

# O'Brien Asset Management LLC

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This Brochure provides information about the qualifications and business practices of O'Brien Asset Management LLC. If you have any questions about the contents of this Brochure, please contact us at (207) 457-0346. 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.

O'Brien Asset Management LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about O'Brien Asset Management LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Registered investment advisers are required to advise you of any material changes to their Form ADV Part 2A Firm Brochure since its last filing date. Since our last brochure dated July 18, 2011 we have made a change in item 5. We no longer offer investment management as a standalone service.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Barry W. O'Brien, President, at (207) 457-0346 or by email request to [info@obrienam.com](mailto:info@obrienam.com).

Additional information about O'Brien Asset Management LLC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with OAM who are registered, or are required to be registered, as investment adviser representatives of O'Brien Asset Management LLC.

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#### **Item 4 – Advisory Business**

O'Brien Asset Management LLC (OAM) is a Registered Investment Advisor. It is solely owned by Barry W O'Brien, and was founded in 2007. OAM provides ongoing comprehensive financial planning and investment management services.

Comprehensive financial planning includes insurance needs analysis (including life, disability, and long term care insurance), retirement planning (incorporating employer sponsored plans, social security, and the clients own savings) as well as estate planning and investment management. Investment management includes analyzing a client's current situation (including, but not limited to, goals, objectives, risk tolerance, portfolio holdings, asset allocation, etc.), making specific investment related recommendations, ongoing portfolio monitoring (including, but not limited to, security selection, asset allocation, performance, tax implication, etc.), quarterly reporting, and an annual review. OAM does not take discretion over client assets. Any portfolio change is pre-approved by the client. Additionally, clients can place restrictions on what types of investments are made, as well as the type of securities used. Emphasis in estate planning is on minimizing the burden of estate taxes as well as helping the client have their estate distributed as they intend it to be. While OAM does not prepare tax returns, every part of the plan is managed with tax implications as a major concern.

As of December 31, 2016, OAM has approximately \$12.9mm in assets under advisement, with 100% of those assets managed with non-discretionary authority.

#### **Item 5 – Fees and Compensation**

Fees for comprehensive financial planning, which is a combination of investment management and ongoing financial planning, are calculated as 1% of the first \$500,000, .75% of the next \$500,000, and .50% of assets in excess of \$1 million.

Fees assessed may be billed directly to the client, or collected from a client's account(s) by the custodian upon advance notification to the custodian by OAM. The custodian may deduct the fee and remit O'Brien Asset Management LLC's fee directly to OAM. The client will be notified as to the amount of the fee being charged as well as OAM's method of calculation.

Fees are charged in arrears on a quarterly basis. No fees are charged before services are rendered, and a client may terminate our services at any time. Clients who terminate services will be charged on a pro-rata basis for the portion of the quarter prior to termination.

Brokerage, custodial or other fees resulting from the implementation of OAM's services

are separate and distinct from the fees above.

OAM will also provide services to clients who do not choose to work with OAM on an ongoing financial and or investment management basis. Services involve consultation, analysis, and recommendations on all areas of financial planning (both comprehensive and goal specific), including insurance analysis, college planning, retirement planning, investment advice, and estate planning. OAM will not be responsible for the implementation of these plans or strategies. A rate of \$150 per hour is charged (in half hour increments). No fees are assessed before services are rendered, and a client may terminate at any time. Clients who terminate will be charged on an hourly basis for work completed prior to termination. No refunds will be given.

All fees are subject to negotiation.

The specific manner in which fees are charged by OAM is established in a client's written agreement with OAM. OAM will generally bill its fees on a quarterly basis in arrears each calendar quarter. Clients may also elect to be billed directly for fees or to authorize OAM to directly debit fees from client accounts. Management fees shall not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

OAM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to OAM's fee, and OAM shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that OAM considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

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

OAM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## Item 7 – Types of Clients

OAM provides portfolio management services to individuals and families, including high net worth individuals and families.

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

All investing strategies involve risk and may result in a loss of the original investment, which investors should be prepared to bear. For that reason, if there is a known need for money within a five-year time horizon, it should be kept in a low-risk investment such as a money market account, CD or high-quality bonds owned individually or through bond funds such as a diversified mutual fund or an exchange traded fund.

Some of the risks that investors may experience are:

- **Market Risk:** An investment's current market value may fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.
- **Strategy Risk:** An adviser's investment strategies and/or investment techniques may not work as intended.
- **Interest Rate Risk:** Bond prices may fall when interest rates rise. Most other investments are also sensitive to the level and direction of interest rates.
- **Inflation.** Inflation may erode the buying-power of an investment portfolio, even if the dollar value of the investments remains the same.

Many of these risks apply equally to stocks, bonds, commodities and other investments. We believe in long-term investing, and believe portfolios with no-load mutual funds and exchange-traded funds—with their built-in diversification and low trading costs—are often the best vehicles. We also look for funds with low turnover rates to minimize taxation, as well as funds with low expenses.

We allocate portfolios over a large number of asset classes in our desire to build diversified portfolios. Asset classes that are considered include, but are not limited to, are large, small, and mid-cap stocks, international developed and emerging market stocks, international and domestic real estate, commodities, long and short maturity treasury, corporate, municipal, and international bonds, and cash.

For each client, we develop a personalized Investment Policy Statement that outlines and prescribes a prudent and acceptable investment philosophy for the client and defines investment management procedures and long-term goals. Specific items for inclusion in this Investment Policy Statement include investment objectives, time horizon, risk tolerance, diversification, asset allocation, an investment model, investment selection/retention criteria, investment monitoring and control procedures

and the duties and responsibilities of OAM and the client.

Education plays a large part of our relationship with our clients. A well informed investor is much more apt to stay with the plan if they know what they are invested in, and that there is a strategy in place. We encourage clients to focus on what they can control such as their savings rate or withdrawal rate.

We do not adhere to the philosophy of market timing, but we do recognize that different market climates can produce different opportunities, especially in the midst of euphoria or hysteria. We strive to make portfolio changes at times of market extremes. Benefits accrue as stocks and bonds eventually move from excesses toward their historically established levels of return. This is often referred to as “reversion to the mean”. Over- and under- performance of various asset classes can only last for so long (see tech stocks late 90’s or housing late 00’s) before it returns to its long-term averages. By periodically re-balancing, taking profits on out-performers and allocating into sectors of under-performance, better long-term results can be achieved for our clients. In certain times we may tilt toward more defensive investments and act more deliberately. Even so, investing in securities involves risk of loss that clients should be prepared to bear.

#### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of OAM or the integrity of OAM’s management. OAM has no information applicable to this Item.

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

##### **A. Broker-Dealer Registration Status:**

Neither OAM nor any of its management persons is registered, or have an application to register, as a broker-dealer or a registered representative of a broker-dealer.

##### **B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status:**

Neither OAM nor any of its management persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

##### **C. Material Relationships or Arrangements with Related Parties which are Industry Participants:**

Neither OAM nor any of its management persons has any relationship or arrangement that is material to its advisory business or to its clients with any related person who is a broker-dealer, municipal securities dealer, or government securities dealer or broker; investment company or other pooled investment vehicle (including a mutual fund, close-end investment company, unit investment trust, private investment company or “hedge fund” and offshore fund; other investment adviser or financial planner; futures

commission merchant, commodity pool operator, or commodity trading adviser; banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of limited partnerships

#### D. Material Conflicts of Interest Relating to Other Investment Advisers:

OAM does not recommend or select other investment advisers for its clients.

### **Item 11 – Code of Ethics**

Investments that are recommended to clients may be bought or sold by OAM or its employees from time to time. Where clients have purchased the same securities as OAM, for the most part these are mutual funds or similar investments where ownership by employees of OAM is unlikely to present any conflict. Full disclosure will be given to a client at any time it appears that OAM employees have a material interest in an investment that is being recommended to a client. Client transactions will always take precedence over OAM employees.

OAM has adopted a Code of Ethics which assumes we bear a Fiduciary responsibility that puts the client first. OAM will provide a copy of our code of ethics to any client or prospective client upon request to Barry W. O'Brien. Our code of ethics includes standards of business conduct that we require of all employees of OAM that reflects our fiduciary obligations. The Code of Ethics also includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at OAM must acknowledge the terms of the Code of Ethics annually, or as amended.

It is OAM's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. OAM will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

### **Item 12 – Brokerage Practices**

OAM recommend's, but does not require, that clients open accounts with Shareholders



Service Group (SSG). SSG provides high quality securities brokerage and custodial services for advisors and their clients. SSG integrates with Pershing LLC, a subsidiary of The Bank of New York Mellon, the oldest bank in the USA, for securities clearing and custody. The Bank of New York Mellon is the world's largest custodian with over \$28 trillion in assets under custody.

OAM chose to work with SSG because client assets are safeguarded by one of the oldest and most stable custodians in the world. Since 1939, Pershing has provided brokerage execution, trade clearance, securities data processing and investment access to registered broker/dealers. Pershing is a member of the New York Stock Exchange, the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation (SIPC), and its international affiliates are members of the Frankfurt, Irish and London stock exchanges.

Clients of OAM can access their accounts at SSG 24/7 through the online NetX360 platform. Account statements, tax documents, updated account balances and holdings are all available. All of our equity, ETF, and fixed-income trades in fiscal 2016 were done through NetX360. Over 90% of mutual fund transactions were placed there as well, with the only exception being funds available only directly with a mutual fund company. Since NetX360 has provided electronic connectivity with our order management system, we are able to enter orders with direct access to the market. Orders are executed quickly and efficiently. We do not aggregate trades.

OAM receives no compensation from SSG, Pershing, or NetX360 for recommending them as a custodian either directly or through "soft dollar" arrangements.

### **Item 13 – Review of Accounts**

Client accounts are monitored and reviewed by the client's individual advisor. Formal monitoring is done on an ongoing basis to identify variances between target and actual asset allocations, as well as tax planning opportunities that may exist.

Recommendations that result from these reviews are discussed with the client prior to any action being taken. In addition to regular portfolio reviews, ongoing (retained) clients receive a comprehensive financial review and meeting at least annually (but as often as they would like). In addition to portfolio specific analysis, these reviews may involve revised financial statements, retirement analysis, education funding analysis, or any other goal planning specific to the client.

Financial planning reviews are conducted at the discretion of the client. In the case of ongoing (retained) clients, OAM provides quarterly portfolio reports and meets with the client at least annually, but as often as the client requests. Included in the quarterly reports are summaries of account balances, investment performance, and asset allocation. Clients will also receive year end reports that summarize taxable investment

income (interest, dividends, capital gain distributions) and realized capital gains and losses.

All reviews are the responsibility of Barry William O'Brien, President of OAM.

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

OAM has developed professional relationships with other professionals (i.e., attorneys, accountants, etc.) to whom we may refer clients, if appropriate. These professionals may refer their clients to OAM for financial planning advice, but they are under no obligation to do so. OAM neither receives nor pays referral fees of any kind.

#### **Item 15 – Custody**

Pursuant to Rule ch. 515 § 11(8), the Firm is deemed to have custody as a result of using direct fee deduction; however, the Firm will rely on the safeguards contained in paragraphs 8A and 8B in complying with this section.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. OAM urges clients to carefully review such statements and compare such official custodial records to the account statements and documentation provided by the Firm to you.

#### **Item 16 – Investment Discretion**

OAM does not accept discretionary authority from clients.

#### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, OAM does not have any authority to and 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 client portfolios. OAM may provide advice to clients regarding the clients' voting of proxies.

#### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about OAM's financial condition. OAM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

#### **Item 19 – Requirements for State-Registered Advisers**

Barry W. O'Brien was born in 1961. He graduated from Boston College with a degree in economics in 1984. He founded O'Brien Asset Management in 2007. Mr. O'Brien serves as the only Investment Advisor and is solely responsible for all supervisory compliance matters.

Mr. O'Brien has been working in the financial industry since 1987. Prior to starting OAM, he was a consultant with Rosenthal Collins group, a proprietary trading firm where he managed a government bond portfolio.

Mr. O'Brien and O'Brien Asset Management LLC and have not been disciplined by any governing authority, including any regulatory agency, CFP Board of Standards, the Securities and Exchange Commission or any industry association of which we are licensed and/or are members. There is no information of this type to report.

Mr. O'Brien is not actively engaged in any other investment-related businesses or occupations, nor is not actively engaged in any non-investment-related business or occupation for compensation.

Mr. O'Brien would be required to disclose additional information if he either had ever been the subject of a bankruptcy petition or ever been found liable in either: (a) an arbitration; or (b) a civil, self-regulatory organization, or administrative proceeding. As none of these apply to him, there is no information to disclose in this regard.