



## **Paladin Advisors, LLC**

Form ADV Part 2A

Client Brochure

March 31, 2020

This Brochure provides information about the qualifications and business practices of Paladin Advisors, LLC. For questions about the contents of this Brochure, please contact us at 617-202-9653. 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.

Paladin Advisors, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The goal of our oral and written communications is to help you determine whether and whom to hire as an Adviser.

Additional information about Paladin Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Paladin Advisors, LLC**

178 Drinkwater Rd  
Kensington, NH 03833  
617-202-9653  
[www.paladinadvisors.com](http://www.paladinadvisors.com)

## **2. Material Changes**

Since our last annual update was filed in March 2019, we have the following material change to report:

- Michael Costa has obtained the Certified Financial Planner CFP® designation

Our Brochure may be requested by contacting Sean McMullen at 617-202-9653, or [sean@paladinadvisors.com](mailto:sean@paladinadvisors.com).

Additional information about Paladin Advisors, LLC is 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 Paladin Advisors, LLC who are registered, or are required to be registered, as investment adviser representatives of Paladin Advisors, LLC.

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#### **4. Advisory Business**

*Paladin Advisors, LLC ("Paladin") is an independent, registered investment adviser based in Kensington, New Hampshire. The company assists individual and institutional clients in designing and implementing global investment programs. We offer investment strategy development, investment management, research services, and consulting on special projects. We also offer a full array of financial, estate & tax-planning services. Our services are available to other investment firms on a sub-advisory basis.*

*Advisory fees represent our only compensation. As fiduciaries, we put our clients' interests first, always.*

*Paladin Advisors is owned by its employees. Karen Parker Feld is the principal owner of the firm. Our corporate culture promotes excellence, accountability, transparency, humility, and prudence. We take a team approach to supporting clients and solving problems.*

##### **A. Financial Planning & Investment Services**

These include, but are not limited to, the following:

###### **Financial & Estate Planning**

- Institutional planning, distribution strategies and cash management
- Personal financial and retirement plans
- Retirement income planning
- Estate and family giving strategies
- Charitable giving strategies

###### **Tax Planning**

- Tax-aware asset allocation and fund selection
- Optimal asset location by account type
- Capital gains estimates, income estimates and tax-loss harvesting
- Pre vs. post-tax performance reporting

###### **Investment Management**

- Portfolio audits
- Assessment of investment objectives and investment risk tolerance
  - Drawdown limit, target rate of return, income requirements, cash needs
- Development of Investment Policy Statements (across all investable assets)

- Strategic and dynamic asset allocation strategies
- Selection of investment vehicles
- Trade execution and opportunistic rebalancing of portfolio
- Quarterly Market Outlook and Strategy reports
- Consolidated quarterly performance reporting and analysis
- Monitoring and evaluation of other client assets
- Comprehensive annual asset allocation and performance review

### **Educational Planning**

- Optimizing allocations to and selection of 529 plans
- Managing investment mix of 529 and other educational assets

### **Cash Management**

- Periodic and recurring transfers across accounts and to third parties
- Required minimum distributions from IRAs
- Management of cash and cash-equivalent portfolios

## **B. Sub-Advisory Investment Services**

Sub-advisory investment services are a subset of the above, and may include:

- Institutional research service
- Model portfolio asset allocations (strategic and dynamic)
- Screening of investment vehicles
- Periodic conference calls to discuss economic & market trends
- Application and customization of the asset allocation strategy
- Quarterly Market Outlook & Strategy letter to clients

## **C. Tailored Services and Investment Restrictions**

Paladin Advisors tailors its investment management based on an evolving analysis of clients' risk tolerance and investment objectives. If a client wishes, Paladin will incorporate assets managed elsewhere into the design of an overall investment strategy. At clients' request, Paladin will exclude or include investments in specific securities or types of securities, within a sustainable-investing framework. Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company.

## **D. Assets under Management**

As of February 29<sup>th</sup> 2020, Paladin Advisors had \$292,060,683 in regulatory assets under management, of which \$235,064,849 were discretionary. Paladin also had \$45,211,601 in client assets under our advisement, for total client assets of \$337,272,284.

## **5. Fees and Compensation**

Paladin offers an array of services, which may be secured individually or as a package tailored to the needs of each client:

### **A. Financial & Investment Plan Set-Up**

*Services can be contracted individually, or as a package. One-time fees range from \$2k-10k depending on the complexity of the work*

- Investment portfolio audit
- Comprehensive financial and retirement plan
- Strategic investment plan and current allocation targets
- Portfolio transition strategy and execution support

### **B. Paladin Partners' Streamlined Investment Management**

*0.5% of AUM, or minimum of \$1k/year*

- Model-based dynamic asset allocation and automated portfolio rebalancing
- Access to wide array of investment vehicles with discounted trading fees
- Quarterly portfolio reports and *Market Outlook and Strategy* letters
- Streamlined annual portfolio and financial plan review
- Online financial and portfolio tools

### **C. Paladin Full-Service Wealth Management**

*Includes all of the above, plus:*

- Customized strategic and dynamic asset allocation strategy
- Integration of assets held elsewhere into portfolio management
- Opportunistic portfolio rebalancing
- Customized income and cash-management strategies
- Customized portfolio analysis and performance attribution
- Comprehensive annual review at clients' preferred location
- Ongoing phone, videoconferencing and email consultation, as needed

Full-service investment management incurs an annual fee that is computed as a percentage of the assets under management, as follows:

- 1.0% for the first \$2,500,000
- 0.8% for the next \$2,500,000
- 0.6% for the next \$5,000,000
- 0.4% for amounts over \$10,000,000

For non-profit clients Paladin charges a flat 0.5% fee on assets under management

There is a \$10,000 minimum annual fee for full-service Paladin clients, and \$1,000 for Paladin Partners

#### **D. Consulting on special projects**

*\$250/hour; will quote project fee*

The manner in which fees are invoiced and paid is established in each client's Investment Services Agreement. Paladin generally invoices advisory fees on a quarterly basis, in arrears. Clients may elect to be billed directly or to authorize Paladin to directly debit fees from their brokerage account(s). Accounts that are initiated or terminated during a calendar quarter will be charged a prorated fee. Advisory fees will not generally be prorated for any capital contributions or withdrawals made during the applicable calendar quarter.

An estimate for financial and investment planning services under Option A (Financial & Investment Plan Set-Up) will be provided prior to the commencement of work. If a client chooses to proceed with full-service wealth management under Option C, any payments for up-front work will be credited towards future advisory fees.

Paladin's advisory fees are separate and distinct from the fees and expenses charged by mutual funds, exchange-traded funds (described in each fund's prospectus), and separate account managers, which generally include a management fee and other fund expenses. Further, there may be transaction charges associated with the purchase or sale of securities. Paladin does not share in any portion of the brokerage / transaction fees charged by the custodian that holds the client's funds. Indeed, Paladin seeks to minimize these costs to our clients by relying primarily on cost-effective, no-load, passively-structured investment vehicles. Neither Paladin, nor its employees, accepts any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Sub-advisory fees are based on the assets under management for which the client is seeking advice, and the scope of the advisory work. These fees are billed on a quarterly basis, in arrears. Consulting and/or project fees are agreed with clients in advance, based on the scope of work.

Paladin may group certain related client accounts for the purposes of determining the overall portfolio size and/or fee breakpoints. Certain client agreements may be governed by fee schedules different from those listed above, based on the duration of the relationship and/or scope of work. These schedules are available upon request, but are not negotiable.

Either party may terminate the advisory agreement at any time by providing each other written notice. This notice requirement may be waived at the firm's discretion. If the client notifies their custodian that they are terminating the custodial account linked to a separately-managed account with Paladin, the firm will consider this to constitute a notice of termination. Upon termination of an account, any earned & unpaid fees will be due and payable.

Upon notice of termination, Paladin will have no obligation to recommend or take any actions with regard to the securities, cash or other investments in a terminated account but may, at the firm's discretion, assist the client in liquidating assets and in effecting the transfer of assets to a new custodian.

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

Paladin does not charge any performance-based fees (fees based on a share of a client's capital gains). However, should our clients' portfolios appreciate as a result of our investment strategy, Paladin will benefit. In this way, our interests are aligned with those of our clients.

## **7. Types of Clients**

Paladin serves individual and institutional (non-profit) clients that seek professional management of their investments, within a holistic planning framework. Our services are also available to other wealth-management firms seeking to outsource some or all of their investment functions. All services derive from the firm's focus on strategic planning and dynamic asset allocation, and all are provided on a fee-only basis.



**a. Full-Service Clients**

Clients that are in or approaching retirement, as well as those with complex planning and investment needs, typically select our full-service option (C), to which we apply a minimum annual fee of \$10,000. In order to meet our fiduciary duty to clients, Paladin directs clients with fewer assets to our lower-cost Paladin Partners offering.

**b. Paladin Partners**

Paladin Partners is the default service model for clients with assets of less than \$1,000,000. While there is no asset minimum, a minimum annual fee of \$1,000 will be charged. To keep costs low, Paladin Partners assets are held at TD Ameritrade, one of the firm's two custodians. These portfolios are managed dynamically and rebalanced through a model-based process. Communications are streamlined, with a focus on the annual financial plan update and investment portfolio review.

**c. Institutional (Non-Profit) Clients**

Institutional clients typically do not require extensive planning services or tax considerations in investment management decisions. Paladin Advisors is proud to support non-profit organizations with a discounted flat fee of 0.5% for our full-service offering, with a minimum annual fee of \$5,000.

**8. Methods of Analysis, Investment Strategies and Risk of Loss**

Investment management offers three potential sources of long-term return: gains from asset allocation, gains from market timing, and gains from security (or manager) selection. Of these three, asset allocation—the distribution of investment capital across broad market segments and fundamental risk factors—is the most important and reliable source of long-term return. Market timing and security selection may add value from time to time, but are subject to greater uncertainty and higher costs. Hence, at Paladin Advisors, we focus on achieving the optimal allocation of our clients' assets, reflecting their long-term investment goals and tolerance for market risk, as well as changing market conditions.

The foundational principles of our asset allocation process are diversification, value-based investing, and efficient execution. Diversification promotes greater stability and consistency of investment returns over time. Value investing improves the balance of reward vs. risk over the long run. Efficient execution minimizes the drag on returns from fees, trading costs, and taxes.

**a. *The importance of diversification***

Asset classes have been conceived and defined to represent fundamental economic and market risk factors (i.e., equity risk, credit risk, interest rate risk, liquidity risk, currency risk, etc.). These risks vary over time, with the dynamics of the business cycle and markets. For example, equity risk is lowest when the economy is in an upswing, whereas interest rate risk is subdued when inflation is falling and/or growth is slowing. The premium that investors receive for bearing these risks (i.e., the excess return over risk-free US Treasury bills) thus also varies over time. To the extent that these underlying risk factors are distinct and, therefore, uncorrelated with one another, an asset allocation that is diversified across asset classes will exhibit less volatility than a portfolio that is relatively concentrated.

A principal focus of our asset allocation strategy is to understand these risk factors and the relationships among them, so that we can achieve well-diversified and stable portfolios for our clients. We draw upon a wide investment opportunity set, including stocks, bonds, real estate, and commodities. Within the equity portion of our clients' portfolios, we seek diversification across large and small capitalization stocks, value- and growth-oriented stocks, and U.S. and international stocks. For the fixed income portion of the portfolio, we utilize US government bonds, municipal bond funds & ladders, mortgage-backed securities, international and emerging market bonds, and (on an opportunistic basis) corporate and high-yield bonds.

Additionally, we include in clients' portfolios a diversified array of *real assets*. These are investments that historically have held their value in the face of rising inflation, and include inflation-protected bonds, real estate, energy and other commodities. These investments not only serve as an inflation hedge, they offer portfolio diversification.

Globally-oriented investing is another key source of diversification. The U.S. market represents only 40% of global market capitalization, and there are large and varied opportunities overseas. Our training and professional experience give us an advantage in identifying global investment opportunities and managing the associated risks.

We do not generally recommend that our clients invest in “alternative assets” such as private equity or hedge funds. These typically entail high fees, higher tax/transaction costs, and illiquidity. Small investors find it difficult to gain access to the minority of funds that have consistently demonstrated superior performance. The large majority of private equity and hedge funds have delivered lower returns over the last 20 years, net of fees and capital gains taxes, than comparable investments in the public markets.

***b. The importance of value***

Even well-diversified portfolios may experience large fluctuations, as the performance of (and relationships among) asset classes are unstable. Correlations tend to rise when equity markets are falling, leaving investors without the benefit of diversification when they need it most. Correlated declines occur when many markets become simultaneously overvalued—as occurred in the period leading up to the 2008-09 global financial crisis. In such circumstances, diversification may not be sufficient to protect an investment portfolio from severe losses.

For these reasons, we manage our clients’ asset allocations dynamically, within a disciplined, value-oriented framework. We establish ranges around clients’ long-term target allocations, within which we adjust exposures. We utilize valuation indicators to reduce clients’ investments in market sectors that have become clearly overvalued, while increasing investments in those that are undervalued. This approach increases the likelihood that we are buying securities when prices are (relatively) low and selling when they are (relatively) high, thus improving portfolios’ balance of reward vs. risk.

Although valuation is an important criterion guiding how our portfolios are invested, there are limits to which we will move our clients’ allocations away from their long-term strategic targets. We believe that it is important to maintain well-diversified portfolios at all times, given the inherent uncertainty and volatility of markets. Moreover, since there are substantial tax and trading costs associated with allocation changes, we only adjust our clients’ targets when the evidence of mis-valuation is clear and convincing.

As markets advance and decline, some assets in a portfolio perform better than others. Rebalancing involves selling (buying) assets that have appreciated (fallen) in value, in order to bring a portfolio’s exposures back in line with targets. Intelligent rebalancing combines this value-oriented approach with a commitment to minimizing trading and tax costs. Deferring rebalancing decisions until a portfolio’s exposures have moved materially (i.e. 10-20%) from target helps separate the ‘signal’ from the ‘noise’ in market movements, ensuring that the gains from rebalancing are sufficient to offset the cost.

Value investing produces superior long-term returns, but requires discipline and consistency in the face of volatile markets. A value-oriented strategy may result in a client's having less exposure to a rapidly-rising market than he/she might wish, or more exposure to a poorly-performing sector that remains stubbornly out-of-favor. For this reason, our approach is best-suited for clients with a long investment horizon.

**c. *The importance of efficient execution***

Management fees, trading costs and taxes can take an enormous toll on long-term investment returns. Therefore, we seek the most cost-effective execution of our clients' portfolio strategies. Ample research has demonstrated that capital markets are efficient, meaning that individual security prices generally reflect all publicly-available information. Indeed, financial markets are so competitive that few investors—even professional ones—routinely profit at the expense of others.

Rather than pay high fees for actively-managed funds, we rely principally on cost-effective passive investment vehicles (index- and exchange-traded funds, or ETFs) that are designed to track broad market sectors. While cost effective, passive vehicles will not predominantly alter their exposures based upon the market outlook. In less liquid asset classes (i.e., emerging market equity and debt, commodities) and in fixed-income sectors where there are multiple factor risks to be managed, we are more inclined to pay for active management. Modest allocations to actively-managed strategies are accommodated in core-satellite portfolio structures that remain cost-effective.

We are scrupulous about tax efficiency. Combined federal and state income tax rates now exceed 40% for many affluent families. They confront additional taxes on investment income, rising capital gains and dividend tax rates, and new limits on itemized deductions. Given the heavy tax penalty on investment returns, we seek to limit the realization of taxable gains and income to what is strictly necessary.

In addition to utilizing low-turnover, tax-efficient investment vehicles, we pay close attention to the distribution of investments across various taxable and tax-deferred accounts. Moreover, we rely on tax-loss harvesting techniques to neutralize realized capital gains whenever possible.

**d. Sources of information**

We undertake primary research to develop estimates of projected long-term returns, volatilities, and correlations across assets classes. We rely on an array of valuation and cyclical indicators in order to construct our strategic and dynamic portfolio allocation targets. In developing this research, we rely on a wide variety of sources including economic and market data, industry research, academic papers and data aggregation services.

Paladin receives research from a variety of investment firms, including Dimensional Fund Advisors, Fidelity, TD Ameritrade, and other brokerage firms. The availability of these services is not contingent upon Paladin's committing any specific amount of trading business to the various brokerage firms. Paladin does not receive any soft dollar benefits from TD Ameritrade, Fidelity, or other brokerage firms. Paladin does not, and would not, direct client transactions to a particular broker in return for client referrals or any other service or product.

**e. Types of investments**

We rely principally on cost-effective passive investment vehicles that are designed to track their respective market segment or asset class. These include equity and fixed-income mutual funds, as well as exchange-traded funds that meet our criteria for liquidity, cost, consistency, and tracking risk. In less liquid asset classes (i.e., emerging market equity and debt, and commodities) and in fixed-income sectors where there are multiple factor risks to be managed, we are more inclined to pay for active management. Modest allocations to actively-managed strategies can be accommodated in core-satellite portfolio structures that remain cost effective overall. We generally do not hold individual securities, unless these are legacy client positions, part of a municipal bond ladder, or held in a separately-managed account (see Section 12 below).

**9. Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of Paladin or the integrity of its management. There are no legal or disciplinary events pertaining to Paladin, its principals or employees, to report.

## **10. Other Financial Industry Activities and Affiliations**

None of Paladin's management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Further, none of Paladin's management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Paladin does not receive any compensation directly or indirectly from any investment funds or advisors we recommend or select for our clients, as detailed in paragraph 14 below.

## **11. Code of Ethics**

Paladin has adopted a Code of Ethics for all supervised persons of the firm, describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions protecting the confidentiality of client information, prohibitions on insider trading and 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 Paladin must acknowledge annually, and continuously abide by, the terms of the Code of Ethics.

Paladin anticipates that its principals and employees may wish to execute a personal transaction in the same security(ies) recommended to, or held by, clients of the firm. We adhere to the principle that our team should have "skin in the game" with regard to the strategies we execute on behalf of our clients. It is Paladin's policy that all such transactions first be executed in client accounts, before any employee or management person may buy or sell the same security. Although it is unlikely that a principal or employee of Paladin could benefit from trading ahead of clients, since the firm relies principally on passive investment vehicles whose prices are set at the end of the trading day, we have established this rule to ensure clients' interests are always given priority.

Paladin's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Sean McMullen.

## **12. Brokerage Practices**

Paladin relies primarily on two custodians, TD Ameritrade and Fidelity Investments, for brokerage services. The firm will typically recommend the use of one or both of these firms,

provided that such recommendation is consistent with meeting its fiduciary duty to clients. Paladin Partners assets are custodied and traded at TD Ameritrade, which offers discounted commissions and cost-effective portfolio rebalancing tools.

The factors considered in selecting these custodians are the firms' ability to provide professional services, their reputation, the quality and cost of trade execution, and the quality of the online platform afforded to clients, among other factors. However, with the exception of individual bonds, Paladin does not survey or shop the brokerage marketplace for best execution on a transaction-by-transaction basis.

As part of our agreements with TD Ameritrade and Fidelity, Paladin and its clients receive the following at no extra charge:

- Client account information online
- Online trade execution at preferential rates
- Capital gains analysis, tax reporting statements & portfolio rebalancing tools
- Voice brokerage for securities that cannot be traded online
- Real-time pricing for equities and ETFs
- Closing security prices for mutual funds
- Practice management and compliance updates
- Economic and market research
- An array of financial planning tools

The availability of these services is not contingent upon Paladin's committing any specific amount of trading business to either broker. Paladin does not receive any soft dollar benefits from TD, Fidelity, or other brokerage firms. Paladin does not, and would not, direct client transactions to a particular broker in return for client referrals or any other service or product.

We also utilize the prime brokerage services of Advisors Asset Management (AAM) for our municipal bond ladders, Parametric Portfolio Associates (Parametric) for execution of our proprietary investment strategies, and Van Hulzen Asset Management (Van Hulzen) for the execution of their covered call strategy.

Most trading decisions for Paladin's full-service private and institutional clients are executed individually, given the high degree of customization of client portfolios. Additionally, private client transactions are assessed in terms of their tax efficiency, which requires individual analysis of most trading decisions. As a result, our clients may not receive the benefits of reduced transaction fees that such aggregation of trades could provide to them. However, Paladin clients do receive the benefit of tailored and tax-efficient portfolio management.

Paladin Partners portfolios are executed and allocated through a model-based block-trading approach that is scaled to meet the investment objectives of each client. As a result, Paladin Partners may receive better execution, but do not benefit from portfolio customization.

In directing the use of a particular broker or dealer for all or a portion of the trades executed in client accounts, it should be understood that, with respect to such trades, Paladin will not have authority to negotiate commissions among various broker dealers on a trade-by-trade basis. We may not be able to obtain volume discounts, so best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client for such trades and those charged to other clients. That said, trading commissions are at present low and fairly uniform, so the difference in cost between individual client and block trades are *de minimis*.

Paladin reserves the right to decline acceptance of any client account for which the client directs the use of a broker if the firm believes that this choice would hinder its fiduciary duty to the client and/or its ability to service the account.

### **13. Review of Accounts**

Paladin's Chief Investment Officer and Investment Advisors review each client portfolio weekly, to assess whether it is in line with its target asset allocation. When allocations differ materially from target (i.e., a deviation greater than +/-20%) the portfolio is rebalanced. When markets are turbulent, client allocations are reviewed more frequently, to protect portfolios from losses or take advantage of extraordinary opportunities that may arise.

All clients receive consolidated quarterly performance reports to supplement their monthly account statements and trade confirmations from the firm's custodians, Fidelity Investments and TD Ameritrade.

Paladin statements may vary from those provided by our custodians as a result of different accounting procedures, reporting dates, or valuation methodologies of certain securities. These performance reports are accompanied by a cover letter that explains and interprets each client's portfolio results in the context of our governing investment strategy. Clients also receive our quarterly Market Outlook and Strategy letter, which discusses market developments and their implications for our strategies.



#### **14. Client Referrals and Other Compensation**

Neither Paladin nor its employees receives or pays referral fees from any advisors that we recommend, or by whom we are recommended.

#### **15. Custody**

Custody is defined as any legal or actual ability by the firm to access client funds or securities. All client funds and securities are held with one or more “qualified custodians.” However, although Paladin does not take actual possession of client funds or securities, the firm is deemed to have constructive custody of certain client accounts and funds under current SEC interpretation and guidance. Therefore, Paladin urges all of its clients to carefully review and compare the reports of account holdings and/or performance results they receive from Paladin to those they receive from their qualified custodian(s). Any discrepancies should be reported to Paladin and/or the qualified custodian immediately.

#### **16. Investment Discretion**

Clients of Paladin’s services typically grant the firm discretion over investment decisions (i.e., the type and amount of securities to be bought and sold) on their behalf. Any limitations on the firm’s discretion are spelled out in clients’ Investment Policy Statements (IPS). In all cases, discretion is exercised in a manner that is consistent with the objectives outlined in the IPS. Paladin may not deduct funds or securities from client accounts, except for the payment of advisory fees, as detailed above.

Clients of Paladin’s research and sub-advisory clients bear sole responsibility for the application and customization of any investment advice they receive from Paladin. They may adapt or disregard the firm’s investment recommendations, as they deem appropriate.

#### **17. Voting Client Securities**

Paladin does not vote proxies for clients. Clients receive proxy statements from their custodial firm(s), TD Ameritrade and/or Fidelity Investments, and are welcome to contact us with questions about a particular issue. Paladin does not ask their separate account managers to vote proxies on behalf of its clients.

## **18. Financial Information**

Under no circumstances does Paladin earn fees in advance of services rendered, and therefore Paladin has no obligation to disclose its firm financials as part of this Brochure. Paladin has no financial condition that impairs its ability to meet our contractual obligations to its clients, and has never been the subject of a bankruptcy proceeding.



**Paladin Advisors, LLC**

Form ADV Part 2B

Client Brochure Supplement

March 31, 2020

This Brochure Supplement provides information about certain employees that supplements the Paladin Advisors, LLC Brochure. You should have received a copy of that brochure. Please contact us at 617-202-9653 if you did not receive the Brochure for Paladin Advisors, LLC or if you have any questions about the contents of this Brochure Supplement.

**Paladin Advisors, LLC**

178 Drinkwater Rd  
Kensington, NH 03833  
617-202-9653  
[www.paladinadvisors.com](http://www.paladinadvisors.com)

**Karen Parker Feld Ph.D., Chief Executive & Chief Investment Officer**

Born: 1963

**Educational Background**

Ph.D., M.A., Food Research Institute & Economics (minor), Stanford University, 1991

A.B., *summa cum laude*, Woodrow Wilson School of International and Public Affairs, Princeton University, 1985

**Business Background**

**Paladin Advisors**, Founder, Chief Executive and Chief Investment Officer, 2011-present

**Wealth of Wisdom**, Founder and President, 2015-present

**Artemis Financial Advisors**, Co-founder and Chief Investment Officer, 2008-2011

**Harvard Management Company**, Managing Director for Foreign Exchange, and member of the portfolio and asset allocation committees, 2006-2008

**Wellington Management Co**, Associate Partner and Director of Foreign Exchange, 2000-2006

**Chase Manhattan Bank**, Managing Director and Head of Currency Research, 1997-2000

**International Monetary Fund**, Economist, 1991-1997

**Affiliations**

**Seacoast TimeBank**, Board of Directors & Treasurer

**Big Brothers/Big Sisters of New Hampshire**, Big Sister

**Journey Song Hospice Choral Group**, Founder and Past President

**Seacoast Hospice**, Board of Directors

**Institute for Current World Affairs**, Board of Trustees & Investment Committee

**Boston Economic Club**, Member & Past President

**Council on Foreign Relations**, Investment Committee & IAF Fellowship Committee

**Federal Reserve Bank of New York**, Foreign Exchange Committee

**Princeton University**, Council for Latin American Studies & Labouisse Fellowship Committee

## **Honors**

International Affairs Fellowship, Council on Foreign Relations  
Mellon Foundation Fellowship for Ph.D. research  
Fulbright Scholarship for Ph.D. research  
Henry R. Labouisse Graduation Prize Fellowship  
Lieutenant John Larkin Undergraduate Thesis Prize  
Phi Beta Kappa

## **DISCIPLINARY INFORMATION**

- A. Karen Parker Feld has never been involved with a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which she:
1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
  2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
  3. was found to have been involved in a violation of an investment-related statute or regulation; or
  4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.
- B. Karen Parker Feld has never been involved with an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which she:
1. was found to have caused an investment-related business to lose its authorization to do business; or

2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority
  - a) denying, suspending, or revoking her authorization to act in an investment-related business;
  - b) barring or suspending her association with an investment-related business;
  - c) otherwise significantly limiting her investment-related activities; or
  - d) imposing a civil money penalty of more than \$2,500 on her.
- C. Karen Parker Feld has never been involved with a self-regulatory organization proceeding in which she:
  1. was found to have caused an investment-related business to lose its authorization to do business; or
  2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.
- D. Karen Parker Feld has never been involved with any other proceeding in which a professional attainment, designation, or license of hers was revoked or suspended because of a violation of rules relating to professional conduct.

## **OTHER BUSINESS ACTIVITIES**

- A. Karen Parker Feld is not engaged in any other investment-related business or occupation, nor does she have an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA.

Karen Parker Feld does not receive commissions, bonuses or other compensation based on the sale of securities or other investment products, including as a broker-dealer or registered representative, and including distribution or service ("trail") fees from the sale of mutual funds.

- B. Karen Parker Feld is not actively engaged in any business or occupation for compensation outside of Paladin Advisors, LLC.

## **ADDITIONAL COMPENSATION**

Karen Parker Feld does not receive any economic benefit / special benefit based on the number or amount of sales, client referrals, or new accounts received by Paladin.

## **SUPERVISION**

Karen Parker Feld serves as Chief Executive Officer and manages all aspects of the firm's operations. Questions regarding the firm and its personnel may be directed to her.

## **Jeff Egizi, Senior Investment Advisor & Director of Research**

Born: 1984

### **Educational Background**

B.A., Economics and Philosophy, Williams College, 2008

Chartered Financial Analyst (CFA), 2015

### **Business Background**

Paladin Advisors, 2017-present

- Director of Research, 2018-present
- Senior Investment Advisor, 2017-present

Athena Capital Advisors, 2008-2017

- Investment Research Associate, 2012 – 2017
- Investment Research Analyst, September 2008 – 2011
- Investment Research Intern, February – August 2008

### **Disciplinary Information**

- A. Jeff Egizi has never been involved with a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which he:
1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
  2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
  3. was found to have been involved in a violation of an investment-related statute or regulation; or



4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.
- B. Jeff Egizi has never been involved with an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which he:
1. was found to have caused an investment-related business to lose its authorization to do business; or
  2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority
    - a) denying, suspending, or revoking her authorization to act in an investment-related business;
    - b) barring or suspending her association with an investment-related business;
    - c) otherwise significantly limiting her investment-related activities; or
    - d) imposing a civil money penalty of more than \$2,500 on her.
- C. Jeff Egizi has never been involved with a self-regulatory organization (SRO) proceeding in which he:
1. was found to have caused an investment-related business to lose its authorization to do business; or
  2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.
- D. Jeff Egizi has never been involved with any other proceeding in which a professional attainment, designation, or license of his was revoked or suspended because of a violation of rules relating to professional conduct.

### **Other Business Activities**

- A. Jeff Egizi is not engaged in any other investment-related business or occupation, nor does he have an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA.

Jeff Egizi does not receive commissions, bonuses or other compensation based on the sale of securities or other investment products, including as a broker-dealer or registered representative, and including distribution or service ("trail") fees from the sale of mutual funds.

- B. Jeff Egizi is not actively engaged in any business or occupation for compensation outside of Paladin Advisors, LLC.

### **Additional Compensation**

Jeff Egizi does not receive any economic benefit based on the number or amount of sales, client referrals, or new accounts received by Paladin.

### **Supervision**

Jeff Egizi is supervised by Karen Parker Feld. Karen meets regularly with Jeff and reviews all of his work, including any and all investment recommendations made by him and any trades executed by him.

**Sean McMullen**

**Chief Compliance Officer & Director of Portfolio Analytics and Risk Management**

Born: 1989

**Educational Background**

B.S., Business Administration, Finance and Management Information Systems,  
Northeastern University, 2012

**Business Background**

Paladin Advisors, 2012-present

- Director of Portfolio Analytics and Risk Management, 2018-present
- Chief Compliance Officer, 2018-present
- Investment Advisor, 2014-present
- Investment Advisor Analyst, 2012-2014

Piper Jaffray & Co., Public Finance Investment Banking Intern, 2011

New England Pension Consultants, Private Equity and Hedge Fund Intern, 2010

Liberty Mutual Insurance Company, Business Systems Analyst Intern, 2009

**Disciplinary Information**

- A. Sean McMullen has never been involved with a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which he:
1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
  2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;

3. was found to have been involved in a violation of an investment-related statute or regulation; or
  4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.
- B. Sean McMullen has never been involved with an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which he:
1. was found to have caused an investment-related business to lose its authorization to do business; or
  2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority
    - a) denying, suspending, or revoking her authorization to act in an investment-related business;
    - b) barring or suspending his association with an investment-related business;
    - c) otherwise significantly limiting his investment-related activities; or
    - d) imposing a civil money penalty of more than \$2,500 on him.
- C. Sean McMullen has never been involved with a self-regulatory organization (SRO) proceeding in which he:
1. was found to have caused an investment-related business to lose its authorization to do business; or
  2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.
- D. Sean McMullen has never been involved with any other proceeding in which a professional attainment, designation, or license of his was revoked or suspended because of a violation of rules relating to professional conduct.

### **Other Business Activities**

- A. Sean McMullen is not engaged in any other investment-related business or occupation, nor does he have an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA.

Sean McMullen does not receive commissions, bonuses or other compensation based on the sale of securities or other investment products, including as a broker-dealer or registered representative, and including distribution or service ("trail") fees from the sale of mutual funds.

- B. Sean McMullen is not actively engaged in any business or occupation for compensation outside of Paladin Advisors, LLC.

### **Additional Compensation**

Sean McMullen does not receive any economic benefit based on the number or amount of sales, client referrals, or new accounts received by Paladin Advisors.

### **Supervision**

Sean McMullen is supervised by Karen Parker Feld. Karen meets regularly with Sean and reviews all of his work, including any and all investment recommendations made by him and any trades executed by him.

**Michael Costa, Senior Investment Advisor**

Born: 1979

**Educational Background**

B.A., Business Administration & Economics, University of Maine, Farmington, 2001

Master of Business Administration, Columbia Business School, 2008

Master of International Affairs, Columbia School of International and Public Affairs, 2008

Investment Management Certificate, 2010

Chartered Financial Analyst (CFA), 2012

Certified Financial Planner (CFP®), 2018

**Business Background**

Paladin Advisors, Senior Investment Advisor and Financial Planner, 2018-present

Fidelity Investments

- Assistant Portfolio Manager, 2017-2018
- Alternatives & Multi-Asset Analyst, 2013-2016

Capital Generation Partners, Investment Adviser, 2010-2013

FundQuest, Associate Director of Research, 2008-2010

**Disciplinary Information**

- B. Michael Costa has never been involved with a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which he:
5. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;

6. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
  7. was found to have been involved in a violation of an investment-related statute or regulation; or
  8. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.
- C. Michael Costa has never been involved with an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which he:
3. was found to have caused an investment-related business to lose its authorization to do business; or
  4. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority
    - e) denying, suspending, or revoking her authorization to act in an investment-related business;
    - f) barring or suspending his association with an investment-related business;
    - g) otherwise significantly limiting his investment-related activities; or
    - h) imposing a civil money penalty of more than \$2,500 on him.
- D. Michael Costa has never been involved with a self-regulatory organization (SRO) proceeding in which he:
3. was found to have caused an investment-related business to lose its authorization to do business; or
  4. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.
- E. Michael Costa has never been involved with any other proceeding in which a professional attainment, designation, or license of his was revoked or suspended because of a violation of rules relating to professional conduct.

### **Other Business Activities**

- C. Michael Costa is not engaged in any other investment-related business or occupation, nor does he have an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA.

Michael Costa does not receive commissions, bonuses or other compensation based on the sale of securities or other investment products, including as a broker-dealer or registered representative, and including distribution or service ("trail") fees from the sale of mutual funds.

- D. Michael Costa is not actively engaged in any business or occupation for compensation outside of Paladin Advisors, LLC.

### **Additional Compensation**

Michael Costa does not receive any economic benefit based on the number or amount of sales, client referrals, or new accounts received by Paladin.

### **Supervision**

Michael Costa is supervised by Karen Parker Feld. Karen meets regularly with Michael and reviews all of his work, including any and all investment recommendations made by him and any trades executed by him.



## **Natalie Marin**

Born: 1996

### **Educational Background**

- B.S., Business Administration & Mathematics, Northeastern University
  - D'Amore-McKim School of Business, 2018
- American College of Thessaloniki, Study Abroad, 2014

### **Business Background**

- Paladin Advisors, 2019-present
  - Planning & Portfolio Analyst, 2020 - present
  - Investment Administrator, 2019
- Sun Life Financial, Actuarial Co-op, 2017
- MFS Investment Management, Risk & Internal Control Co-op, 2016