

INVESTMENT ADVISER BROCHURE



Barrett & Company

The Wilcox Building
42 Weybosset Street
Providence, Rhode Island 02903
T: (401) 351-1000
F: (401) 351-1080

Brochure issue date: February 1, 2020

Disclaimer:

This Firm Brochure provides information about the qualifications and business practices of Barrett & Company. If you have any questions about the contents of this brochure, please contact us at (401) 351-1000 or email address info@barrettandcompany.com. The information in this brochure has not been approved or verified by the United States Securities Exchange Commission or by any state securities authority.

Additional information about Barrett & Company is available at www.barrettandcompany.com and on FINRA's BrokerCheck System found on FINRA's website at www.FINRA.org, and on the SEC's website at www.adviserinfo.sec.gov. Barrett & Company's CRD Number is: 1175.

The SEC's web site also provides information about any persons affiliated with Barrett & Company or who are registered, or are required to be registered, as investment adviser representatives of Barrett & Company.

Note:

While Barrett & Company may refer to itself as a "registered investment adviser" or "RIA", clients should be aware that registration itself does not imply any level or skill or training.

Item 2: Material Changes From Previous Version:

The Firm Brochure provides information about the qualifications and business practices of Barrett & Company. If you would like a copy of the most recent Form ADV Part 2A-Firm Brochure, you can email Info@barrettandcompany.com or phone (401) 351-1000 and request a copy.

We will ensure that you receive a summary of any material changes to this Firm Brochure within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

This Firm Brochure reflects the following changes made since our last annual filing which was on 02/01/2019, and are described below:

- This Firm Brochure is dated and issued as of February 1, 2020, which reflects the following changes:
- New Assets Under Management as of 12/31/2019.
- Changes to additional compensation

Item 3: Table of Contents

Item 1: Cover Page.....	1
Item 2: Material Changes from Previous Versions.....	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4, 5
Item 5: Fees and Compensation.....	6, 7
Item 6: Performance Based Fees and Side-By-Side Management	7
Item 7: Types of Clients.....	7
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss... ..	7, 8, 9
Item 9: Disciplinary Information	10
Item 10: Other Financial Industries Activities and Affiliations.....	10
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	10, 11
Item 12: Brokerage Practices	11, 12
Item 13: Review of Accounts	12
Item 14: Client Referrals and Other Compensation	12
Item 15: Custody.....	12
Item 16: Investment Discretion	12,13
Item 17: Voting of Client Securities	13
Item 18: Financial Information	13

Item 4: Advisory Business

Introduction

Barrett & Company was founded in Rhode Island in 1928 and continues today to be managed by the same founding family. Barrett & Company is a FINRA-member broker-dealer registered with the SEC and various states. Barrett & Company's principal place of business is Providence, RI. The firm offers Investment Management Services that are tailored to meet each client's individual needs and objectives. Barrett & Company introduces its client accounts to Fidelity Clearing & Custody Solutions, (NFS)¹ to provide clearing and custody services. Barrett's principal owner is Wilson G. Saville, II, President, Treasurer and Carol Sabins is Chief Compliance Officer.

Barrett & Company ("Barrett") and its Advisors will provide investment advice and services to clients who are typically individuals, pension and profit-sharing plans, trusts, corporations and other business entities.

Barrett will not serve as attorneys, accountants, or licensed insurance agents, and none of Barrett's services should be construed as same. Upon client requests, Barrett may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), but clients are under no obligation to engage the services of any such recommended professional. Also, if the client engages any such recommended professional, and a dispute arises thereafter relative to the engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Barrett analyzes, constructs, and manages customized investment portfolios based on the particular goals of each client in a manner that takes into account facts and information such as: income needs, liquidity requirements, investment time-horizons, and rate of return objectives, tax considerations, risk tolerance and existing investments. Barrett utilizes an array of investment vehicles including, but not limited to: exchange-listed securities, mutual funds, index funds, exchange-trades funds (ETFs), stock options, and bonds.

Depending on the particular investment portfolio and/or investment strategy, Barrett employs a variety of security analysis methods including charting, quantitative, fundamental, and technical analysis. We also consult a wide range of information to analyze and execute investment strategies, such as: financial newspapers and magazines, third-party research materials, annual report, prospectuses, regulatory filings, press releases and the internet.

The minimum account size is \$100,000 for managed accounts which may be waived by Barrett depending upon the circumstances. Barrett will manage client accounts on a discretionary basis, but may also offer non-discretionary management services to those clients that choose to make their own decisions on recommendations.

As of year-end December 31, 2019, Barrett has approximately \$230,975,000 Assets under Management in our Managed Account Solutions Program.

Initial Consultation

Barrett will begin by providing the client a free initial consultation; advisers use the initial consultation to:

- Introduce the client to Barrett's firm, its services and staff;
- Gather information about the client's investment objectives, financial condition, and risk tolerance, which Barrett uses in forming its investment advice; and
- Reach an agreement on the terms of service and compensation arrangements.

The consultation must be completed before Barrett will make any specific recommendations about the client's asset allocation or securities to buy or sell.

At the conclusion of the initial consultation and if the client elects to use Barrett's services offered, the client will sign an Investment Advisory Contract (***Statement of Investment Selection***) which serves as the contract between the client and Barrett, specifying the precise nature of services to be rendered by Barrett and fees to be paid by the client.

Advisor Services

For those clients where Barrett provides ongoing supervisory advisory services, the client has given Barrett written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. Clients give us discretionary authority when they sign the Advisory Contract (Statement of Investment Selection) however, we do allow clients to impose reasonable limitations on investing by providing us with written instructions.

We will make ongoing investment transactions in client advisory accounts which primarily involve: exchange-listed securities, mutual funds, index funds, exchange-trades funds (ETF's), stock options, and bonds. We will not use margin or leveraged products. Given that the market will affect the value of these securities, Barrett will monitor your accounts and make any necessary investment changes needed to achieve client's objectives.

The securities mentioned above reflect a broad range of investment risk, including some securities that entail high degrees of risk, such as stock options.

Item 5: Fees and Compensation

The Annual Fees for our Investment Advisory Services are on based on the amount of assets under management as follows:

Assets Under Management	Annual Fee (%)
Less than \$100,000	2.25
\$100,000 - \$500,000	2
\$500,001 - \$1,000,000	1.75
Over \$1,000,000	Negotiable

All Fees above are negotiable and are calculated by applying the annual fee schedule shown in client Management Contract. Our fees are assessed quarterly, in advance, at the beginning of each quarter. Therefore, clients are charged $\frac{1}{4}$ of their annual advisory fee every three months. The fee is based upon the value (market value or fair market value), of the client's account at the end of a calendar quarter. Clients will have their fees debited from the account in accordance with client authorization.

Written authorization is given for Barrett to collect the fees described above and the client authorizes, or will authorize the custodian to pay Barrett directly. The client agrees that the custodian will send, at least quarterly, a statement indicating all amounts disbursed from the client's account, including the amount of Investment management fees paid directly to Barrett.

Barrett requests all clients allow for the direct deduction of fees from client accounts but for those clients that do not, Barrett will send directly to the client an invoice of Barrett's fees. This invoice will require payment upon receipt.

National Financial Services LLC ("NFS") provides clearing and custody and other brokerage services for the clients of Barrett and may charge maintenance or transaction fees that are separate from the advisory fees charged by Barrett for its advisory services. As custodian for our client accounts, NFS will provide confirmations for each security transaction and statements either monthly or quarterly. Any transfer fees, transaction fees, redemption fees, wiring fees, etc. that may be charged against an account are separate from the Barrett management fee, and will be deducted from the account by the custodian.

Any income received by Barrett for advisory services is based on the fee schedule listed above.

Barrett has adopted a policy of only using advisor class mutual funds which pay no 12b-1 fees.

Barrett and its advisory representatives however may receive 12b-1 distribution fees from investment companies in connection with *initial placement* of assets in our Advisory Program, those fees are credited back to the client whose account generated the fees.

Termination of the Advisory Relationship, A Client Agreement may be canceled at any time, by either party, for any reason upon a thirty (30) day written notice. Clients have the right to cancel Advisory Agreement within five (5) business days of the signed Agreement by giving Advisor written notice of

cancellation. As disclosed above, certain fees may be paid in advance of services provided.

Upon termination of any account, any prepaid, unearned fees will be promptly refunded and any unpaid fees will be due and payable. In calculating a client's reimbursement of fees for Individual Portfolio Management accounts, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Item 6: Performance-Based Fees and Side by Side Management

Barrett does not charge performance-based fees. Performance-based fees are fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Type of Clients

Barrett will provide advisory services to various types of Clients, including:

- Individuals: The majority of Barrett's clients will be individuals seeking Investment Management Services for their personal accounts.
- Trusts
- Pension and Profit-Sharing Plans
- Small Businesses and Non-Profits: Occasionally, Barrett will provide advisory services to small businesses and non-profits seeking financial planning or management services for their organization's interests.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Barrett employs the various forms of analysis in formulating investment advice and management services to our clients including:

Barrett utilizes NFS' Managed Account Solutions ("MAS") program along with Envestnet Asset Management, Inc. ("Envestnet") a third-party registered investment adviser, to use their integrated 'Advisor as Portfolio Manager' platform. This is a proprietary technology platform that provides us with the following services:

- Performance reporting and fee calculation and billing;
- Assessment of client's investment needs and objectives;
- Development of an asset allocation strategy designed to meet the client's objectives;
- Review of client accounts for adherence to policy guidelines and asset allocation;
- Recommendations for account rebalancing, if necessary;
- Online and paper reporting of client account(s) performance; and
- Fully integrated back office management with custodian (NFS).

In our fundamental analysis, we will seek to determine the intrinsic value of equities based on a thorough analysis of the fundamental business factors of the company(s) at issue. This includes: analysis of financial statements, earnings, dividends, management structure, competitive advantages, product offerings, competitors and markets. In essence, this method of analysis evaluates the overall condition of the company (or companies in a mutual fund or ETF) to determine whether it is a sound investment. Despite the fundamental analysis performed by Barrett, any investment in securities carries market risk and investors may lose their principal investment.

In our technical analysis, we will seek to determine the future direction of prices through the study of past market data, primarily price and volume. This is done by charting the movement of investments to identify trends and patterns used in the selection of securities to purchase and price points to buy and sell. Barrett uses a number of stock screeners provided by NFS to chart and analyze the movement of various investments. Despite the technical analysis performed by Barrett, any investment in securities carries market risk and investors may lose their principal investment.

Barrett is disclosing risks and opportunities for particular types of securities used:

- Stock represents ownership in a company. If the company prospers and grows, the value of the stock should increase. Even if a company is profitable, the stock prices are subject to “market risk” which is attributable to investor attitudes. Stock ownership in more established companies is more conservative, while younger companies provide the most risk and reward opportunities.
- American Depository Receipt (“ADR”) represents an interest in the shares of a non-U.S. company that have been deposited with a U.S. bank. ADRs trades in U.S. dollars and clear through U.S. settlement systems, allowing ADR holders to avoid having to transact in a foreign currency. An ADR may represent the underlying shares on a one-for-one basis, or may represent a fraction of a share or multiple shares. The use of a ration allows ADRs to be priced at an amount more typical of U.S. Market shares prices. ADRs may be “sponsored” or “unsponsored”. Sponsored ADRs are those in which the non-U.S. company enters into an agreement directly with the U.S. depository bank to arrange for recordkeeping, forwarding of shareholder communications, payment of dividends, and other services. An unsponsored ADR is set up without the cooperation of the non-U.S. company and may be initiated by a broker-dealer wishing to establish a U.S. trading market. An ADR, however, may not be established unless the non-U.S. company is either subject to the reporting requirements under the Securities Exchange Act of 1934 or is exempt under the ACT.
- Debt Securities (corporate or municipal bonds) are promissory notes that pay interest and the return of principal at the end of a specified term. Credit risk is the chance the issuer will fail to pay the interest payments on the security or to pay the principal at maturity. Interest rate risk is that the market value of the bonds will go down when interest rates go up. Prepayment risk is the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off its debt. When this happens, the investor may not be able to reinvest the proceeds in an investment with a high a return or yield.
- High Yield Bonds have a lower credit rating than investment-grade bonds. Because of the higher risk of default, these pay a higher yield than investment grade bonds.
- Mutual Fund is an investment pool, which may include money market instruments, stocks, bonds, or other investment vehicles. Professional money managers research, select, and monitor the performance of the securities the fund purchases. It is easier to achieve

diversification through ownership of mutual funds rather than through ownership in individual stocks or bonds. Even with no-load or load-waived funds, there are mutual fund expenses paid to the fund company. Investors may have to pay taxes on capital gains distributions received by the fund, but not distributed to the investor. Mutual funds redeem shares at net asset value (“NAV”) at the end of the trading day.

- Unit Investment Trust (“UIT”) is similar to a mutual fund, but once the UIT selects the securities it will hold them. The portfolio is not actively managed and does not sell securities in response to ordinary market fluctuations. There may be special risks if a portfolio is concentrated within a specific sector of the market.
- Index Fund is an investment pool (e.g., mutual fund or ETF invested in stocks, bonds, or other investment vehicles) that aims to replicate the movements of an index of a specific financial market. The lack of active management generally gives the advantage of lower fees and lower taxes in taxable accounts. Of course there are fees, which reduce the return to the investor relative to the index. It is usually impossible to precisely mirror the index, as the models for sampling and mirroring, by their nature, cannot be 100% accurate. The difference between the index performance and the fund performance is known as the “tracking error”. By design, an index fund seeks to match rather than outperform the targeted index. Therefore, a good index fund with a low tracking error will not generally outperform the index, but rather produces a rate of return similar to the index minus fund costs. An index fund does not have to follow a well-known index. There are thousands of index funds, leaving advisors to determine which fund best matches the client’s risk capacity and other investment objectives.
- Exchange Traded Fund (“ETF”) holds securities to match the price performance of a certain market index or commodity price. ETF's can track stock indexes and sectors, bonds and precious metals. ETFs are subject to the same market risks as the index or sector they are designed to track. ETFs can be bought and sold throughout the day like stocks. ETFs are relatively easy to understand, while others may have unusual or complex strategies. For example, “leveraged ETFs” seek to achieve their investment objective on a daily basis only, potentially making them unsuitable for long-term investors.

Investment strategies used will vary depending on the client’s financial goal and risk tolerance. Generally, clients seeking capital preservation with limited risk will be managed with passive strategies using fixed income products (e.g. bonds) and index funds whereas clients seeking growth with greater risk will be managed with active strategies using stocks, mutual funds, ETFs, and stock options.

While Barrett will not engage in day-trading, active strategies may entail additional risk due to a greater frequency in transactions, which may involve additional brokerage fees, transaction costs, and taxes.

Item 9: Disciplinary Information

On April 13, 2015, the State of Rhode Island by a Consent Order issued a Cease and Desist and fined us \$10,000 relating to supervisory failures in connection with the reporting of transactions to OATS transactions executed for clients and supervisory failures, particular Rules 7450, 7440, 7460, 7410 and FINRA Rule 2010, 2020 and Rules 7-11-501(1), (2) and (3) and 212(a) and (b) of the Securities Division Regulations.

On September 9, 2013 the Firm was sanctioned by FINRA/NASDAQ for supervisory failures relating to our failure to establish and maintain a reasonable supervisory system for monitoring the firm's principal trading positions to comply with NASDAQ rule 4755, SEC rules 200(G) and 203(B) of Regulation SHO. The Firm was fined \$15,000 and censured.

On September 24, 2010, the Firm was sanctioned by FINRA in connection with its failure to comply with SEC rule 17A-3, NASD rules 2110, 2111, 2320 and 3110. The Firm failed to promptly execute certain trades, failed to ascertain the best price and inaccurate time stamps and incomplete reports on certain transactions. The Firm was fined \$17,500.

Details may be obtained at www.finra.org.

Item 10: Other Financial Industry Activities and Affiliations

Barrett is registered as a broker dealer. The relationship between Barrett's advisory services and its brokerage business could represent a conflict of interest. However, Barrett uses advisor platforms that provide execution services. To the extent that a transaction generated a commissions, those fees are not shared with Barrett but are retained by the executing broker dealer.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Pursuant to SEC Rule 204a-1, Barrett has adopted a Code of Ethics that promotes the fiduciary duty of Barrett and its advisory representatives. The Code of Ethics articulates the importance of trust as a foundation to the relationship between an investment adviser and its clients and establishes policies and procedures to ensure that Barrett and its advisory representatives place the interests of the clients first. The Code of Ethics requires that Barrett and its advisory Representatives adhere to all applicable securities and related laws and regulations. The Code of Ethics also requires Barrett and its advisory Representatives follow industry "best practices" involving: confidential information, suitability of investments, personal trading on the part of Barrett and its Representatives, and the disclosure of conflicts of interest.

As part of its policies and procedures, Barrett requires all access persons to report their securities transactions to its Chief Compliance Officer. The Code also requires all employees to report actual or

suspected wrongdoing to Barrett's president. A copy of the Adviser's Code of Ethics is available upon request for any client or prospective client.

Participation or Interest in Client Transactions and Personal Trading

Barrett has no proprietary interest in client transactions. Advisory representatives of Barrett may buy or sell the same securities that are recommended to you. These persons may have investment goals and objectives or needs that differ from yours which could result in their trading in ways different from or opposite of the recommendations made to you. For example, we may recommend that you purchase securities as a long-term investment while at the same time an employee, with an aggressive trading strategy, may be selling the same security. It is possible that we could recommend one client buy at the same time another client may be selling due to different objectives or due to a client's liquidity needs. To address this conflict of interest, Barrett and its advisory representatives will adhere to the following procedures regarding their personal trading:

- Client transactions will always be placed ahead of those for Barrett, its management, and its advisory representatives;
- Barrett and its advisory Representatives will mostly recommend investments that are widely traded;
- In the rare instance where private placement offerings are recommended to clients and an advisory representative also has an ownership interest in the private offering, full disclosure will be given so the client fully understands that conflict of interest and no investment in either initial public offerings or private placements may be made without the prior written approval of the CEO; and
- Neither Advisory clients nor advisory representatives will have enough funds invested in any given security to move the market in that particular security.

Item 12: Brokerage Practices

Directed Brokerage

As our firm and advisory representatives do not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients would have to direct us as to which broker-dealer to be used. In directing the use of a particular broker or dealer, it should be understood that Barrett & Company would not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to our clients, *therefor* we require that clients direct us to place trades using our own broker-dealer services. As noted above in this Brochure, we are also a FINRA-member broker- dealer¹. Barrett acts as an introducing broker and has arrangements with National Financial Services LLC ("NFS")² to provide clearing, custody and other brokerage services to our clients. National Financial Services is an affiliate of Fidelity Investments® and is independent of and unaffiliated with Barrett & Company. We have evaluated NFS and believe that, together, we will provide our clients with a blend of execution services, transaction costs and professionalism that will assist our firm in meeting our client's wealth management goals.

Research and Other Soft Dollar Benefits

While not a factor in Barrett's recommendation of custodial and broker-dealer services, Barrett does receive research tools and publications from NFS, which may be considered "soft dollar benefits" and

constitute a conflict of interest. As Barrett has accounts introduced through NFS, the benefits of the research tools and publications are already available to us regardless of the client's decision to invest with Barrett. We will use NFS' research tools and publications to service all advisory clients.

Aggregated Orders

Barrett will execute orders through NFS and will not direct trades to specific brokers. As such, clients may not receive the lowest price possible if they were to have their trades directed to specific brokers.

While Barrett may make the same recommendations for similarly-situated clients, generally we do not aggregate clients' orders since recommendations are made individually. Should there be a situation in which all or some significant number of accounts are trading in the same security at the same time we will attempt to aggregate or otherwise employ a plan that will treat all clients fairly over time in terms of preference of execution.

Item 13: Review of Accounts

For advisory clients, we periodically review all clients' accounts to identify situations that may warrant either a more detailed review or a specific action on behalf of an advisory client. This review is based on if a client needs or objectives change. Clients are encouraged to meet with Barrett at least once per year to review their account(s) as a whole, ensuring that the management aligns with their current financial condition, goals and objectives.

Item 14: Client Referrals and Other Compensation

We do not receive any economic benefit from third parties for rendering of investment advice other than as described in this Brochure. Barrett will not offer remuneration to individuals or organizations that make referrals of potential clients.

Item 15: Custody

Barrett does not maintain custody of your portfolio. NFS, as a qualified custodian, maintains your account and will send you, at least quarterly, a statement showing all amounts disbursed from accounts (including the amount of any fees paid to Barrett pursuant to the client's authorization), all transactions occurring in the account during the period covered by the statement, and a summary of the account positions and portfolio value. Clients should carefully review all statements for any discrepancies.

Item 16: Investment Discretion

As described in the "Advisory Business" section (pages 4-5 of this Firm Brochure), Barrett will have limited investment discretion for those advisory clients who sign the Advisory agreement.

When you grant discretionary authority to Barrett, you may still place reasonable restrictions on the securities purchased and sold for your account, such as a prohibition on investing in specific securities, industries, or markets that you choose. Additionally, unless specifically instructed otherwise by you, Barrett seeks to maintain diversified investment portfolios for its advisory clients. Barrett will make investment decisions for your account according to your investment objectives and financial circumstances as described by you. You agree to promptly inform us if the information provided in your information and investor profile becomes materially inaccurate and to agree to provide us updated information at least annually or upon any material change in your financial condition, objectives or goals.

Item 17: Voting Client Securities

For any security that entails a voting right in the underlying company, Barrett will not have or accept authority to vote client securities. All voting issues, proxies, and solicitations will be communicated to you through your custodian. Upon request, however, Barrett may help explain or answer questions regarding a given voting issue.

Item 18: Financial Information

No disclosure of financial information (balance sheet) is required because Barrett does not have custody of client funds or securities. Barrett, its management and advisory representatives have no material financial information (e.g. bankruptcies, liens, judgments) in their backgrounds.

¹FINRA is the largest independent regulator for all securities firms doing business in the United States. For more information, please refer to FINRA's website: <http://www.finra.org/>

²For more information, please refer to NFS's website: <https://nationalfinancial.fidelity.com/>

® Fidelity Clearing & Custody Solutions provides clearing, custody and other brokerage services through National Financial Services LLC, or Fidelity Brokerage Services LLC, Members NYSE, SIPC.