Firm Brochure

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of O’Brien Associates. If you have any questions about the contents of this brochure, please contact us at 508-867-8123 or by email at anne@obrienassociates.net. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about O’Brien Associates is available on the SEC’s website at www.adviserinfo.sec.gov

January 1, 2012

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

Fees and Compensation - Description

The hourly fee for service increased to $165.

Client Referrals and Other Compensation - Other Compensation

Anne B. O’Brien, MBA, CFP®, the principal employee of O’Brien Associates, ended a contractual agreement with MHN Government Services to provide personal financial counseling to military service members and their families on an as needed basis. Compensation was provided for services rendered at an hourly rate determined by MHN Government Services.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at 508-867-8123 or by email at anne@obrienassociates.net.

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Advisory Business

Firm Description

O'Brien Associates ("Firm Name") is an independent, fee-only financial planning firm, providing financial advice, expertise and investment advisory services to individuals and small businesses. Founded in 1998, O'Brien Associates is a Registered Investment Advisor in the Commonwealth of Massachusetts. O'Brien Associates acts as a fiduciary in all relationships with clients and all services are governed by a services agreement, signed by O'Brien Associates and the client.

Review and planning advice is provided through consultation with the client and may include the determination of financial objectives, identification of financial problems, cash flow management, tax issues, insurance review, investment planning and advice, education funding, retirement planning, and estate planning.

O'Brien Associates is strictly a fee-only financial planning and investment advisory firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is provided, with the client making the final decision on investment selection. O'Brien Associates does not act as a custodian of client assets. The client always maintains asset control. Client investments are registered in the client's name in a retail account with an SIPC insured broker-dealer and/or as a participant in a sponsored retirement plan. Clients grant O'Brien Associates "limited power of attorney" to enable us to view accounts and execute client-approved recommendations. O'Brien Associates does not have the authority to make any transactions without obtaining specific client consent.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment advice may be beneficial to the client.

Principal Owners

Anne O'Brien, MBA, CFP®

Types of Advisory Services

Retirement Planning and Advisory Services

Pre-Retirement Planning and Strategy

O'Brien Associates provides in-depth, comprehensive retirement planning services. We review each client's current financial situation, including current and future anticipated income, current and future anticipated expenses, assets, liabilities, insurance needs, estate planning needs and other detailed factors pertaining to the client's financial situation, individual goals and future objectives. Following the collection of information through personal discussions and questionnaires, we analyze the information gathered, assimilate all aspects pertaining to the client's financial situation, project known conditions into future assumptions and make recommendations in a written, concise, personalized retirement plan aimed at improving the client's retirement goal achievement, asset utilization and capital accumulation.

As part of our analysis, we review all of the client's current financial investments, including any employer-sponsored retirement plans. Our review includes an evaluation of the client's investment objectives, risk tolerance and planning time horizon. Based on that review, we provide the client with an asset allocation model and specific recommendations regarding the construction of a total investment portfolio.

Following the client's review of our recommendations, we meet with the client to discuss the retirement plan and strategy, our evaluation and recommendations and general retirement objectives. At that time, we also discuss how changes to planning assumptions and objectives could impact the client's retirement strategy. If requested by the client, we can develop multiple retirement plan scenarios to demonstrate different retirement planning strategies.

If requested, we conduct an annual review of the retirement plan and update all recommendations in writing to reflect conditions existing at the time of that review. We believe that these updates are vital to help ensure that appropriate adjustments are made to the client's retirement plan to reflect changes in personal circumstances, overall economic conditions and future tax law revisions.

Retirement Income Strategy and Advisory Services

We assist clients in identifying and/or clarifying their retirement income needs and timelines. We evaluate all current and potential sources of retirement income, identifying any retirement income shortfall and providing potential remedies. We determine the most appropriate and tax effective drawdown of retirement assets and develop a retirement cash flow reserve and funding process. We assist the client in implementing the overall income strategy, reviewing and updating that strategy as needed.

Retirement planning and advisory services comprise approximately 20% of O'Brien Associates' annual revenues.

Personal Financial Planning and Advisory Services

Comprehensive Personal Financial Plan Creation and Implementation Services

O'Brien Associates conducts an in-depth, comprehensive personal financial review and analysis for the purpose of providing the client with a detailed financial plan designed to achieve his/her stated financial goals and objectives. We review each client’s current financial situation, including current and future anticipated income, current and future anticipated expenses, assets, liabilities, insurance needs, estate planning needs and other detailed factors pertaining to the client’s financial situation, individual goals and future objectives.

Following the collection of information through personal discussions and questionnaires, we analyze the information gathered, assimilate all aspects pertaining to the client’s financial situation, project known conditions into future assumptions and make recommendations in a written, concise, personalized financial plan aimed at improving the client’s personal financial goal achievement, asset utilization and capital accumulation.

In general, the financial plan addresses the following areas of concern:

- Personal: Family records, budgeting, liability analysis, asset analysis, personal net worth determination, estate information and financial goals.
- Tax and Cash Flow: Income tax and spending analysis and planning for past, current and future years.
- Death and Disability: Cash needs at death, income needs of surviving dependents, estate planning and disability income and long term care analysis.
- Retirement: Analysis of current strategies and investment plans to help the client achieve his/her retirement goals.
- Education Funding: Analysis of current strategies and investment plans to help the client achieve his/ her education funding goals for family members.
- Investments: Asset allocation review and analysis of investment alternatives and their effect on the client's portfolio.

As part of our analysis, we review all of the client’s current financial investments, including any employer-sponsored retirement plans. Our review includes an evaluation of the client’s investment objectives, risk tolerance and planning time horizon. Based on that review, we provide the client with an asset allocation model and specific recommendations regarding the construction of a total investment portfolio.

Following the client’s review of our recommendations, we meet with the client to discuss the financial plan and strategy, our evaluation and recommendations and general personal financial objectives. At that time, we also discuss how changes to planning assumptions and objectives could impact the client’s personal financial strategy.

To assist the client in implementing the recommendations contained in the plan, O’Brien Associates facilitates the client’s implementation activities with his/her attorney, accountant, insurance agent and/or stockbroker. Implementation of the financial plan recommendations is entirely at the client's discretion.

If requested, we conduct an annual review of the personal financial plan and update all recommendations in writing to reflect conditions existing at the time of that review. We believe that these updates are vital to help ensure that appropriate adjustments are made to the client's personal financial plan to reflect changes in personal circumstances, overall economic conditions and future tax law revisions.

Financial Review, Strategy and Ongoing Financial Advice and Consulting Services

O'Brien Associates reviews and evaluates a client's current financial condition and goals for the purpose of developing a personal financial strategy to serve as a framework for providing ongoing financial advice and consulting services. We utilize the same data gathering process and questionnaires as described above, but we do not conduct an in-depth, detailed analysis of the information gathered nor do we produce a comprehensive personal financial plan. The purpose of our review and evaluation is to enable us to acquire a reasonable understanding of the client's current financial situation and goals. Utilizing this information in conjunction with discussions with the client, we summarize our findings and provide the client with a personal financial strategy, documenting recommended priorities, action items and next steps. This personal financial strategy provides the framework and overall direction for us to provide ongoing financial advice to assist the client in attaining his/her goals.

Comprehensive financial planning and financial review, strategy and advisory services comprise approximately 25% of O'Brien Associates' annual revenues.

Investment Planning and Advisory Services

Investment Review and Planning

O'Brien Associates provides comprehensive investment planning services, which includes a review of the client's current financial investments, including employer-sponsored retirement plans; recommendations regarding those investments, as appropriate; development of an overall investment strategy; recommendations for investing in no-load mutual funds; and, if needed, assistance in setting up retail investment accounts at a discount broker.

Our investment review includes an evaluation of the client's investment objectives, risk tolerance and planning time horizon. Based on that review, we provide the client with a written summary of our findings, an investment model and specific recommendations regarding the construction of a total investment portfolio. These recommendations may include the sale of all or some current assets and the purchase of new investments. In evaluating the construction of a total investment portfolio, we provide advice regarding the allocation and investment of various financial assets including savings accounts, money market funds, CDs, municipal and government securities, bonds, no-load mutual funds, annuities and insurance investments. Generally, we will not provide advice on the purchase of specific stocks. O'Brien Associates does not provide advice on initial public offerings (IPOs).

If requested, we will conduct an in-depth analysis of all or some of a client's current financial investments to determine their performance, risk, correlation and other factors that pertain to their appropriateness as an ongoing investment in the client's total portfolio.

Following the client's review of our recommendations, we meet with the client to discuss his/her current investment situation and strategy, our evaluation and recommendations and general investment objectives. At that time, we also discuss how changes to planning assumptions and objectives could impact the client's investment strategy.

Investment Advisory Services

O'Brien Associates provides ongoing investment advisory services. These services are only available following the completion of an investment planning engagement or a review and planning engagement, which includes investment planning as an integral component. Ongoing investment advisory services are provided at one of the two service levels described below.

Investment advisory clients are required to maintain a retail investment account(s) in their name at a discount investment brokerage firm (i.e., Charles Schwab, Fidelity, etc.). The client agrees to consolidate her/his current investments into this account(s) as practicable and to utilize this account(s) for appropriate investments in the future. This investment account(s) is, at all times, held solely in the client's name and access to the monies in the account(s) is controlled solely by the client. The client may at any time increase or decrease her/his assets in this account(s).

The client agrees to provide O'Brien Associates with "Limited Power of Attorney" over this investment account(s) to enable us to view the account(s) online, to execute online investment transactions and to receive copies of account statements and transaction confirmations. A "Limited Power of Attorney" does not provide O'Brien Associates with the authority or the ability to make withdrawals or to transfers monies to or from the client's account(s). If applicable, under this "Limited Power of Attorney", the client enables O'Brien Associates to execute account transactions on the client's behalf. We will only execute account transactions (i.e., buys and sells) on the client's behalf as directed by the client through written instructions.

If applicable, the client agrees to provide O'Brien Associates with internet access to employer-sponsored retirement plan account(s). This access enables us to view the account(s) online, evaluate plan descriptive materials, evaluate plan investment options and execute online investment transactions. It does not provide O'Brien Associates with the authority or the ability to make withdrawals or to transfers monies to or from the client's account(s). Only plan participants are allowed to take these actions. The purpose of this internet access is to enable O'Brien Associates to review all of the investments across all of the accounts in the client's total investment portfolio.

O’Brien Associates provides ongoing investment advisory services as follows:

Comprehensive Investment Advisory Services

- Investment Policy Statement (IPS) - For each client, we utilize the personal goals, objectives and circumstances clarified during the investment planning process to develop a personal IPS. This IPS 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 IPS include investment objectives, time horizon, risk tolerance, diversification, asset allocation, an investment model, investment selection and retention criteria, investment monitoring and control procedures and the duties and responsibilities of O’Brien Associates and the client. In concert with the client, we update this IPS as appropriate as the client’s investment strategy changes over time.
- Account Monitoring – We monitor all of the accounts in the client’s total investment portfolio, including employer-sponsored retirement plans. We notify the client of any transactional issues or other custodial related problems and provide problem resolution assistance as needed.
- Investment Monitoring - We monitor all of the investments in the client’s total portfolio, including employer-sponsored plans, on an ongoing basis. We utilize the same mutual fund screens that we employed during the investment planning engagement when we established the client’s investment strategy with specific focus on:
  - changes in fund management,
  - changes in manager investment style or style drift,
  - performance vs. best fit index,
  - decreasing total return,
  - increasing risk,
  - an increase in fund expenses,
  - increasing turnover of fund investments and
  - growth of fund asset size
- Quarterly Portfolio Reporting – Each quarter, we provide the client with a consolidated account summary and a snapshot report of all of the assets contained in the total investment portfolio. The intent of this reporting is not a detailed accounting of each asset in the portfolio, but rather to provide the client with a quarterly snapshot of the overall performance and financial health of the total investment portfolio and each investment contained within it.
- Investment Recommendations and Transactions Execution - We notify the client if we believe an investment should be placed on a watch list or replaced. If we believe replacement is warranted, we provide the client with a replacement recommendation. With the client’s approval, we execute the necessary investment sale and purchase transactions to implement our recommendation.
- Employer-Sponsored Retirement Plan Communications and Documents – We review any communications and documents provide to the client by his/her employer or former employer relating to an employer-sponsored retirement plan. We review any changes that are announced and advise the client on an

appropriate course of action. We also provide guidance on any new employer-sponsored retirement plans offered to the client.

- Availability by Telephone or Meeting for Investment Portfolio Questions and Issues – We are available to the client by telephone or meeting to discuss any questions or concerns that the client may have regarding his/her investment portfolio. If the client's questions or concerns indicate that the client may need advice or assistance not directly associated with his/her investment portfolio, we will determine if we can help the client and, if we are able to so, we will provide an appropriate service proposal. If we do not feel that we are the best resource to address the client's concerns, we will assist the client in finding an appropriate resource.
- Assistance with Annual Account Activities - We make recommendations regarding the client's personal retirement accounts on an ongoing basis to help ensure that IRS regulations and guidelines are appropriately addressed. These include recommendations regarding annual contributions to IRAs and Roth IRAs, Roth conversions and the processing of required minimum distributions after age 70½ from IRAs and other applicable retirement plans. For taxable accounts, we provide year end capital gain/loss and cost basis information if securities have been sold during the year.
- Assistance with Rollovers and New Accounts - We advise the client on rolling over retirement accounts and establishing new accounts when needed. We assist with all paperwork and execute transactions as needed.
- Annual Review and Portfolio Rebalancing - We periodically review the suitability of the client's investments and make recommendations regarding asset changes or reallocation as indicated. This review is based on the parameters agreed to by the client as documented in his/her IPS. We meet with the client at least annually to review the total portfolio and discuss rebalancing recommendations, if appropriate.

Mutual Fund Monitoring and Alert Service

We monitor the mutual funds the client holds in his/her total portfolio, including employer-sponsored plans, on an ongoing basis. We monitor the mutual funds the client is invested in, not his/her actual accounts.

We utilize the same mutual fund screens that we employed during the investment planning engagement when we established the client's investment strategy with specific focus on:

- changes in fund management,
- changes in manager investment style or style drift,
- performance vs. best fit index,
- decreasing total return,
- increasing risk,
- an increase in fund expenses,
- increasing turnover of fund investments and
- growth of fund asset size

We notify the client if we believe a mutual fund should be placed on a watch list or replaced. If we believe replacement is warranted, we provide the client with an appropriate mutual fund replacement recommendation.

This is a mutual fund monitoring and alert service only. Additional services, such as monitoring client accounts for transactional issues or other custodial problems, quarterly portfolio reporting, executing investment transactions, review and guidance related to employer-sponsored retirement plans, availability by telephone or meeting for investment portfolio questions and issues, assistance with annual account activities (i.e., IRA/Roth IRA contributions, required minimum distributions, etc.), assistance with rollovers and new accounts, annual review meetings and portfolio rebalancing are not provided under this service offering, but are available for time worked at our usual hourly rate.

Investment review, planning and ongoing investment advisory services comprise approximately 51% of O'Brien Associates' annual revenues.

As of January 1, 2012, O'Brien Associates provides ongoing investment advisory services on approximately $7,906,800 in assets for approximately 21 clients. O'Brien Associates has no discretionary management authority for any client investments.

Personal Financial Consulting

O'Brien Associates provides financial analysis, education and advice on an hourly fee-for-service basis. These engagements may be one-time discussions or projects. Service areas include, but are not limited to, debt management, budgeting and other personal financial needs; education funding planning; estate review and planning; insurance review and planning; employee benefits and retirement plans review; specific investment issues (i.e., stock options); specific retirement planning issues and concerns; general income tax planning issues and strategies; and specific life event needs and concerns.

Personal financial consulting services comprise approximately 4% of O'Brien Associates' annual revenues.

Tailored Relationships

For each engagement, the goals and objectives for each client are documented and provided to the client. For ongoing investment advisory clients, investment policy statements are created that reflect the client's stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Types of Agreements

Services are provided only after the execution of a services agreement which explains the scope of work to be provided by O'Brien Associates and the responsibilities of O'Brien Associates and the client.

The following agreements define the typical client relationships.

Review and Planning Engagement Agreement

For each of the review and planning services described above, a services agreement is executed by O'Brien Associates and the client prior to the beginning of the engagement. The nature of the agreement, its purpose, the scope of work to be performed by O'Brien Associates and an estimate of the hours required by O'Brien Associates to perform the services described are provided. The hourly rate for review and planning engagements is provided below in the section entitled "Fees and Compensation".

Investment Advisory Service Agreement

Investment advisory services are only available following the completion of an investment planning engagement or a financial or retirement planning engagement, which includes investment planning as an integral component. An investment advisory services agreement is executed by O'Brien Associates and the client prior to the beginning of ongoing services. The nature of the agreement, its purpose, and the ongoing services to be performed by O'Brien Associates are described. These services are provided for a quarterly fee for the level of service selected by the client as described below in the section entitled "Fees and Compensation".

Hourly Engagements

O'Brien Associates provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is provided below in the section entitled "Fees and Compensation".

Termination of Agreement

A client may terminate a review and planning services agreement or an hourly engagement agreement at any time by notifying O'Brien Associates in writing and paying the rate for the time spent on the engagement prior to notification of termination. If the client made an advance payment, O'Brien Associates will refund any unearned portion of the advance payment.

A client may terminate an investment advisory services agreement as of the last day of any calendar quarter by notifying O'Brien Associates in writing and paying the appropriate quarterly fee for the final quarter of service. There are no termination penalties.

O'Brien Associates may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, O'Brien Associates will refund any unearned portion of the advance payment.

Services agreements are non-assignable, which means that O'Brien Associates will not sell or transfer a client's agreement to another financial planning and investment advisory firm unless the client agrees to it and signs a services agreement with the new firm.

Fees and Compensation

Description

Fees for Review and Planning Engagements and Hourly Engagements

O'Brien Associates bases its fees on an hourly charge of $165.00. O'Brien Associates estimates the amount of time it will take to complete each engagement. This estimate is documented in a services agreement that is signed by O'Brien Associates and the client before the engagement is begun. Fees for review and planning engagements are not negotiable, although payment plans can be designed for clients if requested.

Fees for Investment Advisory Services

Fees for ongoing investment advisory services are based on an hourly charge of $165. Our average time worked per client is calculated on an annual basis and invoiced on a quarterly basis as follows:

Comprehensive Investment Advisory Services

- $2,600.00 per year, payable quarterly at $650.00.

Mutual Fund Monitoring and Alert Service

- $1,000.00 per year, payable quarterly at $250.00.

O'Brien Associates, in its sole discretion, may charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be placed under advisement, related accounts, account composition, negotiations with clients, etc.).

Fee Billing

Review and Planning Engagements and Hourly Engagements

A retainer for the value of two hours of our time is required at the time a services agreement is signed. Any remaining fees are due and payable as services are rendered and invoices are presented to the client. Payment in full is expected upon invoice presentation, unless a payment plan has been agreed to by O'Brien Associates and the client. Fees are payable in cash or by check. Payment by credit card is not available.

Investment Advisory Services

Quarterly payments are due during the quarter in which investment advisory services are performed. O'Brien Associates provides the client with an invoice for payment during the 2nd month of each calendar quarter. Payment in full is expected upon invoice presentation. Fees are payable in cash or by check. Payment by credit card is not available.

O’Brien Associates may assess an additional quarterly fee of $50 per investment for each investment in a client’s consolidated portfolio not recommended by O’Brien Associates.

The quarterly fee during the first quarter of service is prorated based on the date service begins.

Other Fees

Brokerage firms may charge transaction fees on purchases or sales of certain mutual funds. These transaction charges are usually small and incidental to the purchase or sale of the security. The selection of the mutual fund is more important than the nominal fee that the custodian may charge to buy or sell the security.

Brokerage firms charge a fee for stock and bond purchases and sales.

O’Brien Associates does not receive any compensation, in any form, from brokerage firms or fund companies.

Expense Ratios

All fees paid to O’Brien Associates for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus.

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.75 means that the mutual fund company charges 0.75% for their services. These fees are in addition to the fees paid by you to O’Brien Associates.

Performance figures quoted by mutual fund companies in various publications are <u>after</u> their fees have been deducted.

Past Due Accounts and Termination of Agreement

O’Brien Associates reserves the right to stop work if a client’s account is more than 60 days overdue. In addition, O’Brien Associates reserves the right to terminate any review and planning engagement or hourly engagement if we learn that a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in O’Brien Associate’s judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

Performance-Based Fees

Sharing of Capital Gains

Fees are <u>not</u> based on a share of the capital gains or capital appreciation of securities under advisement.

O'Brien Associates does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

O'Brien Associates provides planning and advisory services primarily to individuals and small business; although these same services are available to corporations, pension and profit sharing plans, trusts, estates and charitable organizations.

Client relationships vary in scope and length of service.

Account Minimums

No account minimums are required.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

O'Brien Associates primarily uses fundamental analysis when evaluating investments.

The main sources of information are research materials prepared by others. These sources include financial newspapers and magazines; mutual fund databases; mutual fund rating services; mutual fund analysts' reports and annual reports; prospectuses and filings with the Securities and Exchange Commission.

Specific sources of information that O'Brien Associates uses include Morningstar Office mutual fund, stock, bond and other securities information; Motley Fool investment commentaries; discount brokerage investment commentaries, information and data for retail customers; and the World Wide Web.

Investment Strategies

O'Brien Associates' primary investment strategy is strategic asset allocation utilizing high-ranked no-load mutual funds.

Suitable high-ranked no-load mutual funds are recommended to match appropriate investment category allocations established for each client. These appropriate investment category allocations are determined for each client based on his/her personal objectives, portfolio size, investment stage, investment time horizon, return objectives and risk tolerance and are documented by a personal Asset Allocation Model. This Asset Allocation Model is then used as the framework for the development of a personal Investment Model that creates the structure for the selection of high-ranked no-load mutual funds.

Attributes of recommended mutual funds include above-average category performance; adherence to fund objectives and style; long-tenured management; and below-average operating expenses for the category.

O'Brien Associates believes a well-defined mutual fund asset allocation strategy provides effective diversification -- i.e., the dispersion of assets over diverse and distinct fund categories to achieve specific risk/reward objectives and a reduction of overall portfolio risk. Portfolios are globally diversified to help mitigate the risk associated with traditional markets.

In addition to high-ranked no-load mutual funds and depending upon on a client's specific needs and situation, O'Brien Associates may also provide advice on other types of investments, including the following:

- Load mutual funds owned by the client at the time O'Brien Associates assumes investment advisory responsibility or offered as investment options in employer-sponsored retirement plans.
- Individual stocks and bonds owned by the client at the time O'Brien Associates assumes investment advisory responsibility or acquired by the client at a later date due to inheritance, gift, stock option exercise or some other similar situation.
- United States Government debt securities.
- Certificates of deposit.
- Municipal securities.
- Bonds.
- Insurance company products (i.e., annuities).

O'Brien Associates believes that a long-term approach (securities held at least one year) is the best strategy for clients. If conditions warrant, however, O'Brien Associates may advise clients to sell securities held for less than one year.

The investment strategy for a specific client is based upon the objectives stated by the client during the investment planning process. The client may change these objectives at any time. Clients execute an Investment Policy Statement that documents their objectives and their desired investment strategy.

Risk of Loss

All investment programs have certain risks that are borne by the investor. O'Brien Associates' investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

O'Brien Associates and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

O'Brien Associates is a Registered Investment Advisor in the Commonwealth of Massachusetts.

O'Brien Associates is not a securities broker-dealer, a futures commission merchant, a commodity pool operator or commodity-trading advisor.

Affiliations

O'Brien Associates has no arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity-trading adviser, futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships. O'Brien Associates is not a general partner in any partnership.

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

Code of Ethics

The employees of O'Brien Associates have committed to a Code of Ethics that is available for review by clients and prospective clients upon request.

Participation or Interest in Client Transactions

O'Brien Associates and its employees may buy or sell securities for their personal accounts that are identical to those recommended to clients. Additionally, a related person(s) may have an interest or position in certain securities which may also be recommended to a client. As these situations represent a conflict of interest, O'Brien Associates follows the following guidelines in order to ensure its fiduciary responsibilities:

- Employees of O'Brien Associates shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of their employment, unless the information is also available to the investing public on reasonable inquiry. No person of O'Brien Associates shall prefer his or her own interest to that of the advisory client.
- O'Brien Associates emphasizes the unrestricted right of the client to decline to implement any advice rendered.
- O'Brien Associates requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

Personal Trading

The Chief Compliance Officer of O'Brien Associates is Anne B. O'Brien, MBA, CFP®. She reviews all employee trades each quarter. Her trades are not reviewed, but she signs a fiduciary oath with each client that specifies that the client's interests always come first. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades, these trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

O'Brien Associates does not have any affiliation with product sales firms. Specific custodian recommendations are made to clients based on their need for such services. O'Brien Associates recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates. Clients are not under any obligation to custody their accounts through a recommended broker. Clients are free to select any broker dealer of their choice.

O'Brien Associates recommends discount brokerage firms and trust companies (qualified custodians), such as Charles Schwab, Inc., Fidelity Investments, Inc., Vanguard investments, Inc. and TD Ameritrade, Inc.

O'Brien Associates does not have any arrangements with these discount brokerage firms and receives no fees or commissions from these firms.

Best Execution

O'Brien Associates reviews the execution of trades at each custodian on an ongoing basis. This review process is incorporated into the firm's documented transactions execution workflow. Any trading fees charged by the custodians are also reviewed on an ongoing basis. O'Brien Associates does not receive any portion of any trading fees.

Soft Dollars

O'Brien Associates has <u>no</u> soft dollar or credit arrangements with any providers or vendors.

Order Aggregation

Most trades are mutual funds where trade aggregation does not provide any client benefit.

Review of Accounts

Periodic Reviews

For comprehensive investment advisory clients, account reviews are performed quarterly by O'Brien Associates. Account reviews are performed more frequently when market conditions dictate.

Account reviews consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's situation.

Regular Reports

All clients receive periodic communications on an ongoing basis.

Review and Planning Engagement and Hourly Engagement clients receive updates at least every two weeks on the status of their projects through completion. Mutual Fund Monitoring and Alert clients receive mutual fund evaluation notices twice a year.

Comprehensive Investment Advisory Services Clients

These clients receive brokerage and custodial statements on a monthly basis and employer-sponsored retirement plan statements on a quarterly basis. Duplicate statements are provided to O'Brien Associates either directly by the broker/custodian or by the client. We review these statements to assess performance trends and to identify any areas of concern and we contact the client to discuss these statements as needed.

Quarterly, O'Brien Associates reviews each client's total investment portfolio. Significant changes in economic conditions, the client's financial situation or the client's investment objectives will also trigger a review.

Quarterly, O'Brien Associates provides comprehensive investment advisory clients with a snapshot of their total investment portfolio, including all brokerage and retirement plan accounts. This quarterly report highlights the return, risk and relative performance of the consolidated portfolio. As a snapshot, this report is intended to provide the client with the overall general condition and performance of the consolidated portfolio. Clients also receive a consolidated accounts statement that provides individual account data, including beginning and ending quarterly values, contributions and gains/losses; a list of all portfolio transactions occurring within the quarter; and performance data on each of the assets held in the portfolio.

Annually, O'Brien Associates provides comprehensive investment advisory clients with a report detailing the asset allocation of the current consolidated portfolio in relation to the Asset Allocation Model and Investment Model established for the client. These models are contained in the client's Investment Policy Statement and they are updated as needed. O'Brien Associates meets with each client to discuss this report and the overall status of each account in the portfolio. At this time, O'Brien Associates may recommend asset rebalancing, if appropriate.

Client Referrals and Other Compensation

Incoming Referrals

O'Brien Associates has been fortunate to receive many client referrals over the years. These referrals came from current clients, estate planning attorneys, accountants, professional colleagues, personal friends and other similar sources. The firm does not compensate referring parties for referrals.

Referrals Out

O'Brien Associates does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

Anne B. O’Brien, MBA, CFP®, the principal employee of O’Brien Associates, may receive compensation from various community colleges and municipalities for teaching courses and adult education classes and conducting workshops. The amount of any compensation is determined by the college or municipality.

Custody

Account Statements

For Comprehensive Investment Advisory Services clients, all assets are held at qualified custodians. These custodians provide account statements at least quarterly directly to clients at their address of record.

Performance Reports

Comprehensive Investment Advisory Services clients are urged to compare the account statements received directly from their custodians to the performance reports and statements provided by O’Brien Associates.

Investment Discretion

Discretionary Authority for Trading

O’Brien Associates does not accept discretionary authority to manage securities accounts on behalf of clients. O’Brien Associates does not have the authority to determine, without obtaining specific client consent, the securities to be bought or sold or the amount of the securities to be bought or sold.

The client approves the custodian to be used and the commission rates paid to the custodian. O’Brien Associates does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. The client signs a limited power of attorney so that O’Brien Associates may execute the trades approved by the client.

Voting Client Securities

Proxy Votes

O’Brien Associates does not vote proxies on securities. Clients are responsible for voting all proxies for their investments.

Financial Information

Financial Condition

O'Brien Associates does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided to clients because O'Brien Associates does not serve as a custodian for client funds or securities, and does not require any client to prepay fees of more than $500 six months or more in advance.

Privacy Notice

Privacy Notice

O'Brien Associates is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

When we provide a client with planning, consulting and advisory services and/or ongoing investment advisory services, the client provides us with certain personal information necessary for these activities.

The personal information we collect may include: name, addresses, telephone numbers and email addresses; Social Security number or tax payer identification number; information from consumer reporting agencies (e.g., credit reports); asset, income, and accounts information; and investment activity and financial data from other providers. We use this information to deliver the services you have asked us to provide.

We do not sell a client's personal information to anyone. We treat information about current and former clients and their accounts in a confidential manner. We may access information and provide it to third parties only when completing a transaction at the client's request or providing other services to them. At the client's request, we may disclose information to attorneys, accountants, lawyers, securities professionals and others to assist us, or them, in providing services to the client.

We may also share information with companies that perform services on our behalf, such as companies that we may hire to perform support or administrative services. Companies we may hire to provide such services are not allowed to use client personal information for their own purposes.

We maintain a secure office to ensure that client information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide client personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to client personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and client personal records as permitted by law.

Personally identifiable information about clients is maintained while an individual is a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

Generally, upon a client's written request, we will make available information for their review. Information collected in connection with, or in anticipation of, any claim or legal proceeding will not be made available. If a client's personal information with us becomes inaccurate, or if they need to make a change to that information, clients are expected to contact us so that we can update our records. We can be contacted at O'Brien Associates, 47 Shore Road, North Brookfield, MA 01535 or 508-867-8123 or anne@obrienassociates.net.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

O'Brien Associates requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning. Examples of acceptable coursework include: an MBA, CFP®, CFA, or ChFC. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment advisory services.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board (www.cfp.net).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-years of qualifying full-time work experience.
- Successful evaluation under the Candidate Fitness Standards and background check.

Anne B. O'Brien, MBA, CFP®

Position

Anne is the principal executive officer and management employee of O'Brien Associates. Anne operates the firm as a sole proprietor.

Biography

Anne is a Certified Financial Planner™ professional, who has been practicing as an independent fee-only planner and advisor since 1998. Anne currently works with dozens of clients, providing a wide range of personal financial planning and advisory services. These services include the creation of personal financial plans, retirement planning, investment planning, education planning, insurance and employee benefits review, estate planning and personal financial issues analysis and resolution. Anne provides ongoing investment advisory services to many of her clients and serves as advisor for a number of family trusts, providing both trust administration and financial advisory services to the trust's beneficiaries.

Prior to founding O'Brien Associates in 1998, Anne worked for more than 25 years in human resources in the areas of employee benefits and compensation, where she held senior management positions in several companies across multiple industries. At the time she launched O'Brien Associates, Anne was the VP of Compensation and Employee Benefits for the U.S. property and casualty arm of the Dutch financial services giant ING. During the period of 1998 to 2003, in addition to launching and growing O'Brien Associates, Anne worked with a start-up human resources software company, providing strategic direction and expertise to product development, business development and human resources.

Prior to her career in human resources, Anne taught at the high school level and, today, she occasionally teaches business courses at a local community college. Anne is a magna cum laude BA graduate of Stonehill College in Easton, Massachusetts and has an MBA from Northeastern University in Boston, Massachusetts.

Anne's experience in the benefits field provides enormous expertise to O'Brien Associates, particularly in the areas of qualified retirement plans and retirement planning. Anne is very familiar with the broad array of employer-provided retirement plans as she had responsibility for the administration and financial management of employer-sponsored plans with assets in excess of several billion dollars. Anne has been involved with 401(k) plans since their inception in 1984, working closely with plan participants by providing education and guidance to enable them to plan effectively for their retirement. Anne currently provides 401(k) plan consulting and expert services to a Boston-area benefits brokerage firm.

Disciplinary Information

None

Arbitration Claims

None

Self-Regulatory Organization or Administrative Proceedings

None

Bankruptcy Petitions

None