

Form ADV

Part 2A

Klingenstein, Fields & Co., L.L.C.

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May 18, 2012

This Brochure provides information about the qualifications and business practices of **Klingenstein, Fields & Co., L.L.C.** [“KF&Co” or the “ADVISER”]. If you have any questions about the contents of this Brochure, please contact us at 212-492-7000 and/or info@klingenstein.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Klingenstein, Fields & Co., L.L.C. is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training. The oral and written communications of an Adviser, including this Brochure, provide you with information that may help you determine to hire or retain an Adviser.

Additional information about **Klingenstein, Fields & Co., L.L.C.** is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The date of this Brochure is May 18, 2012.

Effective May 14, 2012, KF&Co has moved its principal office to newly built and expanded space at 125 Park Avenue, Suite 1700, New York, NY 10017-5529. All KF&Co clients have been notified of this change of address by mail.

This revision makes minor corrections to the Brochure dated March 28, 2012 and adds several phrases for clarification.

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure is prepared according to the SEC’s requirements and rules.

This Item 2 discusses only specific material changes that are made to the Brochure and provide clients with a summary of such changes.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. We sent the full new Brochure to all of our clients in 2011, pursuant to SEC Rules. In the future, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year, each December 31st. We may further provide other ongoing disclosure information about material changes, as necessary.

We will provide you with a new full Brochure, as necessary, based on changes or new information, at any time.

Our current Brochure may be requested by contacting Jonathan Roberts, Chief Compliance Officer at 212-492-7000 and/or info@klingenstein.com. The Brochure is available free of charge.

The current Brochure and additional information about KF&Co is available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with KF&Co who are registered as investment adviser representatives of KF&Co.

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Item 4 – Advisory Business

KF&Co, formed in 1992, is successor to Klingenstein, Fields & Co., L.P., formed and registered with the SEC as an adviser in 1988. The principal owners of 25% or more of the ADVISER are two trusts for the benefit of the families of Frederick Klingenstein and John Klingenstein, respectively. Additional owners include active members of management of KF&Co.

KF&Co provides investment advice to selected clients primarily on a discretionary basis and, to a lesser extent, on a nondiscretionary basis, based upon the individual investment objectives of its clients. Individual accounts may have differing asset allocation, different amounts of specific securities or different securities to reflect their individual objectives. Clients may impose restrictions on our investment discretion with respect to certain securities or types of securities; however this may affect their investment results.

Services include ongoing advice and supervision over client accounts regarding both equity and fixed income securities primarily based upon fundamental research and an analysis of general economic, business and market conditions. We do not regularly issue any publication or report to our clients other than a quarterly valuation of their individual accounts.

We may on occasion provide investment advice to our clients with respect to partnerships or other private entities engaging in investment strategies including, but not limited to, private equity, venture capital, specialized segments of publicly traded securities markets, arbitrage and leveraged acquisitions. KF&Co may provide advice with respect to, and solicit clients to participate in, such entities, which may be affiliated with us.

We may on occasion provide investment advice to our clients with respect to other types of investments or other financial matters.

An investment advisory client of KF&Co may terminate the investment advisory agreement immediately by providing written notice to us requesting termination; or at such time as is otherwise mutually agreed upon in writing by the client and the ADVISER.

Assets Under Management

As of December 31, 2011 KF&Co managed: *

- 1,680 Discretionary accounts, valued at \$3.782 Billion. (\$3,781,936,634)
- 27 Non-Discretionary accounts, valued at \$95.2 Million. (\$95,197,430)

Item 5 – Fees and Compensation

As compensation for standard investment advisory services provided to clients, KF&Co charges an investment advisory fee based upon the total market value of all managed assets in a client's account at an annual rate of:

A.

- 0.40% on fixed income securities with original maturity of more than one year, and

B.

- 1.00% on the first \$ 10,000,000 of all other assets,
- 0.75% on the second \$ 10,000,000 of all other assets,
- 0.60% on the third \$ 10,000,000 of all other assets,
- 0.40% on the next \$ 70,000,000 of all other assets, and
- 0.30% on all other assets above \$ 100,000,000.

Fees are generally not negotiable. Fees may vary from the schedule shown above to reflect circumstances that may apply to a specific client or account, including, but not limited to: the nature of the assets in the account, certain historical arrangements, and the client's investment requirements. Fees for accounts within a family group are generally calculated for the combined market value of all accounts in the group, and paid by the individual accounts in proportion to their market values.

We compute investment advisory fees for each quarter as of the close of trading on the last business day of March, June, September and December. Fees for each quarter are

charged within 15 days after the beginning of the following quarter. Fees may be prorated for substantial capital contributions or withdrawals made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any earned, but unpaid, fees will be due and payable.

Clients generally authorize the KF&Co to collect quarterly fees by instructing custodians to debit the client's account in the appropriate amount computed as described above. This authorization is in the general form of investment advisory agreement entered into between KF&Co and its clients. In that case, we send bills for fees to each client and the custodian for each client's account at the same time, indicating the amount of the fee to be debited from the account, how it was calculated and the value of assets on which the determination of the fee was based. In addition, KF&Co requests that the custodian for each client's account notify the client, at least quarterly, of the amount of the fee debited from the client's account.

Clients may elect to pay investment advisory fees directly and, in that case, we send invoices similar to the bills described above to such clients.

In addition to investment advisory fees paid to the ADVISER, a client's account pays brokerage commissions, transaction fees, and other related costs and expenses of securities transactions executed for their account. Clients may incur certain charges imposed by custodians, brokers, trustees, third party investment managers and other third parties such as fees charged by managers, custodial fees, trustees fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund transfer fees, account maintenance fees and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and Exchange Traded Funds ("ETFs") also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are in addition to KF&Co's fee, and we do not receive any portion of these costs paid by clients.

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

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

KF&Co does not charge its clients any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). As a result, we avoid managing accounts paying a fee based on a percentage of assets Side-by-Side with accounts that pay us a share of their capital gains. Since we do not have any such financial incentive, we avoid this potential conflict.

Item 7 – Types of Clients

KF&Co provides portfolio management and investment advisory services to individuals, high net worth individuals and families, trusts, estates, IRAs, charitable institutions, foundations, endowments, personal pension and profit-sharing plans, and private investment funds.

The minimum size for a new account relationship is generally \$3 million of investable assets. KF&Co may, however, consider the fit or appropriateness of our investment style or methods with the client's investment needs, among other factors, in determining whether to take on new clients.

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

KF&Co provides ongoing advice and supervision over client accounts regarding both equity and fixed income securities. These activities are primarily based upon fundamental research and an analysis of general economic, business and market conditions. We have access to a wide range of information and analyses from both large and small investment research providers, some of whom are affiliated with broker dealers or other financial institutions. KF&Co also maintains access to primary and secondary sources of information, regularly meets with company managements and, on occasion, visits and inspects the facilities of certain issuers of securities in which it invests client assets. KF&Co's portfolio managers and research team monitor and assess current holdings and a range of prospective investments on an ongoing basis.

For the majority of our clients, KF&Co follows a long-term investment approach that strives to preserve and grow clients' assets, after taxes and the impact of inflation. While investing inherently comes with significant risks (potential risks are outlined in more detail below),

KF&Co attempts to select securities which allow for growth while minimizing clients' exposure to excessive risks.

Equity Strategies

We aim to be long-term investors, and generally are not short-term traders. We assess investments with care and try to select most with the intention of holding for years. Long holding periods and low turnover can boost overall returns by reducing transaction costs and delaying taxation of gains.

Our attention is focused primarily on equity portfolios comprised of listed, marketable securities because we believe that, over time, equities offer greater potential for appreciation within reasonable levels of risk than many other types of securities.

We concentrate on companies that, in our judgment, reflect better relative value and risk characteristics than comparable investments. Generally, these are large U.S.-based companies, but may include non-U.S. or smaller companies, often in rapidly growing industries.

Using a team approach to investment selection, and including qualitative and quantitative analyses, we seek to identify well-managed companies in industries that are likely to expand faster than the economy as a whole. Our methods include what is known as a "top down approach," (monitoring global trends and identifying sectors likely to have strong secular growth), and a "bottom up approach," (seeking stocks that are attractively priced by the market relative to our estimates of inherent value, absolute levels of demonstrable earnings and future earnings growth).

For relatively small portions of some client portfolios, we may also invest for "opportunistic" reasons such as companies where there may be a change in management, capital structure or control, or another catalyst that may help hidden value to be realized.

International

We believe that economic opportunities and financial markets throughout the world are increasingly inter-related and inter-dependent. Many areas outside the U.S. have greater growth potential than here in our relatively mature economy. In addition, we believe that U.S. economic conditions and policies may cause the U.S. Dollar to depreciate in the years to come. These expectations lead us to invest an increasing proportion of clients' assets in securities that may be sheltered from or benefit from these long-term trends.

We invest client assets for international exposure through U.S. companies with business abroad, Mutual Funds, Exchange Traded Funds (ETFs) and investment partnerships that

focus on a particular region, country or sector and direct investments in foreign-based issuers through American Depositary Receipts (ADRs), or ordinary shares traded in local markets.

Fixed Income Strategies

KF&Co utilizes a variety of fixed income securities to help protect clients' cash reserves and, for some clients, to generate income. Our focus is on in high quality, investment grade US treasury, corporate and municipal bonds. Where appropriate, we build laddered portfolios that may enhance income, reduce risk and transaction costs, and provide needed liquidity. KF&Co does not rely solely on third party credit ratings to select fixed income securities for client portfolios. Please note that fixed income securities have significant risks and uncertainties, as outlined below.

Risks of Investing in Securities

Investing in securities involves risk of loss that clients should be prepared to bear. Securities fluctuate in value, depending on many factors that are unpredictable and outside of our control. There is no guaranty that the investment strategies we recommended will turn out to meet a client's investment needs.

General Risks. All investments are subject to many inherent risks. Investments in accounts managed by KF&Co are no exception. Accordingly, you may lose money by investing in the manner that we recommend. When you sell an investment, it may be worth less than you paid because the value of the investments will fluctuate, reflecting day-to-day changes in market conditions, interest rates and numerous other factors.

Asset Allocation Risk. If you rely on us to determine the allocation of investments among various asset classes for your account, the primary choices are equities, fixed-income securities and short-term cash equivalents. These asset classes may increase or decrease in value at different times or may all move together. While a goal of this diversification is to reduce risk, that result is not assured. The asset allocation of your account may have a significant effect on your account performance.

Interest Rate Risk. Many investments are subject to interest rate risk, which is the risk that the value of a security will decline because of a change in general interest rates. Investments subject to interest rate risk will usually decrease in value when interest rates rise and rise in value when interest rates decline. Also, securities with long maturities typically experience a more pronounced change in value when interest rates change. This risk most directly affects the value of fixed income securities, but many equity securities

can also change in value due to changes in interest rates. As a result, your account may be more exposed to interest rate risk than it appears.

Credit Risk. Fixed income investments are subject to credit risk. An issuer's credit quality depends on its ability to pay interest on and repay its debt and other obligations. Defaulted securities (or those expected to default) are subject to additional risks in that the securities may become subject to a plan or reorganization that can diminish or eliminate their value. The credit risk of a security may also depend on the credit quality of any bank or financial institution that provides credit enhancement for the security.

Inflation Risk. This is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the real value of your assets may decline, and income earned may have less value.

Market Risk. Markets can trade in random or cyclical price patterns, and prices can fall over sustained periods of time. The value of the investments in your account will change as markets fluctuate and could decline over short- or long-term periods. KF&Co does not attempt to track or replicate the performance of any specific index. As a result, it is likely that the performance of client accounts will differ from standard published indices.

Focused Portfolio and Non-Diversification Risks. Most accounts we manage own a smaller number of securities than make up the S&P 500 or other broad market indices. Accordingly, your account may have more volatility and is considered to have more risk than an index fund or a managed account that invests in a greater number of securities. Changes in the value of a single security may have a more significant effect, either negative or positive, on your account. To the extent that your account invests in fewer securities, the account is subject to greater risk of loss if any of those securities become permanently impaired.

Your account may also have a greater percentage of its assets invested in particular industries than a more diversified account, exposing you to the risk of unanticipated industry conditions as well as the risks of a single company or the securities of a single company. Lack of broad diversification also may cause your account to be more susceptible to economic, political, regulatory, liquidity or other events than a more diversified account.

Foreign Securities Risk. KF&Co may invest a portion of your account in foreign securities, and, from time to time, a significant percentage of your account may be composed of foreign investments. Such investments may involve greater risk in comparison to domestic investments for the following reasons: foreign companies may not be subject to the same degree of regulation as U.S. companies, and there may be less publicly available

information about foreign issuers than U.S. issuers; foreign companies may not be subject to uniform accounting, auditing and financial reporting standards; dividends and interest on foreign securities may be subject to foreign withholding taxes, and such taxes may reduce the net return to shareholders; and foreign securities are often denominated in a currency other than the U.S. dollar. Although KF&Co will seek only to invest in foreign issuers that are domiciled in nations considered to have stable and friendly governments, these conditions may change rapidly and there is the possibility of expropriation, confiscation, taxation, currency blockage, or political or social instability, any of which could negatively affect the value of your account.

Currency Risk. Your account is subject to currency risk because fluctuations in the exchange rates between the U.S. dollar and foreign currencies may negatively affect the value of investments in foreign securities or funds that invest in assets denominated in foreign currencies. Some issuers or funds may hedge currency exposure. This activity may not be effective or beneficial to your account.

Risks Specific to Klingenstein Fields Asia Fund, LP. Klingenstein Fields Asia Fund, LP is a limited partnership created to invest in publicly traded securities to access opportunities in or related to Asia. The fund has a minimum investment amount and limits contributions and withdrawals to monthly intervals. Investors who choose to invest in this fund bear additional risks beyond those of investing in securities issued by U.S. companies, including risks related to political instability, lack of legal protections, disasters, inflation or deflation, rapid but volatile economic growth, regional concentration, co-dependence of Asian securities markets, currency fluctuations, and high expenses of transactions and taxes. Fund investors should also be aware of the risks that flow from the fund's structure as a limited partnership controlled by the ADVISER, including: limitations on liquidity and transferability of partnership interests, conflicts of interest, questions of pricing and valuation, dependence upon professional advisers and service providers, and operational risks.

These risks are more fully described in the fund's Private Placement Memorandum in the section "RISK FACTORS". Additional information about the fund is found in Item 10, below.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of KF&Co or the integrity of the ADVISER's management.

KF&Co has no legal or disciplinary events to report.

Item 10 – Other Financial Industry Activities and Affiliations

KF&Co operates as a registered investment adviser and does not have any other material business. We are not a broker-dealer, futures commission merchant, or commodity trading advisor and we are not affiliated with any such organizations.

A number of advisory clients of KF&Co have engaged Brandywine Trust Company, LLC ("Brandywine"), a Delaware-chartered non-deposit trust company, to serve as a corporate trustee. Brandywine has engaged KF&Co to provide investment advisory services for a number of its trust clients, some of whom are affiliated with the ADVISER or its related persons. In addition, a number of Brandywine's non-trust clients have become KF&Co clients. Our related persons serve as directors of Brandywine, and as trustees of a trust (for the benefit of one such person's family), which has a minority ownership interest in Brandywine. We do not consider Brandywine to be our related person or affiliate.

The ADVISER formed Klingenstein Fields Asia Fund, LP in 2010. An affiliate of KF&Co is the general partner and investment adviser of the Fund. SeaBridge Investment Advisors, LLC, an unaffiliated firm, is the sub-adviser of the Fund. The Fund was created to invest in opportunities in or related to Asia. This limited partnership is offered by the ADVISER to existing and new clients with its own Private Placement Memorandum and Subscription Agreement, separate from KF&Co's standard advisory agreement. The ADVISER and SeaBridge share the fees charged on assets in the Fund. The potential conflicts of this structure include the benefit we may get from recommending that our clients invest in this entity. We address this conflict by requiring investors to make their own decision to subscribe separately and offering other types of investments to participate in opportunities in Asia within our standard account structure.

An affiliate of KF&Co has a minority equity investment in the privately-held parent of another investment adviser, IndexIQ Advisers, LLC. A Member of KF&Co serves on the board of directors of the parent company. IndexIQ develops innovative index-based investment strategies and manages a series of Exchange Traded Funds (ETFs) utilizing these strategies. KF&Co may invest client assets in ETFs managed by IndexIQ.

Since ETFs are generally traded in secondary markets rather than in a primary offering, the potential for any direct benefit to KF&Co from such trades is very limited. Nevertheless, if IndexIQ's ETFs are successful at gathering assets and generating ample liquidity, the value of their adviser and its parent company may be enhanced. We do not consider IndexIQ to

be a related person or affiliate of KF&Co, but disclose this information to describe and explain the potential conflict of interest.

Affiliates of KF&Co are General Partner or Managing Member of a number of pooled investment vehicles that invest primarily in other private funds and private placements. Participation in these entities is limited to affiliates of the ADVISER and none are open for new investments, accordingly, clients are not solicited to invest.

Item 11 – Code of Ethics

KF&Co 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 relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, personal securities trading limitations and procedures, and guidance for handling complex situations, among other things. All supervised persons at KF&Co must acknowledge the terms of the Code of Ethics.

The ADVISER's officers, Members and other employees ("Employees"), and their immediate family members and certain other persons and entities associated with those Employees ("Associated Persons"), are permitted to engage in personal securities transactions, only provided they comply with KF&Co's Code of Ethics. Because Employees and their Associated Persons may engage in securities transactions, the ADVISER may be effecting transactions on behalf of its clients in the same security on the same day as the Employee or Associated Person.

In addition, KF&Co manages a substantial amount of assets on behalf of Employees' extended families and entities that they control but that are not Associated Persons ("Extended Families"). We treat accounts of Extended Families as client accounts. As used in this Item 11, "client" means anyone whose assets are managed by the ADVISER, other than Employees and Associated Persons.

We seek, when reasonably possible, to aggregate transactions in the same security on the same day on behalf of multiple clients, as well as Employees and their Associated Persons. All participants in an aggregated transaction receive the average price. Thus, while KF&Co strives to serve the best interests of each client, permitting Employees, their Associated Persons and their Extended Families to participate in an aggregated transaction could result in clients (other than Extended Families) receiving less favorable prices or smaller allocations than might otherwise be the case.

In these situations, there is a potential conflict of interest between KF&Co's desire to treat all clients equitably and fairly and the desire to serve the best interests of its Employees, Associated Persons and Extended Families.

From time to time, a KF&Co Employee may serve as an officer or director of a public company and receive compensation therefore. As a result, such Employees might acquire material non-public information (commonly called "inside information") about the company. Since client accounts may be invested in securities of the company, and since we would be prohibited from trading while in the possession of material, non-public information, we would be unable to trade the company's securities for the benefit of clients and might be forced to hold the securities when selling would otherwise be indicated.

The Code of Ethics provides rules and restrictions for personal securities transactions by Employees and their Associated Persons. These rules and restrictions are designed to prevent Employees and their Associated Persons, in their personal securities transactions, from taking advantage of client transactions or disadvantaging client transactions, and to prevent such activity from interfering with our making decisions in the best interest of clients. Its provisions allow the ADVISER's Chief Compliance Officer ("CCO") to monitor these personal transactions to ensure compliance.

Nonetheless, because the Code of Ethics permits Employees to invest in the same securities as clients, there is a possibility that Employees might benefit from market activity by a client in a security held by an Employee.

Transactions by Extended Families and transactions in certain types of securities (enumerated in SEC rules) are not subject to the restrictions of the Code of Ethics.

Upon request, KF&Co will furnish a copy of its Code of Ethics to any client, prospective client, or any Employee or Associated Person with accounts managed by the ADVISER.

KF&Co may solicit clients to invest in Klingenstein Fields Asia Fund, LP. As described in Item 10, our affiliate is the General Partner of this fund and the potential exists for conflicts between clients' interests and our own. To address these conflicts, we provide extensive disclosure of the nature and circumstances of the fund and our relationship to it in the Private Placement Memorandum and related documents, and require participants to make their own decision to subscribe. In addition, investors in the fund may redeem their investment at monthly intervals without penalty.

Item 12 – Brokerage Practices

KF&Co clients authorize the ADVISER to utilize the services of any broker-dealer to execute securities transactions by executing our investment advisory agreement. The authority granted in the agreement permits us to use the services of any broker or dealer without obligation to shop for lower commissions from others and, in compliance with Section 28(e) of the Securities Exchange Act of 1934, to pay a commission on transactions higher than another broker or dealer would have charged in exchange for investment research. The agreement further discloses that lower commission rates might be available elsewhere. We may negotiate commission rates on an individual basis with respect to each transaction, or as a standard rate.

KF&Co maintains brokerage accounts with many different broker-dealers. KF&Co receives investment research and related services from many of the broker-dealers that execute transactions for clients. These services include written reports, access to online reports and databases, the right to attend meetings with analysts and/or public company managements. These services are generally provided only to institutional investors that do business with the broker-dealer. The types of products and services provided include reports and recommendations about companies and industries, economic trends and analysis and access to large conferences and one-on one-meetings. We do not use client commissions to pay for services from third-parties, except as described in this paragraph.

How We Select Brokers

We seek to select brokers who will execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Effectiveness and quality of transaction execution services
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices

- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed in this Item 12

We have a duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

Clients may direct KF&Co to execute some or all of their securities transactions through one or more broker-dealers. However, this may limit our ability to achieve best execution, limit the ability to participate in aggregated transactions and result in differences in price or timing from the transactions executed for other clients’ accounts. In addition, a directed brokerage arrangement may limit our ability to negotiate commission rates on your behalf.

Subject to the exception stated in the previous paragraph, we will select brokers on the basis of where we believe our clients will get the best execution of the securities transaction on an individual trade. Among brokers deemed equally capable of providing best execution, we may also consider the value of products, research or services we get. These products, research or services help us to service all of our advisory clients and no client pays any additional amount for them. We do not allocate specific benefits based on the amount of clients’ commission expenditures.

KF&Co benefits from commissions paid to brokers that provide research services because it does not have to produce or pay for these services directly. The availability of investment research conditioned upon brokerage activity may give us an incentive to choose a broker-dealer based on the need for the services rather than our clients’ interests in receiving most favorable execution.

We do not consider client referrals in selecting broker-dealers.

Item 13 – Review of Accounts

A supervisor reviews transactions for all investment advisory accounts daily. Your account manager reviews each client’s account at least quarterly with respect to performance during the previous quarter. A supervisor will independently review your account. The account managers and supervisors performing these reviews are listed in the Brochure Supplement, Form ADV Part 2B.

Account managers and supervisors are available to meet with clients on request.

We send quarterly statements to clients showing a summary of the investments in their account, including cost, current market value, yield, income, and other relevant information. As noted in Item 15 (below), you should compare the statements we provide with statements for the same account from your custodian.

Item 14 – *Client Referrals and Other Compensation*

Our clients pay us fees to manage their financial assets, as described in Item 5. We are not paid in cash or prizes or with any other economic benefits by anyone else to manage client accounts.

Your account manager may benefit directly or indirectly by adding new clients or more client assets. KF&Co may, from time to time, engage one or more individuals or entities to solicit investment advisory clients in accordance with SEC rules. The general form of arrangement and compensation would entail a share of such fee revenues paid to the solicitor for a period of time. As of this writing, the number of accounts and amount of assets subject to these arrangements is not material to KF&Co.

As noted in Item 15, Charles Schwab & Co., Inc. (“Schwab”) is the custodian for the majority of KF&Co clients. We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

The availability to us of Schwab’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. We do not require clients to maintain custody of their assets at Schwab. The availability of these products and services would not change materially, even if a substantial number of our clients moved custody of their assets away from Schwab, because the amount of assets our clients have in custody at Schwab is many times larger than their threshold for providing such products and services. Accordingly, we do not believe that this relationship creates a material conflict of interest.

We believe that the availability of these products and services and the high level of coordination between Schwab and KF&Co provides a material benefit to our clients who choose to use Schwab as their custodian.

Item 15 – Custody

KF&Co is not a Qualified Custodian, so we will not hold funds and securities for client accounts.

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct your custodian to deduct our advisory fees directly from your account, if you grant us authority to move your money to another person's account, if you ask one of our Employees to serve as your trustee or if you invest in a pooled investment vehicle that we control. Each of these arrangements gives KF&Co or its related persons access to your assets. This means we must have procedures in place to ensure that we use those broad powers only for your benefit.

Clients designate a Qualified Custodian to hold their funds and securities and open an account. This may be a broker dealer, a bank or other financial institution. KF&Co is authorized to give instructions to the custodian with respect to all investment decisions regarding your account as described in your Investment Advisory Agreement with us.

Unless a client directs KF&Co otherwise in writing as to custody arrangements of their account, the client will be deemed to have designated the Schwab Adviser Services division of Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, member SIPC, as their custodian and we will ask them to open a brokerage and custody account in their name. We do not open the account for you, although we may assist you in doing so. The custodian will hold all cash, securities and other property of the Account. We are independently owned and operated and are not affiliated with Schwab. A copy of Schwab's current fee schedule is available on request.

Clients will receive statements from the broker dealer, bank or other qualified custodian that holds and maintains the client's investment assets, at least quarterly.

We urge you to carefully review such statements and compare such official custodial records to the account statements that we provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Please notify us immediately of any material differences between these statements.

Item 16 – Investment Discretion

KF&Co clients usually give us discretionary authority at the outset of an advisory relationship to determine the mix of assets and select the identity and amount of securities to be bought or sold for their account. Our authority is stated and described more fully in each client's Investment Advisory Agreement with us.

In all cases, however, we make decisions in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, KF&Co's observes the investment policies, limitations and restrictions of the clients it advises. Clients may limit the amounts or proportions of specific types of assets owned, specify securities that may not be purchased in their accounts, or provide other guidelines that they consider appropriate.

Investment objectives, policies, guidelines and restrictions must be provided to KF&Co in writing.

By giving us discretion to manage your account, you trust us to do what is in your best interests. U.S. securities laws recognize this special relationship, and require investment advisers to be subject to a fiduciary duty, the law's highest standard of care. That means that we must put your interests ahead of ours at all times by providing advice and recommending investments that we believe are the best for you. We must also explain any conflicts of interest that exist in our business and have policies and procedures to limit these conflicts and protect you from any damage. You will find these disclosures throughout this brochure.

Item 17 – Voting Client Securities

KF&Co exercises the voting rights associated with securities owned by its discretionary and non-discretionary clients, except those who have notified us in writing that they wish to receive proxy materials directly and vote themselves. Clients who have not reserved their voting rights may direct us how to vote their shares in a particular solicitation or may obtain information about, or a copy of, our voting procedures or information on how their proxies were voted by calling the telephone number or mailing a request to the address found on the cover page of this Part 2, or by e-mailing info@klingenstein.com.

As part of its voting procedures, KF&Co monitors upcoming shareholder meetings, seeks to ensure that it receives all client proxies, and votes proxies it receives except when we determine, in accordance with SEC guidelines, that refraining from voting is in clients' best interests. KF&Co makes its voting decisions on a proposal-by-proposal basis to further the best interests of its clients, based on a review of the proxy material from the company, our general guidelines for certain common types of proposals or, at its discretion, a review of other documents and websites and consultation with third parties.

In some cases, KF&Co's employees or their families may be affiliated on a significant level with companies whose proxies are to be voted. In those situations, where there is a potential material conflict between the interests of its clients and the firm, we will make the voting decision for clients in a manner designed to prevent the conflict from influencing the vote.

We may delegate to third parties many of the voting functions described above, although KF&Co will retain final authority for voting decisions made on behalf of its clients. Regardless of any such delegation, we are responsible for meeting our duties to clients to vote their proxies. We may provide aggregate voting information to others in limited circumstances but, except to the extent necessary to communicate with a third party to which we have delegated a voting function, will not disclose the identity of any particular client in that connection without the client's permission.

KF&Co's voting procedures may be amended from time to time. When an amendment is material, we will promptly send clients a description of the change or a new complete summary of the procedures.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the ADVISER's financial condition.

KF&Co has no financial commitment or condition that impairs its ability to meet contractual and fiduciary commitments to clients. KF&Co has not been the subject of a bankruptcy proceeding. We do not collect investment advisory fees in advance.

No other disclosures are required.