

**Part 2A of Form ADV: *Firm Brochure***

**Carswell Investments, LLC**

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This brochure provides information about the qualifications and business practices of Carswell Investments, LLC ("Carswell"). If you have any questions about the contents of this brochure, please contact us at (315) 451-4115 or info@carswellfinancial.com. 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.

Carswell is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training.

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

**Item 2 - Material Changes**

There are no material changes to disclose since the filling of our last amendment on March 28, 2013.

### **Item 3 - Table of Contents**

Item 1 – Cover Page .....	1
Item 2 – Material Changes .....	2
Item 3 – Table of Contents .....	3
Item 4 – Advisory Business .....	4
Item 5 – Fees and Compensation .....	5
Item 6 – Performance-Based Fees and Side-by-Side Management .....	8
Item 7 – Types of Clients .....	8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	8
Item 9 – Disciplinary Information .....	11
Item 10 – Other Financial Industry Activities and Affiliations .....	11
Item 11 – Code of Ethics, Participation of Interest in Client Transactions and Personal Trading .....	11
Item 12 – Brokerage Practices .....	12
Item 13 – Review of Accounts .....	13
Item 14 – Client Referrals and Other Compensation .....	13
Item 15 – Custody .....	13
Item 16 – Investment Discretion .....	13
Item 17 – Voting Client Securities .....	14
Item 18 – Financial Information .....	14
Brochure Supplement – Steven R. Pickard .....	15
Brochure Supplement – Conor B. Gillen, CFA .....	18

#### **Item 4 – Advisory Business**

Carswell Investments, LLC (“Carswell”) is a Securities and Exchange Commission (SEC) registered investment adviser.

Carswell is a Limited Liability Company organized in the state of Delaware with its principal place of business located in New York.

Carswell began conducting business in 2011 and its owner is Steven R. Pickard.

Carswell offers the following advisory services to our clients:

##### **Wealth Management Services**

Carswell provides discretionary and non-discretionary advisory services to individuals, high and ultra-high net worth individuals, families and their related entities such as businesses, trusts and private foundations, pension and profit sharing plans, not-for-profit organizations, and other tax-exempt entities. Often these related entities are affiliated with companies or entities that our clients founded, own or control. Carswell also provides comprehensive wealth management related services such as family wealth planning, personal financial services, assistance with estate planning and tax planning, philanthropic planning, advice and facilitation of family dynamics, education, and governance matters.

Client portfolios are managed in accordance with each client’s investment objectives, taking into consideration risk tolerance, time horizon, tax issues, liquidity and cash flow needs, restrictions/constraints, and other relevant guidelines. Carswell’s wealth management services involve the allocation of client assets among different asset classes with varying levels of risk and return. Carswell may make or recommend changes to this allocation, in an attempt to take advantage of conditions in the current economic environment, while being sensitive to transaction costs and taxes, as appropriate. These changes may be short-term underweights or overweights to various asset classes and are designed to capitalize on current economic conditions over a shorter time period.

Carswell’s client portfolios include, but are not necessary limited to, equity securities, fixed income securities, exchange traded funds, mutual funds, managed accounts, hedge funds, limited partnerships, commodity futures, options, private equity, venture capital investments and other alternative investments consistent with a client’s suitability, overall investment strategy, and risk tolerance. Clients may impose restriction on investing in certain securities or type of securities.

As part of its asset allocation methodology, Carswell may also recommend and utilize unaffiliated money managers to manage a portion of a client’s portfolio. Such money managers will have discretion to determine the type and amount of securities to be purchased or sold for the client for that portion of the client’s assets managed by the money manager.

Investment advisory services include development of a custom investment policy statement (“IPS”), quarterly reporting, and a formal portfolio review meeting on at least an annual basis.

##### **Institutional Advisory Services**

Carswell provides discretionary and non-discretionary advisory services to institutions, endowments and foundations.

Institutional portfolios are managed in accordance with each organizations investment objectives, taking into consideration risk tolerance, time horizon, liquidity and cash flow needs, restrictions/constraints, and other relevant guidelines. Carswell’s institutional advisory services involve the allocation of client assets among different asset classes with varying levels of risk and return. Carswell may make or recommend changes to this allocation, in an attempt to take advantage of conditions in the current economic environment, while being sensitive to transaction costs and taxes, as appropriate. These changes may be

short-term underweights or overweights to various asset classes and are designed to capitalize on current economic conditions over a shorter time period.

Carswell's institutional client portfolios include, but are not necessary limited to, equity securities, fixed income securities, exchange traded funds, mutual funds, managed accounts, hedge funds, limited partnerships, commodity futures, options, private equity, venture capital investments and other alternative investments consistent with an organization's suitability, overall investment strategy, and risk tolerance. Intuitional clients may impose restriction on investing in certain securities or type of securities.

As part of its asset allocation methodology, Carswell may also recommend and utilize unaffiliated money managers to manage a portion of an organization's portfolio. Such money managers will have discretion to determine the type and amount of securities to be purchased or sold for the organization for that portion of the organization's assets managed by the money manager.

Institutional advisory services include development of a custom investment policy statement ("IPS"), quarterly reporting, and formal portfolio review meetings at a frequency agreed upon with the organization.

### **Qualified Plan Advisory Services**

Carswell provides advice to Trustees of employer sponsored retirement plans regarding the selection of plan service providers and the investment options offered by and available to the plan. Carswell will also provide investment advice to the individual plan participants regarding investment options offered by the plan. Carswell nor its representatives will exercise any discretionary authority with respect to the plan and/or any transactions undertaken by the Trustees or individual plan participants. Plan Trustees may impose special instructions, restrictions/constraints, and other relevant guidelines as outlined in their advisory services agreement for Carswell to follow in advising the Trustees and/or plan participants.

### **Amount of Managed Assets**

As of March 28, 2014 Carswell had \$94,209,332 of assets under management in 240 accounts. This includes in \$40,846,847 in 177 discretionary accounts and \$53,362,485 in 63 non-discretionary accounts.

### **Item 5 - Fees and Compensation**

Carswell is compensated for our services exclusively by our clients – and absolutely no one else. To maintain complete objectivity, Carswell does not distribute products or product based services, we do not solicit or accept referral fees from outside advisers, money managers, or mutual funds companies, and we do not charge or receive transaction commissions from broker-dealers, insurance companies, or private offerings.

### **Wealth Management Services**

Carswell's basic fee schedule for wealth management services is as follows:

<b><u>Assets Under Management/Advisement</u></b>	<b><u>Annual Fee</u></b>
Initial \$5 Million	0.95%
Next \$10 Million	0.80%
Next \$10 Million	0.60%
Over \$25 Million	Negotiated

Clients generally will be charged an annualized fee based on assets under management (AUM) and/or advisement (AUA), which will be assessed quarterly and payable in advance. The first quarterly fee will be billed on an estimate of AUM/AUA, which may not be adjusted at a subsequent time to account for the difference between the estimated amount and the actual amount under Carswell management and/or advisement. Thereafter, Carswell's management fee generally will be payable quarterly, in advance, according to the value of assets calculated as of the close of business on the last trading day of the previous

calendar quarter. Generally, fees will be debited from client accounts in accordance with the client's authorization in Carswell's investment advisory agreement. As an alternate payment method, Clients may elect to pay for fees incurred by making direct payment to Carswell.

Carswell may also charge fees according to a fixed-fee arrangement. Fixed-fees are will be determined on a case-by-case basis, depending on such factors as the nature and complexity of the services, staffing arrangements, and size of the asset base.

A minimum of \$1,000,000 of assets under management and/or advisement when the account is opened is required for wealth management services. This account size may be negotiable under certain circumstances. Carswell may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Carswell's wealth management services fees may be subject to negotiation based on factors such as the overall complexity of the client's financial affairs, the number of investing entities, the nature and location of the work, and other unique factors. Existing clients may pay higher or lower rates than those set forth in the current basic fee schedule. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

Fees to Carswell do not include any fees due to third-party money managers that provide services to the client or the underlying fees and expenses associated with the mutual funds or alternative investments in which clients' assets are invested. Mutual fund fees and expenses are paid by the funds but are ultimately borne by the client as a shareholder of the funds.

Fees charged by third-party money managers depend on several factors, including the size of investment, trading strategy, and degree of risk. Third-party money managers' management fees generally range from 0.10% to 2.00% of assets per annum. In addition, some money managers may charge performance fees of up to 20% of the profits. Since performance fees are generally based upon increases in the net assets of the portfolio, such performance fees may be based upon unrealized appreciation as well as realized gains. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Carswell does not receive remuneration from any third-party money manager for the recommendation of any such manager or fund to Carswell clients or inclusion in client portfolios.

Fees to Carswell also do not include any fees due to brokers or custodians. The client may contract directly with investment managers, brokers, and custodians to provide services with regard to his or her assets and thus will be charged separately by such entities for their services. Item 12 further describes the factors that Carswell considers in selecting or recommending custodians and broker-dealers for Client transactions and determining the reasonableness of their compensation (e.g., commissions).

All management and performance fees, trading fees, custody fees, wire transfer fees, and other fees incurred in the normal course are borne by the client.

### **Institutional Advisory Services**

Carswell's basic fee schedule for institutional advisory services is as follows:

<b><u>Assets Under Management/Advisement</u></b>	<b><u>Annual Fee</u></b>
Initial \$5 Million	0.60%
Next \$10 Million	0.50%
Next \$10 Million	0.40%
Over \$25 Million	Negotiated

Clients generally will be charged an annualized fee based on assets under management (AUM) and/or advisement (AUA), which will be assessed quarterly and payable in advance. The first quarterly fee will be billed on an estimate of AUM/AUA, which may not be adjusted at a subsequent time to account for the difference between the estimated amount and the actual amount under Carswell management and/or

advisement. Thereafter, Carswell's management fee generally will be payable quarterly, in advance, according to the value of assets calculated as of the close of business on the last trading day of the previous calendar quarter. Generally, fees will be debited from client accounts in accordance with the client's authorization in Carswell's investment advisory agreement. As an alternate payment method, Clients may elect to pay for fees incurred by making direct payments to Carswell.

A minimum of \$1,000,000 of assets under management and/or advisement when the account is opened is required for institutional advisory services. This account size may be negotiable under certain circumstances. Carswell may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Carswell's institutional advisory services fees may be subject to negotiation based on factors such as the overall complexity of the client's financial affairs, the number of investing entities, the nature and location of the work, and other unique factors. Existing clients may pay higher or lower rates than those set forth in the current basic fee schedule. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

Fees to Carswell do not include any fees due to third-party money managers that provide services to the client or the underlying fees and expenses associated with the mutual funds or alternative investments in which clients' assets are invested. Mutual fund fees and expenses are paid by the funds but are ultimately borne by the client as a shareholder of the funds.

Fees charged by third-party money managers depend on several factors, including the size of investment, trading strategy, and degree of risk. Third-party money managers' management fees generally range from 0.10% to 2.00% of assets per annum. In addition, some money managers may charge performance fees of up to 20% of the profits. Since performance fees are generally based upon increases in the net assets of the portfolio, such performance fees may be based upon unrealized appreciation as well as realized gains. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Carswell does not receive remuneration from any third-party money manager for the recommendation of any such manager or fund to Carswell clients or inclusion in client portfolios.

Fees to Carswell also do not include any fees due to brokers or custodians. The client may contract directly with investment managers, brokers, and custodians to provide services with regard to his or her assets and thus will be charged separately by such entities for their services. Item 12 further describes the factors that Carswell considers in selecting or recommending custodians and broker-dealers for Client transactions and determining the reasonableness of their compensation (e.g., commissions).

All management and performance fees, trading fees, custody fees, wire transfer fees, and other fees incurred in the normal course are borne by the client.

### **Qualified Plan Advisory Services**

Carswell's qualified plan advisory services fee, calculation and billing methodology are independently negotiated with each client based on factors such as the overall size and complexity of the plan, the number of plan participants, the nature of the services, location of the work, and other unique factors.

Fees to Carswell do not include any fees due to third-parties that provide services to the plan or the underlying fees and expenses associated with mutual funds or investments in which the plan assets are invested. Mutual funds charge internal management fees, which are disclosed in a fund's prospectus. Mutual fund fees and expenses are paid by the funds but are ultimately borne by the plan participants as a shareholder of the funds.

Fees to Carswell also do not include any fees due to plan providers, including but not limited to, platform providers, custodians, broker-dealers, administrators, tax preparers, and/or auditors. The client contracts directly with these service providers and thus will be charged separately by such entities for their services.

Carswell does not receive remuneration from any third-party for the recommendation of any such service provider, manager or fund to Carswell clients or inclusion in client plans.

#### **Item 6 – Performance-Based Fees and Side-by-Side Management**

Carswell does not charge performance-based fees.

#### **Item 7 – Types of Clients**

Carswell provides discretionary and non-discretionary advisory services to individuals, high and ultra-high net worth individuals, families and their related entities, such as trusts and private foundations, as well as a small number of pension and profit sharing plans, not-for-profit organizations, other tax-exempt entities, and other businesses.

Typically, Carswell requires relationships to have a minimum marketable securities portfolio of \$1,000,000. This requirement may be subject to negotiation to accommodate special client requirements and may be waived at Carswell's discretion.

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

##### **Investment Philosophy**

Carswell constructs and manages portfolios to meet individual, family, and institutional client needs using an investment philosophy based on the following principals:

- Proper asset class allocation drives investment portfolio returns while limiting risk;
- Active management provides no value to investment portfolios in highly efficient markets;
- Active management can potentially provide value in less efficient markets.

##### **Investment Process**

Carswell uses its Core Portfolio Strategy as a broad foundation in client portfolios. Additionally, Carswell utilizes its Satellite Portfolio Strategy as a compliment its Core Portfolio Strategy where appropriate.

Carswell's Core Strategy is comprised of three risk-based portfolio models: (i) Conservative Growth Portfolio; (ii) Moderate Growth Portfolio; and, (iii) Aggressive Growth Portfolio. Carswell manages portfolios in its Core Portfolio Strategy on a discretionary or non-discretionary basis.

Carswell's Satellite Portfolio Strategy is individually tailored to each client and is limited to qualified and institutional investors. Carswell manages portfolios in its Satellite Portfolio Strategy on a non-discretionary basis.

##### **Core Portfolio**

Carswell's Core Portfolio Strategy provides exposure to highly efficient traditional asset classes which trade in broad and deep investable markets, providing maximum transparency. To execute its Core Strategy, Carswell utilizes low-cost and highly liquid, passive index funds (exchange traded funds or ETFs) to closely replicate the returns of selected asset classes. Within selected asset classes, sub-asset classes are optimized to produce the greatest amount of expected return with the least amount of overall portfolio volatility.

Carswell's optimization process relies on in-depth analysis of historical asset class returns, risks, and correlation characteristics. Carswell then applies fundamental analysis, taking into account the current



economic environment and market conditions to properly construct portfolios. Core portions of client portfolios are systematically rebalanced to maintain portfolio integrity.

### **Satellite Portfolio Strategy**

Carswell's Satellite Portfolio Strategy compliments its Core Portfolio Strategy in client portfolios by (i) further reducing risk through increased diversification to alternative asset classes with low correlations to traditional asset classes; and, (ii) providing the opportunity to increase potential portfolio returns by allocating capital to skilled active managers who participate in inefficient markets and/or implement investment strategies that create a neutral or negative correlation to efficient markets. Carswell's Satellite Portfolio is selectively implemented in varying degrees based on client-specific circumstances.

Certain client investment accounts are subject to the methods of analysis described in the offering documents of the underlying funds in which such Carswell clients are invested, which may be different than the methods of analysis explained above. Please see such funds' offering documents for further information.

The qualitative factors used by Carswell to determine the names of third-party money managers will include reputation, performance record, philosophy, continuity of management, service to clients, minimum dollar investment requirement, and fees. Information with respect to money managers (e.g., performance figures, investment style, etc.) will be obtained by Carswell from tracking organizations, business publications, money managers, and other sources. Carswell may also consider other criteria, including, without limitation, administrative, recordkeeping, and reporting services provided by a money manager.

Any investment advice provided by Carswell to clients is based on a number of factors, including, but not necessarily limited to, the client's investment objectives, risk tolerances, asset-class preferences, time horizons, liquidity needs, expected returns, and an assessment of current economic and market views expressed by economists, analysts, banks, and securities firms. A registered investment adviser representative will determine a client's investor profile and prepare a proposed asset allocation plan appropriate for that profile. Investment strategies are developed for each client, which attempt to achieve diversification by investing over time, across asset classes, within asset classes, across various investment styles, and by diversifying internationally.

Generally, investment strategies emphasize long-term investments in a diversified portfolio intended to meet the client's long-term financial objectives. Nevertheless, investment strategies used to implement investment advice include short-term purchases (securities sold within a year), trading (securities sold within 30 days), long-term purchases (securities held at least a year), short sales, option-writing strategies, including covered options or spreading strategies, or margin transactions. If permitted, the use of margin in an account generally is described in the investment policy statement.

***Investing in securities involves risk of loss that clients should be prepared to bear.*** All investments carry the risk of loss and there is no guarantee that any investment strategy will meet its objective. Depending on the type of security, your account may face the following investment risks:

***Market Risk.*** The success of client portfolio activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws, trade barrier, currency fluctuations and controls, and national and international political circumstances. These factors may affect the level of volatility of securities prices and the liquidity of investments in client portfolios. Such volatility or illiquidity could impair profitability or result in losses.

***Extraordinary Events.*** Global terrorist activity and United States involvement in armed conflict may negatively affect general economic fortunes, including sales, profits, and production, and may lead to depressed securities prices and problems with trading facilities and infrastructure.

***Equity Risk.*** Investments in equity securities generally involve a high degree of risk. Prices are volatile and market movements are difficult to predict. These price movements may result from factors affecting

individual companies or industries. Price changes may be temporary or last for extended periods. In addition to, or in spite of, the impact of movements in the overall stock market, the value of investments may decline if the particular investments within the portfolio do not perform well in the market. Prices of growth stocks may be more sensitive to changes in current or expected earnings than prices of other stocks. Prices of stocks may fall or fail to appreciate regardless of movements in securities markets.

**Fixed Income Risks.** Investments in fixed income securities represent numerous risks such as credit, interest rate, reinvestment, and prepayment risk, all of which affect their price (i.e., value). These risks represent the potential for a large amount of price volatility. In general, securities with longer maturities are more sensitive to price changes. Additionally, the prices of high yield, fixed-income securities fluctuate more than high quality debt issues. Prices are especially sensitive to developments affecting the company's business and to changes in the ratings assigned by rating agencies. Prices are often closely linked with the company's stock prices. High yield securities can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, large sales by major investors, default, or other factors. Developments in the credit market may have a substantial impact on the companies we may invest in and will affect the success of such investments. In the event of a default, the investment may suffer a partial or total loss.

**Other Funds.** Carswell may invest unaffiliated funds (including, but not limited to, U.S. or offshore unit investment trusts, open-end and closed-end mutual funds and hedge funds, private equity funds, venture capital funds, advisory accounts, real estate investment trusts, ETFs, or other private alternative or other investment funds (collectively, "Other Funds and Managers"). These Other Funds and Managers will charge their own management and other fees, so that if we invest in them, you will bear an additional level of fees and expenses. Carswell does not receive fees from these funds. Also, U.S. mutual funds generally must distribute all gains to investors, including investors who may not have an economic gain from investing in the fund, which can lead to negative tax effects on investors, particularly non-U.S. persons. Carswell may also invest in exchange traded funds, unit investment trusts, or other similar vehicles designed to track the performance of a specific index or sector. These Other Funds may have unique risks of loss as described in their offering documents.

**Market Liquidity Risks.** The value of securities held in client accounts and that are traded on exchanges and the risks associated with holding these positions vary in response to events that affect asset markets in general. Market disruptions such as those that occurred in 1987, September 2001, and more recently the Flash Crash in May 2010 could lead to violent price swings in securities held within client portfolios and could result in substantial losses.

**Potential Concentration.** Client portfolios may have highly concentrated positions in issuers engaged in one or a few industries. This increases the risk of loss relative to the market as a whole.

**Small Capitalization Companies.** A substantial portion of assets may be invested in smaller and less established companies. Both debt and equity securities of such issuers tend to be more volatile than larger, more established companies. Such volatility could adversely impact client portfolios.

**Large Company Risk.** Large cap stocks can perform differently from other segments of the equity market as a whole. Large capitalization companies may be less flexible in evolving markets or unable to implement change as quickly as smaller capitalization companies.

**Non-U.S. Investments.** We may invest client funds in securities (*debt, equity, currencies, derivatives, etc.*) domiciled outside the United States. Such investments expose the portfolio to a number of risks that may not exist in the domestic market alone. Such risks include, among other things, trade balances and imbalances and related economic policies, currency exchange rate fluctuations, imposition of exchange control regulation, withholding taxes, limitations on the removal of funds or other assets, possible nationalization of assets or industries, political difficulties, and political instability in foreign nations.

**Short Sales, Leverage and Derivatives.** Short sales, leverage and derivatives all represent substantial risks given their inherent heightened risk of loss. Leverage and derivatives imply borrowing capital. When

such borrowing is deployed, losses can escalate quickly should investments suffer even small losses. Short sales involve a finite opportunity for appreciation, but a theoretically unlimited risk of loss. Short positions are also subject to a “short squeeze” that could lead to accelerating losses for those short that particular security.

**Increased Regulations.** Events during the past several years and adverse financial results have focused attention upon the necessity to maintain adequate risk controls and compliance procedures. These events have led to increased governmental and self-regulatory authority scrutiny of the financial industry. Various national governments have also expressed concern regarding disruptive effects of speculative trading and the need to regulate the markets in general. Any regulations that restrict the ability to employ, or broker-dealers and counterparties to extend, credit or restrict trading activities could adversely impact profit potential.

#### **Item 9 – Disciplinary Information**

There are no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of Carswell’s advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

Carswell nor our employees engage in any other financial industry activities or have any other financial industry affiliations.

#### **Item 11 – Code of Ethics, Participation of Interest in Client Transactions and Personal Trading**

Carswell has adopted a written Code of Ethics (“Code”) that sets forth standards of conduct and federal securities law requirements applicable to all supervised persons as defined in the Advisers Act. In addition to providing general guidelines overseeing client professional services, the Code stresses the avoidance of actual or perceived conflicts of interest by specifically prohibiting its employees from engaging in certain transactions or activities. The Code also includes ethics policies, prohibitions, and principles for doing business designed to emphasize that supervised persons are in a position of trust with clients. All supervised persons are required to comply with ethical restraints relating to clients and their accounts. Employees are required to report all Code violations to the Chief Compliance Officer (“CCO”). Code violations may result in disciplinary action or dismissal. Carswell will provide a copy of its Code to any client or prospective client upon request. Please contact Carswell at the address or phone number listed on the face of this Brochure to request a copy.

Carswell does not recommend, buy or sell for client accounts, securities in which Carswell or a Related Person has a material financial interest. Carswell does not engage in principal or agency cross transactions.

Certain Carswell officers, members, and employees (“Related Persons”) are also clients or investors. Carswell or its Related Persons may recommend or purchase for themselves securities or other investments which one or more clients own, previously owned, or will own in the future. As these situations may represent a potential conflict of interest, Carswell has adopted procedures relating to personal securities transactions that is reasonably designed to prevent actual conflicts of interest.

If it is appropriate to buy or sell a security at the same time for both a client and a Related Person, combined orders may be placed and if any order is not filled at the same price, prices obtained may be allocated among accounts on an average basis. Placing combined orders is not required. There may be times when the sale or purchase of a security for a Related Person may precede, occur at the same time, or follow the sale or purchase of a security for a client, subject to the overriding principle that the interests of clients must come before the interests of Carswell or its Related Persons.

## Item 12 – Brokerage Practices

Carswell requires clients to provide written authority to determine the broker-dealer to use and the commission costs that will be charged to clients for transactions. Clients may include any limitations on this discretionary authority by providing instructions to us in writing. Clients may amend these limitations as desired. Such amendments must also be provided to us in writing.

Carswell will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help Carswell in providing advisory services to clients. Carswell may, therefore recommend the use of a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all our clients, and not all of such research may be useful for the account for which the particular transaction was effected.

Carswell does not have any soft dollar arrangements and does not receive any soft dollar benefits.

Carswell recommends clients establish brokerage accounts with Fidelity Brokerage Services, LLC ("Fidelity"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at Fidelity, it is the client's decision to custody assets with Fidelity. If a client directs brokerage to a broker-dealer other than Fidelity, Carswell may be unable to achieve most favorable execution for that client's transactions which may result in an increase in transaction costs and less favorable pricing. Carswell is independently owned and operated and not affiliated with Fidelity.

Carswell has an arrangement with Fidelity through which Fidelity provides our firm with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like Carswell in conducting business and in serving the best interests of our clients.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables Carswell to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Fidelity also makes available to our firm, at no additional charge to us, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by Carswell (within specified parameters). These custody services presently include services such as administrative and back office support and are used by our firm to manage accounts for which we have investment discretion.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of Carswell clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while Carswell will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained

by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. Carswell and Fidelity are not affiliated and Carswell is not affiliated with any broker-dealer.

Fixed income trades are handled on a case by case basis and are monitored for best execution.

Carswell will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Carswell may not be able to block trades for clients who direct brokerage to a broker-dealer other than Fidelity.

### **Item 13 – Review of Accounts**

While underlying securities and managers within client portfolios are continually monitored, Carswell reviews client portfolios at least quarterly for compliance with client investment objectives and guidelines. Reports include asset performance, comparison to established benchmarks, holdings, and transactions. More frequent reviews may be triggered by material changes in variables such as a client's individual circumstances, financial markets, political and economic environment.

In addition to the monthly custodial statements and trade confirmations of transactions that clients receive from their broker-dealer, Carswell provides written quarterly reports summarizing account value, performance, holdings, and transactions. Carswell will provide more frequent reporting if requested.

### **Item 14 – Client Referrals and Other Compensation**

Carswell does not pay referral fees to independent persons or firms ("Solicitors") for client introductions.

### **Item 15 – Custody**

Our firm does not have actual or constructive custody of client accounts.

As previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure, our firm directly debits advisory fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact Carswell directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

### **Item 16 – Investment Discretion**

Carswell accepts discretionary authority to manage securities accounts on behalf of its clients as authorized by clients upon execution of a discretionary investment advisory agreement. In all cases, however, such discretion is exercised, observing investment limitations and restrictions that are outlined in each client's investment advisory agreement or investment policy guidelines and only as consistent with a client's suitability, overall investment strategy, and risk tolerance. Clients can place reasonable restrictions on Carswell's investment discretion. The most common restrictions are associated with fixed income securities

related to credit ratings and taxable versus non-taxable characteristics. Such investment guidelines and restrictions must be provided to Carswell in writing. Such restrictions may impact performance.

#### **Item 17 – Voting Client Securities**

As a matter of firm policy, Carswell does not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

***Third-Party Money Managers.*** Proxies for securities managed by third-party money managers are generally voted by the manager, not Carswell. In addition, clients may choose to vote proxies for securities held in their accounts. If a client would like to vote proxies for securities held in its account, the client should send written notice to Carswell at the address on the cover page of this Brochure.

***Other Corporate Matters.*** Carswell will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the clients account(s), including, but not limited to, the filing of Proofs of Claim in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

#### **Item 18 – Financial Information**

Under no circumstances does Carswell require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Carswell has not been the subject of a bankruptcy petition at any time during the past ten years.

**Part 2B of Form ADV: *Brochure Supplement***

**Carswell Investments, LLC**

**for**

**Steven R. Pickard  
Investment Adviser Representative  
CRD Number 4556595**

7526 Morgan Road  
Liverpool, NY 13090

(315) 451-4115  
(315) 451-4419 Fax  
info@carswellfinancial.com  
www.carswellfinancial.com

March 28, 2014

This brochure supplement provides information about Steven R. Pickard that supplements Carswell Investments, LLC's ("Carswell") brochure. You should have received a copy of that brochure. Please contact Steven R. Pickard, Chief Compliance Officer, if you did not receive Carswell's brochure or if you have any question about the contents of this supplement.

Additional information about Steven R. Pickard is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Educational Background and Business Experience**

Steven R. Pickard, 1980

### **Education**

Bachelor of Arts, Finance, 2002  
Mercyhurst College, Erie, PA

### **Professional Designations**

#### ***Accredited Asset Management Specialist<sup>SM</sup> or AAMS<sup>®</sup>***

Steven R. Pickard received his Accredited Asset Management Specialist<sup>SM</sup> (AAMS<sup>®</sup>) certificate in 2002 from the College for Financial Planning<sup>®</sup>. The professional designation program covers the following topics:

- The Asset Management Process
- Investors, Policy and Change
- Risk, Return and Investment Performance
- Asset Allocation and Selection
- Investment Strategies
- Taxation of Investment Products
- Investment Opportunities for an Individual's Retirement
- Investment Considerations for Small-Business Owners
- Deferred Compensation and Other Benefit Plans for Key Executives
- Insurance Products for Investment Clients
- Estate Planning for Investment Clients
- Regulatory & Ethical Issues for the Investment Professional

The College for Financial Planning<sup>®</sup> awards the Accredited Asset Management Specialist<sup>SM</sup> or AAMS<sup>®</sup> designation to students who:

- Successfully complete the program;
- Pass the final examination; and
- Comply with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions. Applicants must also disclose of any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct. Conferment of the designation is contingent upon the College for Financial Planning's review of matters either self-disclosed or which are discovered by the College that are required to be disclosed.

Continued use of the AAMS<sup>®</sup> designation is subject to ongoing renewal requirements. Every two years individuals must renew their right to continue using the AAMS<sup>®</sup> designation by:

- Completing 16 hours of continuing education;
- Reaffirming to abide by the Standards of Professional Conduct, Terms and Conditions, and self-disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct; and paying a biennial renewal fee of \$75.



## **Business Background**

06/2011 – Present	President, Chief Compliance Officer, Investment Adviser Representative Carswell Investments, LLC
10/2008 – 07/2011	Chief Executive Officer, Chief Compliance Officer Pinnacle Capital Management, LLC
05/2004 – 07/2011	Financial Advisor Pinnacle Investments, LLC
08/2003 – 05/2004	Financial Advisor Morgan Stanley DW, Inc.
08/2002 – 09/2003	Financial Consultant A.G. Edwards & Sons, Inc.

## **Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Carswell Investments as Investment Adviser or Steven R. Pickard as an Investment Adviser Representative.

## **Other Business Activities**

Steven R. Pickard does not engage in any other investment related-activities or have any other financial industry affiliations.

## **Additional Compensation**

Steven R. Pickard does not receive any economic benefit from any person, company, or organization, in exchange for providing client advisory services through Carswell Investments.

## **Supervision**

As President and Chief Compliance Officer of Carswell Investments, Steven R. Pickard supervises all duties and activities of the firm. Steven R. Pickard's contact information is on the cover page of this disclosure document. Steven R. Pickard adheres to all required regulations regarding the activities of an Investment Adviser Representative and follows all policies and procedures outlined in the firm's Policies and Procedures Manual, including the Code of Ethics, and appropriate securities regulatory requirements.

## **Requirements for State-Registered Advisers**

There are no additional disclosures required for state registration.

**Part 2B of Form ADV: *Brochure Supplement***

**Carswell Investments, LLC**

**for**

**Conor B. Gillen, CFA  
Investment Adviser Representative  
CRD Number 5472157**

7526 Morgan Road  
Liverpool, NY 13090

(315) 451-4115  
(315) 451-4419 Fax  
info@carswellfinancial.com  
www.carswellfinancial.com

March 28, 2014

This brochure supplement provides information about Conor B. Gillen that supplements Carswell Investments, LLC's ("Carswell") brochure. You should have received a copy of that brochure. Please contact Steven R. Pickard, Chief Compliance Officer, if you did not receive Carswell's brochure or if you have any question about the contents of this supplement.

Additional information about Conor B. Gillen is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Educational Background and Business Experience**

Conor B. Gillen, 1981

### **Education**

Bachelor of Science, Applied Economics and Management, 2003  
Cornell University, Ithaca, NY

### **Professional Designations**

#### ***Chartered Financial Analyst® or CFA®***

Conor B. Gillen received the CFA Institute designation of Chartered Financial Analyst® (CFA®) in 2010. The CFA Charter is a globally recognized, graduate-level investment credential. CFA candidates are required to earn a bachelor's degree (or equivalent) before enrollment in the CFA Program. The CFA Program curriculum covers the following topics in extensive detail:

- Portfolio Management and Wealth Planning
- Equity Investments
- Fixed Income Investments
- Alternative Investments
- Derivatives
- Financial Reporting and Analysis
- Corporate Finance
- Economics
- Quantitative Methods
- Ethical and Professional Standards

The CFA Institute awards the Chartered Financial Analyst® (CFA®) designation to students who:

- Successfully complete Levels I, II, and III examinations;
- Have at least four years of acceptable professional work experience related to investment decision-making process. This may be accrued prior to, during, or after completing the exams;
- Have membership in the CFA Institute and application for membership with a CFA Institute society; and
- Pledged to adhere to the CFA Institute conditions, requirements, policies, and procedures as defined in the CFA Institute Articles of Incorporation, Bylaws, Code of Ethics, and Standards of Professional Conduct.

The Chartered Financial Analyst® (CFA®) designation and CFA Institute membership is subject to ongoing renewal requirements. CFA Charterholders must renew their right to continue using the CFA® designation annually by:

- Submission of an annual Professional Conduct Statement and annual membership dues.

Further information about the CFA Institute and the Chartered Financial Analyst® (CFA®) designation can be found at [www.cfainstitute.org](http://www.cfainstitute.org).

*CFA® and Chartered Financial Analyst® are registered trademarks owned by the CFA Institute.*

**Business Background**

05/2012 – Present	Portfolio Manager, Investment Adviser Representative Carswell Investments, LLC
03/2007 – 05/2012	Associate Houlihan Lokey, Inc.
07/2005 – 03/2007	Associate Huron Consulting Group, Inc.
07/2003 – 07/2005	Analyst Zolfo Cooper, LLC

**Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Carswell Investments as Investment Adviser or Conor B. Gillen as an Investment Adviser Representative.

**Other Business Activities**

Conor B. Gillen does not engage in any other investment related-activities or have any other financial industry affiliations.

**Additional Compensation**

Conor B. Gillen does not receive any economic benefit from any person, company, or organization, in exchange for providing client advisory services through Carswell Investments.

**Supervision**

As President and Chief Compliance Officer of Carswell Investments, Steven R. Pickard supervises all duties and activities of the firm. Steven R. Pickard's contact information is on the cover page of this disclosure document. Conor B. Gillen adheres to all required regulations regarding the activities of an Investment Adviser Representative and follows all policies and procedures outlined in the firm's Policies and Procedures Manual, including the Code of Ethics, and appropriate securities regulatory requirements.

**Requirements for State-Registered Advisers**

There are no additional disclosures required for state registration.