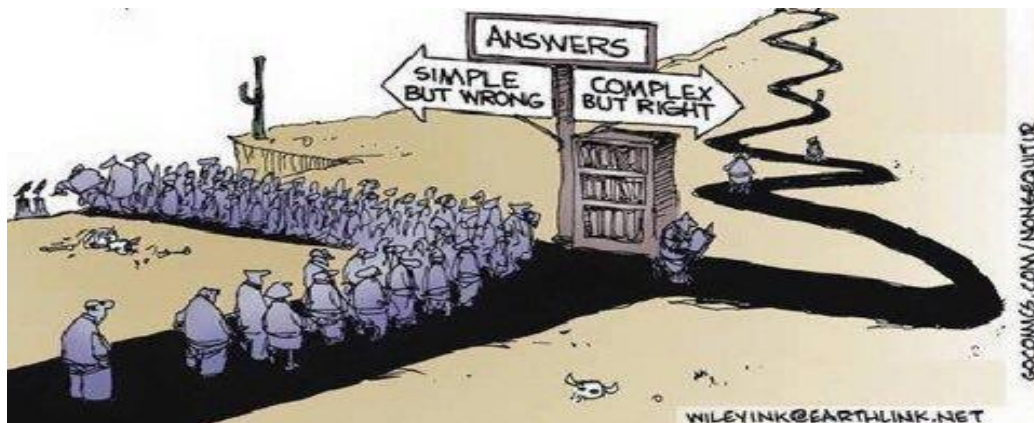


Fiduciaries, Fees and Incentives



Recently there have been several articles in the press about advisory fees and the Department of Labor's new fiduciary rule that was expected to go into effect in April 2017. The rule would require financial advisers managing retirement accounts to act as a fiduciary, that means putting the client's best interest ahead of the adviser's economic interests. This intended law is now under review due to the Trump administration's plan to overhaul financial regulation.

Fiduciary Rule:

Kingsbridge Wealth Management is a Registered Investment Advisor (RIA), and is obligated to act as a fiduciary to our clients. Our fee structure is designed to minimize conflicts of interest between us and our clients. Kingsbridge charges an advisory fee, based on assets under management. We do not charge different fees for different asset classes or investments, if we did this would create an economic incentive to allocate capital to the asset class that pays us the highest fee. This is an obvious conflict that we mitigate by charging the same fee for all asset classes and investments.

Incentives:

As a wealth owner, it is important to understand who you are dealing with, and if they are acting as an Investment Advisor, a Broker or both? You also need to understand how they are paid. Do you pay them, or does the product they sell you pay them? Although there may be many financial solutions that could be "suitable" to solve your concerns, *we believe that advice should be separate from products*. It would be very hard to give unbiased advice if two financial products paid the "adviser" very different amounts.

A Registered Investment Advisor is required to minimize conflicts of interest, a broker is only required to disclose the conflicts of interest in the fine print.

Incentives Matter

If you don't know how your adviser is paid, and what their incentives may be, how can you trust their advice?

Registered Investment Advisers (RIAs)

- Fiduciary Duty
- Must put the client's interest in front of their own.
- Must have expertise to provide advice
- Must identify and minimize conflicts of interests
- Regulated by the Securities & Exchange Commission (SEC)
- Generally charge fees for assets under management

Brokers, Broker Dealers

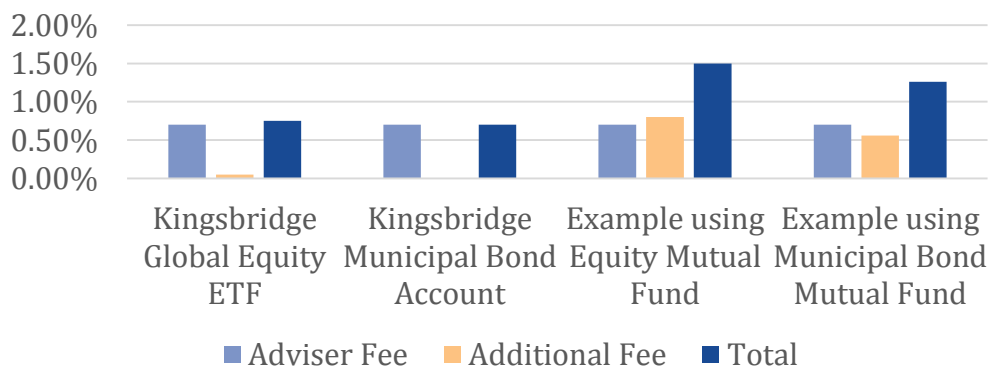
- No fiduciary duty, must only meet suitability guidelines
- Regulated by Financial Industry Regulatory Association (FINRA)
- Are generally paid from commissions associated with financial products.
- May also be registered as an investment adviser and charge fees

A Deeper Dive, Fees and Implementation of Advice:

In order to really understand the “total” fees a wealth owner pays, you need to look at the implementation of your allocation strategy. At Kingsbridge we believe that minimizing the total fees paid is in the clients best interest.

The example below shows a typical Kingsbridge Equity and Municipal Bond allocation and the total fees paid by the wealth owner versus examples using mutual funds to implement the same allocation. At Kingsbridge we do not generally use mutual funds as investment vehicles. We prefer to use lower cost passive index ETFs for equities, and to build separate accounts using individual bonds. Our point is not that our allocation is better than any other, but that as a wealth owner, you should understand the fees. Higher fees create a bigger hurdle to overcome with returns.

Total Fees Paid by Wealth Owners



	Kingsbridge Global ETF Portfolio	Kingsbridge Managed Municipal Bond Account	Other Adviser Example - Equity Mutual Fund	Other Adviser Example - Municipal Bond Mutual Fund
FLAT Adviser FEE Example				
Registered Investment Adviser				
Sample Adviser Fee (specific to each client)	0.70%	0.70%	0.70%	0.70%
Product / Investment Manager Fee brokerage or wrap fees may apply	0.05% ¹	0.00%	0.80% ²	0.56% ³
Total Cost to Wealth Owner	0.75%	0.70%	1.50%	1.26%
	¹ Kingsbridge Weighted Average Global Index ETF expense ratio		² Morningstar Average Actively Managed Mutual Fund	³ Morningstar Average Municipal Bond Mutual Fund

In general, the AUM fees charged by Kingsbridge Wealth Management cover all of the services offered by our Multi-Family Office. In some circumstances Kingsbridge also charges retainer fees to perform certain specific duties such as, bill payment services. Kingsbridge allocates capital based on each client’s beliefs and desires, our advice is specific to each individual client.

Kingsbridge Wealth Management, Inc. is an SEC Registered Investment Adviser. Kingsbridge Wealth Management is required to file and make available Form ADV, which provides detailed information about the firm, its’ practices, fees charged and any conflicts of interest.