the Client's needs and objectives, investment time horizon, risk tolerance and any other pertinent factors. The Platform Manager's research team uses a number of proprietary analytical tools and commercially available optimization software applications in developing its asset allocation strategies.

Among the factors considered in designing these strategies are historical rates of risk and return for various asset classes, correlation across asset classes and risk premiums. For all Programs, the Client directly owns the underlying securities, mutual funds or Exchange Traded Funds ("ETFs") in each of the Program's investment strategies. Mutual funds, ETFs, closed-end funds, unit investment trusts, real estate investment trusts, and exchange traded funds are collectively referred to throughout this document generally as a "Fund" or "Funds."

### **Assets Under Management**

As of December 31, 2016, NAMCOA manages \$173,260,356 of investment assets. The breakdown on assets is as follows: \$161,176,175 is managed on a discretionary basis representing 469 accounts and \$12,084,181 is managed on a non-discretionary basis, representing 11 accounts.

### **Retirement Plan Services**

NAMCOA may provide FLAT-FEE (no commission) advisory and fiduciary services for the following types of corporate retirement plans:

- 401(k)s, 403(b)s and Profit-sharing
- Defined benefit (pension)
- SEPs, SAR SEPs, KEOGHs, and Self-employed 401(k)s
- SIMPLE IRAs and SIMPLE 401(k)s
- Executive bonus arrangements
- Deferred compensation plans, including 457 plans

### **Services NAMCOA May Offer To Corporate Retirement Plan Clients**

- Plan analysis, design, and solution modeling
- Conduct and present a comparative analysis of the services and fees of multiple service providers
- Assist with the creation and ongoing implementation of an Investment Policy Statement for the Plan
- Conduct a regular and ongoing analysis and evaluation of the Plan investments per the terms of the plan's Investment Policy Statement
- Propose the removal and replacement of investment alternatives as needed per the terms of the Plan's Investment Policy Statement
- Serve as co-fiduciary with regard to ERISA requirements related to investment manager selection and monitoring
- Provide comprehensive education and consulting to participants

### **Investor Education**

NAMCOA recognizes that education and awareness are powerful tools in decision making, enhancing investment returns, decreasing portfolio risk and in the fight against investment fraud. NAMCOA offers a variety of investor education programs that can be customized for Employees, 401k Plan participants and other organizations. Please contact us for more information on designing a program to fit your needs.

### **Consulting Services**

In addition to fee-based or flat-fee advisory services, NAMCOA provides consultations offered at an hourly rate or fixed fee project rate. Project fees will generally be based upon NAMCOA's hourly rate.

Consulting services are not ongoing in nature and terminate upon the conclusion of services. For investors, consulting services can be general in nature or focused on particular component, depending



upon the client's needs. Advice is based upon information provided by the client. Topics and assistance may range from overall investment advisory questions, review of an existing portfolio, project, research and analysis, consultation regarding suitability or verification of statements as may otherwise be desired by the client. When consulting services are focused on certain areas of the client's interests or needs, the client's overall financial situation or needs may not be addressed due to the limited scope of the client's request.

NAMCOA is also available to provide services to financial professionals and qualified investors, which may include consultation, research and analysis, document drafting, and other areas of assistance that may be desired. Services are provided hourly at \$400 or at a quoted project fee, dependent upon the nature and complexity of the project.

Clients are never obligated to utilize the services or companies that may be recommended by NAMCOA. NAMCOA may require a retainer in order to schedule projects. Fees or project balances for consultations are due and payable upon delivery.

### **Types of Consulting Services**

- **Asset Management Consulting Services.** NAMCOA may provide consulting services to registered investment advisors; FINRA members, Mutual Fund Sponsors, Fund Issuers and Bank Trust Departments on third party "turnkey" asset management platforms and investment managers.
- **Administrative Services.** NAMCOA may also provide AML audits to FINRA member broker dealers or for on-going administrative fees for consulting, accounting and administrative services. NAMCOA may provide initial and ongoing consulting to business owners or issuers of private investment offerings.
- Representatives of NAMCOA, when properly licensed in their state, may offer various levels of insurance consulting services and product solutions to clients. This may involve the recommendation of one or more life insurance and annuity products offered through an insurance company that specializes in insurance products. The types of consulting services on insurance product needs may range from immediate annuities, to survivorship life insurance products that may include term life, whole life, universal life, variable universal life, long-term care solutions and structured settlements. Insurance product sales are outside the scope of normal portfolio services offered by the Company.
- Products are selected and recommended by an adviser, on criteria important to the client, including the financial strength of the insurance company, premium cost, declared rates of interest, income and/or annuity purchase rates.
- Financial Planning Services by CFP®s

The CERTIFIED FINANCIAL PLANNER™, CFP® is a professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries

for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.
- Individuals who become certified must complete the following ongoing education and ethics requirements to maintain the right to continue to use the CFP® marks:
  - Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
  - Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

## **Fees and Compensation**

**Form ADV Part 2A, Item 5)**

### **Item 5 — Fees and Compensation**

NAMCOA’s fees are negotiable. The specific manner in which fees are charged by NAMCOA is established in a written Advisory Services agreement between NAMCOA and the client. Fees may be charged as a percentage of assets under management, flat fixed fee, floating flat fees or customized tiered fees.

Clients may elect to be billed in advance or in arrears each calendar quarter or on a monthly basis. Clients may also elect to be billed directly for fees or to authorize NAMCOA to directly debit fees from the client’s

account, in which case NAMCOA will instruct the qualified custodian holding the client's assets to have the fees deducted from the client's account. Fees will be based on a percentage of assets under management on the last trading day of the billable quarter.

The portfolio balance will be determined by the market value reported by the custodian. In the absence of a set market value, a value will be agreed upon between NAMCOA and the client. NAMCOA's fees are negotiable, usually a fee of 1.50% per annum will be charged for assets of up to \$1 million, 1.25% for assets up to \$5 million and 1.00% for assets over \$5 million.

Advisory services fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). If the client is charged on a monthly basis there will not be a prorated adjustment for contributions or withdrawals. Accounts opened or terminated during a calendar quarter or month will be charged a prorated fee based on the number of days advisory services were provided to the account during the calendar quarter or month. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be immediately due and payable.

NAMCOA may direct clients to third party money managers. If applicable, fees charged to clients by these managers will be separate, and in addition to, NAMCOA's management fees, and will be disclosed in the respective client agreement. NAMCOA will always act in the best interests of the client, including when determining which third party manager to recommend to clients. NAMCOA will ensure that all recommended advisors or managers are licensed or notice filed in the states in which NAMCOA is recommending them to clients.

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

Fees for advisory services may be modified in certain situations according to individual circumstances, the complexity of services required, pre-existing relationships, for family members of NAMCOA, or at the discretion of NAMCOA. Advisory services fees will not be "performance based" (based upon a share of capital gains or capital appreciation for any portion of funds under an advisory contract).

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

(Form ADV Part 2A, Item 6)

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

Neither NAMCOA nor its supervised person's charges performance based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). For accounts it manages, all fees for advisory services are determined by the percentage of assets under management in the client's account at the end of the billable quarter.

NAMCOA may recommend to high net investors certain outside money managers that may charge "Performance-Based fees" (fees based on a share of capital gains on or capital appreciation of the assets

of a client), however in those instances, different client suitability standards are applied and additional disclosure documents must be provided to a potential client before any services may be rendered.

## **Types of Clients**

(Form ADV Part 2A, Item 7)

### **Item 7 — Types of Clients**

NAMCOA's clients are individual investors, retirement plans, endowment funds, family offices, business owners and other institutional entities. We offer investment advisory services to individuals and institutions. In general, we require a minimum account size of \$100,000. At our discretion, we may waive this minimum account size. We may waive the minimum requirement if you are referred to us by an intermediary (Investment Advisor Representative, Registered Representatives or Investment Consultant) or if you appear to have significant potential for increasing your assets under our management.

We may also combine account values for you and your children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum. We have the right to terminate this account if it falls below a minimum size, which, in our sole opinion, is too small to effectively manage.

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

(Form ADV Part 2A, Item 8)

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

NAMCOA attempts to measure an investor's risk tolerance, time horizon, goals and objectives through an interview and data-gathering process in an effort to determine an investment plan or portfolio that best fits the investor's profile.

Numerous publicly available sources of economic, financial and investment research are used by NAMCOA. Mutual fund recommendations are based on performance reports and analysis of managers obtained from common sources. Asset allocation software and historical performance modeling software may also be utilized.

Investment strategies may be based upon a number of concepts and determined by the type of investor. NAMCOA's advice and recommendations are based upon information received from the client. Investing in securities involves risk of loss that clients should be prepared to bear. Such loss may result from inflation, deflation, interest rate, default, terrorism and other unknown risks that could affect investment market values, liquidity and cash flow for investments.

Clients may choose to have NAMCOA implement a portfolio strategy that includes a combination of passive and actively managed investment styles. The asset allocation strategy designed is based on each client's stated timeframe and risk tolerance. Portfolios are diversified in various asset classes, reviewed quarterly and rebalanced per the client's direction or at NAMCOA's discretion.

NAMCOA's recommended portfolio allocation and holdings may change based on market conditions and the attractiveness of individual holdings. Assessment of the market's strength/weakness as defined by

institutional investing trends, performance of leading stocks, sector leadership as well as numerous other factors help determine the asset classes allocation of the portfolio.

NAMCOA may consider investments in individual security issues and may recommend the purchase or sale of individual issues. The investment plan will contain assets in classes that NAMCOA believes, based upon historical data, have attractive combinations of return, risk and correlation. Emphasis will be placed on optimizing performance of the portfolio while attempting to control risk.

NAMCOA provides advisory services for portfolios ranging from aggressive to conservative, designed to meet the varying needs of the investors. Clients select the portfolio best suited to their individual needs.

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Equity:** Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income:** These investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real Estate:** Real estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance.

Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Annuities:** These insurance contracts are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Private equity funds:** Private equity funds carry certain risks. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

**Non-U.S. securities:** Non-US securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Options:** Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option writing also involves risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

## Disciplinary Information

(Form ADV Part 2A, Item 9)

### **Item 9 — Disciplinary Information**

NAMCOA is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of NAMCOA or the integrity of NAMCOA's management. Neither NAMCOA nor its management persons has been involved in any legal or disciplinary events involving a criminal or civil action in a domestic, foreign or military court of competent jurisdiction, an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, any foreign financial regulatory authority, or a self-regulatory organization proceeding.

## Other Financial Industry Activities and Affiliations

(Form ADV Part 2A, Item 10)

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

Investment Advisory Representatives ("IARs) may be affiliated with a FINRA member broker dealer and must disclose any such affiliation. As a firm policy, NAMCOA prohibits its advisors from double billing on assets involved in any such transaction and any such transaction would have to be suitable and meet a client's objectives and profile.

Paul McIntyre, who serves as NAMCOA's Chief Compliance Officer, is also the Chief Compliance Officer and a registered principal of MSC-BD, LLC, a FINRA member broker dealer specializing in capital placements for private and publicly traded companies. Clients of MSC-BD, LLC are not required to utilize any NAMCOA employee, likewise, Clients of NAMCOA are not required to use any MSC-BD, LLC employee in either capacity as Investment Advisor Representatives or registered representative. If client transactions were executed through an affiliated Broker Dealer, a NAMCOA Investment Advisory Representative could receive compensation, thus creating a conflict of interest.

Neither NAMCOA nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

Certain Investment Advisory Representatives are also registered insurance agents. From time to time they may offer clients insurance services. This is a conflict of interest with the fiduciary interests of a registered investment adviser as commissions are earned in the sale of insurance products. NAMCOA always acts in the best interests of clients; including the sale of commissionable products to clients. Clients are in no way required to purchase any product or service in any representative's capacity as an insurance agent.

Please see Item 15 relative to NAMCO Investor Services, LLC.

NAMCOA may recommend unaffiliated third party separate account managers that may offer investment programs that may help clients to meet their stated objectives. If applicable, fees charged to clients by these managers will be separate, and in addition to, NAMCOA's management fees, and will be disclosed in the respective client agreement. NAMCOA will always act in the best interests of the client, including when determining which third party manager to recommend to clients. NAMCOA will ensure that all

recommended advisors or managers are licensed or notice filed in the states in which NAMCOA is recommending them to clients.

Clients are never under any obligation to use a service or firm that may be recommended. At the time of the recommendation, NAMCOA will deliver to the client the third-party manager's ADV Part 2 or substitute brochure, compensation disclosure and any other information that may be required by securities rules and regulations.

Clients are never under any obligation to purchase products that are recommended through NAMCOA or other financial services providers.

## Code of Ethics

(Form ADV Part 2A, Item 11)

### **Item 11 — Code of Ethics**

NAMCOA has adopted a Code of Ethics (the "Code") for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, prohibition on insider trading, prohibition of rumor mongering, restrictions on the acceptance of significant gifts of amounts exceeding \$100 dollars, reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at NAMCOA must acknowledge the terms of the Code annually, or as amended.

The Code is designed to assure that the personal securities transactions, activities and interests of the employees of NAMCOA will not interfere with NAMCOA's duty to (i) make decisions that are in the best interest of its advisory clients and (ii) implement such decisions while, at the same time, allowing employees to invest for their own accounts.

NAMCOA anticipates that, in appropriate circumstances, consistent with the client's investment objectives, it will cause accounts over which NAMCOA has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which NAMCOA, its affiliates, directly or indirectly, have a position of interest.

NAMCOA's employees and persons associated with NAMCOA are required to follow NAMCOA's Code. Subject to requirements of the Code officers, directors and employees of NAMCOA and its affiliates may trade for their own accounts in securities, which are recommended to and/or purchased or sold for NAMCOA's clients.

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with NAMCOA's duties to act in the best interest of its clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. As a result, employee trading is continually monitored to reasonably prevent conflicts of interest between NAMCOA and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with NAMCOA's obligation of best execution. In such circumstances, the affiliated and



client accounts will share commission costs equally and receive securities at a total average price. NAMCOA will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

A copy of NAMCOA's Code of Ethics will be provided to any client or prospective client upon request. Client or prospective clients may also obtain a copy at [www.NAMCOA.com](http://www.NAMCOA.com).

## Brokerage Practices

(Form ADV Part 2A, Item 12)

### **Item 12 — Brokerage Practices**

NAMCOA does not maintain custody of your assets, on which we advise, as these must be maintained in an account with what is considered a "qualified custodian," generally a broker-dealer or bank. NAMCOA recommends that our clients use Fidelity Investments, SEI, Interactive Brokers FOLIO or another similarly registered broker-dealer, as the qualified custodian. NAMCOA is independently owned and operated and is not affiliated with any broker-dealer at the firm level, however its Compliance Officer also provides compliance services to MSC-BD, LLC a FINRA member broker dealer.

A Broker Dealer will hold your assets in an account and can buy and sell securities when we and/or you instruct them to. While we recommend that you use the above mentioned custodian/brokers, you will decide whether to do so, and with whom. We do not open the account for you, although we may assist you in doing so.

#### **HOW WE SELECT BROKERS/CUSTODIANS**

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Capability to execute, clear, and settle trades (buy and sell securities for your account) itself or to facilitate such services.
- Capability to facilitate timely transfers and payments to and from accounts.
- Availability of investment research and tools that assist us in making investment decisions.
- Quality of services.
- Competitiveness of the price of those services and willingness to negotiate the prices.
- Reputation, financial strength, and stability.
- Prior service to us and our other clients.

#### **YOUR BROKERAGE AND CUSTODY COSTS**

For our clients' accounts that a Platform Manager maintains, the Broker Dealer generally does not charge separately for custody services, but is compensated as part of the Platform Manager fee, which is a percentage of the dollar amount of assets in the account in lieu of commissions. We have determined that having a Platform Manager execute trades is consistent with our duty to seek "best execution" of an account trade. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians").

Aspects outlining services, costs and management options are disclosed in the appropriate Platform Manager's Firm Brochure" which will be provided if the Advisor and Client agree to participate in those services.

#### **SERVICES AVAILABLE TO NAMCOA VIA A PLATFORM MANAGER**

Management Platforms, as described, are designed to be of institutional quality, provide both investment and advice designed to serve independent investment advisory firms like NAMCOA. These management platforms usually make available various support services which may not be available to regular retail customers. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Some of these support services may include:

- a. Assist with back-office functions, recordkeeping, and client reporting of our clients' accounts.
- b. Provide access to client account data (such as duplicate trade confirmations and account statements).
- c. Provide pricing and other market data.
- d. Assist with back-office functions, recordkeeping, and client reporting.
- e. Educational conferences and events.
- f. Consulting on technology, compliance, legal, and business needs.
- g. Publications and conferences on practice management and business succession.

## **Review of Accounts**

**(Form ADV Part 2A, Item 13)**

### **Item 13 — Review of Accounts**

Each client's financial statements and investments are reviewed on an annual or more frequent basis. We discuss each client's financial situation (losses, gains, purchases, sales, investment goals, etc.) We make the required adjustments to the client's portfolio based on the client's financial situation, investment objectives and risk tolerance. Each Investment Advisor Representative is responsible for their client account reviews which are based upon a variety of factors, including routine time-based triggers as well as securities holdings and investment objective related issues.

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).

Clients also receive monthly statements from Fidelity Investments, or where their consolidated accounts of assets are held. Some custodians including Fidelity Investments, if they deem an account has not had "activity" for a particular month, no statement for that month will be sent.

## Client Referrals and Other Compensation

(Form ADV Part 2A, Item 14)

### **Item 14 — Client Referrals and Other Compensation**

NAMCOA may enter into referral fee arrangements with duly registered persons or firms, or persons or firms exempt from registration. Under the terms of the referral arrangement, NAMCOA compensates the referral source when referrals are provided to NAMCOA. These fees will either be paid in the form of a one-time fee or based upon a percentage of the value assets of the referred Client.

Such referral relationships do not affect the fees that clients pay to NAMCOA. In each instance, appropriate disclosure documents would be delivered to prospective clients at the time of the referral, as required by the rules and regulations of the Investment Advisers Act of 1940, as amended.

Please see Item 12 for a discussion on potential economic benefits received from Platform Managers

## Custody

(Form ADV Part 2A, Item 15)

### **Item 15 — Custody**

#### **A. Custodian of Assets**

NAMCOA does not have physical custody of any client funds or securities, all of which are held at banks or broker-dealers. Our firm has no ability to access any customer account except that it has the ability to debit your account for fees and charges pursuant to client agreements. Unless instructed otherwise by a client, Fidelity, SEI, Interactive Brokers or FOLIO is the custodian of your non-401K portfolio assets. All 401(k) or 403(b) assets are held with the custodian selected by the third-party administrator.

Effective December 27, 2016, NAMCO Investor Services, Inc. (“NIS”), a company owned 100% by Paul McIntyre, became the Manager of Sugarloaf Hotel, LLC, a Georgia Limited liability company (“Sugarloaf”), a non-operating holding company whose only asset, other than incidental cash, is a LLC membership interest in an operating hotel partnership, Sugarloaf Hotel Partners, LLC, which owns and operates a 166-room Embassy Suites hotel at the Infinite Center, Duluth, GA. This membership interest is an illiquid, transfer-restricted equity interest. By the technical requirements of SEC Rule 206(4)-2, NAMCOA, through its “related party” NIS, is deemed to have “custody” of the assets of Sugarloaf Hotel, LLC. In accordance with the Rule, the Sugarloaf Hotel assets are deposited in the name of Sugarloaf Hotel, LLC, NIS Manager, with Iberia Bank Estero, Florida. The assets of Sugarloaf are subject to annual audit by Michael Starr, CPA, a PCAOB member and the audited financial statements are distributed to the Sugarloaf members within 120 days after the end of each fiscal year.

#### **B. Account Statements**

Although we are your adviser, your monthly account statements will be mailed by Fidelity, SEI, Interactive Brokers or FOLIO or such other broker-dealer that a client may elect to use. Broker dealers must issue

monthly statements if there is activity. When you receive these statements, please review them carefully. Please compare asset values, holdings, and fees on your statement to that in the fee report issued by NAMCOA.

## **Investment Discretion**

(Form ADV Part 2A, Item 16)

### **Item 16 — Investment Discretion**

NAMCOA may receive discretionary authority from the client at the outset of an advisory relationship via an advisory contract to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives and risk tolerance for the particular client account. NAMCOA's discretionary authority does not include the withdrawing of funds or securities from the client's account. When selecting securities, and determining amounts, NAMCOA observes the client's written investment policies, limitations and restrictions. For registered investment companies, NAMCOA's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor longer term holding of investments once made.

## **Voting Client Securities**

(Form ADV Part 2A, Item 17)

### **Item 17 — Voting Client Securities**

As a matter of firm policy and practice, NAMCOA does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in the client's portfolio. NAMCOA may provide advice to clients regarding the client's voting of proxies.

## **Financial Information**

(Form ADV Part 2A, Item 18)

### **Item 18 — Financial Information**

In this Item 18 NAMCOA is required to provide you with certain financial information or disclosures about its financial condition. NAMCOA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has never been the subject of a bankruptcy proceeding.

NAMCOA does not require nor solicit more than \$1200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **Privacy Policy**

The firm does not disclose any nonpublic personal information obtained in the course of our practice about our clients or former clients to anyone, except as required or permitted by law, or unless specifically requested by you. Permitted disclosures include, for instance, providing information to members of the firm, and in limited situations, to unrelated third parties who need to know that information to assist us in

providing services to you. In all situations, we stress the confidential nature of the information being shared.

The firm's Privacy Policy is distributed to Clients annually. It is also available all times through the Company's website, [www.NAMCOA.com](http://www.NAMCOA.com).

## **Business Continuation Plan**

NAMCO has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

If after a significant business disruption you cannot contact us as you usually do at (239) 593 5525 you should go to our web site at [www.NAMCOA.com](http://www.NAMCOA.com). If you cannot access us through these means, you should contact our primary clearing firm [www.Fidelity.com](http://www.Fidelity.com) for instructions on how they may provide prompt access to funds and securities, enter orders and process other trade-related, cash, and security transfer transactions.

**Our Business Continuity Plan** – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. The firm's Business Continuation Plan is distributed to Clients annually. It is also available all times through the Company's website, [www.NAMCOA.com](http://www.NAMCOA.com)



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