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**[www.anvilinvestmentpartners.com](http://www.anvilinvestmentpartners.com)**

**Firm Brochure  
(Part 2A of Form ADV)**

This brochure provides information about the qualifications and business practices of Anvil Partners, Inc. If you have any questions about the contents of this brochure, please contact us at (716) 464-2987 or by email at [jbeck@anvilinvestmentpartners.com](mailto:jbeck@anvilinvestmentpartners.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.

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

**February 1, 2014**

# Material Changes

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## **Annual Update**

The Material Changes section of this brochure will be updated annually, or more frequently, if/when material changes have occurred since the previous release of the Firm's Disclosure Document. In the event there have been material changes, clients of Anvil Partners, Inc. will receive a copy of this Material Changes section. At least annually clients of Anvil Partners, Inc. will be offered a copy of the Firm's complete Disclosure Document which also defines any material changes that have occurred.

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## **Material Changes Since The Last Update**

Mr. Jeremy Beck, Chief Investment Officer, has also been engaged on a limited commitment basis to provide investment banking services. While Anvil normally does not collect retainers, it has elected to do so in this case following a case-specific review by the Firm's Investment Committee. Going forward, the Firm may, at the discretion of Mr. Beck, continue to provide such service by special request from clients.

James Bruce, an Investment Advisor Representative of Anvil Partners, Inc., has been engaged as a paid solicitor for Multi-Funds LLC and Mid America Financial Services, Inc. Mr. Bruce will be compensated directly by these firms for services provided which are unrelated to his responsibilities at Anvil Partners, Inc.

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## **Full Brochure Available**

Anvil Partners, Inc. has elected to utilize this Form ADV Part 2 as its disclosure document in lieu of a separate Firm Brochure. Upon engaging the services of Anvil Partners, Inc., each client will be provided with a copy of our Form ADV Part 2 and Privacy Policy in conjunction with the execution of an advisory agreement. Form ADV Part 2A describes the services offered by Anvil Partners, Inc. and the manner in which those services are provided. The Brochure Supplement, Form ADV Part 2B, outlines the history and qualifications of our advisors. While Parts 2A and 2B may be offered as separate documents, Anvil Partners, Inc. has elected to incorporate its Parts 2A and 2B into a single, but segregated document. If you would like to receive a complete copy of our Firm Brochure and Brochure Supplement, please contact us by telephone at (716) 464-2987 or by email at [www.anvilinvestmentpartners.com](http://www.anvilinvestmentpartners.com). Copies of our disclosure document will be offered annually to all existing clients and will be available upon request to other interested parties.

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# Advisory Business

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## Firm Description

Anvil Partners, Inc., hereinafter referred to as Anvil or the Firm, is a Registered Investment Advisory (RIA) firm, registered with the Securities and Exchange Commission (SEC). Anvil is a privately held corporation whose principle owner is Jeremy B. Beck, Jeremy Beck serves as the Firm's Chief Compliance Officer (CCO) and Anti-Money Laundering Officer (AMLO). Jeremy Beck also serves as Investment Advisor Representative (IARs) of the Firm. In conjunction with its SEC registration, the Firm is also currently notice filed to conduct advisory business in the State of New York, as required by that respective state's registration requirements.

Anvil provides personalized confidential asset management and related consulting services to individuals, high net worth individuals, pension and profit sharing plans, trusts, charitable organizations and small businesses. The Firm also provides Turnkey Asset Management Program (TAMP) services to other investment advisory firms. Under these relationships, other RIA firms may direct the transfer of their clients' assets into structured portfolio models offered by Anvil to both its advisory and TAMP clients. As the TAMP service provider to other advisory firms, Anvil is compensated by a pre-determined share of the assets under management fee charged by those firms to their advisory clients. Referring RIA firms retain the responsibility of determining and updating suitability for their clients whose assets are placed in the Anvil management portfolios.

Investment recommendations to Anvil's advisory clients are made based on consultation with the client followed by an analysis of each client's specific financial objectives and risk tolerances and may include some or all of the following services:

Determination of financial objectives	Identification of financial problems
Cash flow management	Tax planning
Insurance review	Investment management
Education funding	Retirement planning
Estate planning	

Within the context of providing these services, clients may place restrictions on the types of securities to be held within their portfolios. Anvil, at this time, does not offer its clients wrap fee programs. These programs charge a fee for an investment program that bundles together a suite of services, such as brokerage, advisory, research and management.

While Anvil is a fee-based advisory firm, James Bruce is also a Registered Representative of MidAmerica Financial Services, Inc., a FINRA- and SIPC-member securities broker/dealer, and retains the option of selling commission-based products such as annuities, stocks, bonds, exchange traded funds, mutual funds and limited partnerships within brokerage accounts held by that broker/dealer. He also holds New York State insurance licenses and retains the ability to sell and service insurance

products to clients.

Investment advisory services are provided to clients on a discretionary basis only. Anvil does not act as a custodian of client assets, opting instead to utilize the services of TD Ameritrade Institutional, hereinafter referred to as Ameritrade, a division of TD Ameritrade, Inc., an independent and unaffiliated broker/dealer and a member of FINRA/SIPC/NFA. Anvil may, to better serve specific client needs, elect to use the services of other custodians as well, at its discretion.

The clients always maintain control of their assets but authorize Anvil to transact trades on their behalf, without prior consultation, by the discretion authorization contained in the advisory agreement executed with the Firm.

A written evaluation of each client's initial situation may be provided to the client upon request, often in the form of a net worth statement. Account reviews may also be communicated to clients periodically to provide reminders or updates on the specific courses of action that need to be taken. More frequent reviews by the Investment Advisor Representative may occur but may not necessarily be communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) may be engaged directly by the client or Anvil, on an as-needed basis. Conflicts of interest will be immediately disclosed to the client in the unlikely event they should occur relative to the retention of outside professionals.

The initial discovery meeting with prospective clients, which may be by telephone or in person, is free of charge and is considered an exploratory interview to determine the extent to which Anvil's services may be beneficial to the client.

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### **Principal Owners**

As previously stated, the principal owners of Anvil are Jeremy Beck and James Bruce. Their ownership interests in Anvil are 50% and 40%, respectively. The remaining 10% ownership is divided among individual private investors, none of which holds in excess of 5% ownership individually nor do they exercise any management or control functions in the operation of the Firm.

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### **Types of Advisory Services**

Anvil provides asset management services to its clients. Asset management services may entail the active or passive management of investment accounts, furnishing of investment advice through consultations, issuing periodic newsletters or special reports to its clients about securities and market conditions or trends and evaluating securities held by clients to foster an understanding of their assets relative to their stated goals and objectives.

Services provided to other advisors by Anvil within a TAMP allows other independent financial advisors to fulfill their fiduciary responsibilities to their clients by

outsourcing the management of some or all of their clients' assets to a management platform better equipped to actively manage investment and portfolio review functions. Advisor clients of the Firm gain access to active portfolio managers that relieve them of time-consuming functions such as securities research, portfolio construction and asset rebalancing, allowing them to focus on their clients' personal needs and servicing concerns.

The Firm is compensated for its advisory services to clients through asset management fees. As previously stated, clients grant the Firm discretionary powers which permit the execution of transactions on the clients' behalves without consulting with or obtaining consent from them in advance of the transactions. As stated above, this authorization is granted in the advisory agreements initially signed by the clients.

As of December 31, 2013, the end of its fiscal year, Anvil had in excess of \$35 million in assets under its advisory management for fifty-three (53) advisory client accounts. Of these, \$23.5 million is under management on a discretionary basis for thirty-five (35) clients and \$11.5 million is under management on a non-discretionary basis for eighteen (18) clients.

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**Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system. Investment strategies are then created that reflect the stated goals and objectives of each client. Clients may impose restrictions on investing in certain securities or types of securities.

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**Types of Agreements**

Prior to engaging Anvil's services, clients are required to sign an advisory services agreement which defines the services that will be provided by the Firm. Agreements may not be assigned or transferred to parties other than the original clients entering into the agreements. Since Anvil does not maintain custody of client assets, however, separate agreements may also need to be executed between custodial firms and the client, in addition to the agreements of the Firm described below. Since neither Anvil nor its advisors act as attorneys, their recommendations should not be interpreted as legal advice.

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**Investment Advisory Agreement**

Most clients choose to have Anvil manage their assets in order to obtain ongoing in-depth advice. These clients are required to sign an Investment Advisory Agreement which defines the manner in which their assets will be managed and the fees assessed by the Firm. Anvil's Investment Advisory Agreement provides for cash flow management, investment management, education planning, retirement planning, estate planning and tax planning, along with the implementation of recommendations within each area. Under the terms of the Agreement, investable assets are managed by the Firm in pursuit of the client's goals in each of these areas.



All aspects of the client's financial affairs are reviewed, including those of their dependents, if any. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

Based on specific client objectives and suitability factors, the advisor will develop a plan with each client that focuses primarily on either income generation or growth of equity assets. Fees for advisory services are assessed as a percentage of assets under management. Asset management fees are negotiable, at the discretion of the Firm.

Under the terms of the discretionary trading authority contained within the Firm's agreement, clients authorize the advisor to buy, sell, invest, reinvest, exchange and/or trade securities in their accounts at his/her sole discretion and without consulting with the client in advance.

Advisory services are seen as ongoing and agreements are self-renewing unless terminated by either the client or the advisor. Fees and terms within the agreement, however, may be adjusted periodically to serve the client's ongoing needs. Clients are notified in writing of any adjustments to their agreements.

Fees are billed quarterly in advance, based on account values on the last business day of the expiring quarter, and automatically deducted from the clients' advisory accounts, unless requested otherwise by the client. Clients receive a quarterly statement or invoice from the account custodian(s) which identifies the account balance, fees charged and the manner in which the fees were calculated. For clients terminating services within a quarter, since fees are billed in advance, a pro rata portion of fees will be refunded to the client based on the number of business days remaining till the last business day of the current quarter on the date notice of termination is received by the Firm. Fees to be refunded will be deposited into the client's account prior to transferring or liquidating the terminated account.

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**Retainer Agreement**

Anvil, generally, does not charge a retainer to clients for consulting or asset management services. It may elect to do so, based on a client-specific service basis, at the discretion of the IAR and with approval of the Firm's Investment Committee. If/When it should elect to do so, the retainer terms will be clearly stated in a retainer agreement executed between the Firm and the client.

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**Asset Management**

Anvil requires a minimum account value of \$100,000 to open an advisory asset management account with the Firm. From this minimum up to accounts of \$250,000, a minimum annual management fee of \$2500 will be assessed, payable in quarterly installments, as opposed to a fee based on a percentage of assets under management. If/When the asset level exceeds the \$ 250,000 minimum threshold, management fees will convert to the Firm's standard percentage fee schedule cited below.

Advisors generally recommend that clients allocate their investment assets to various vehicles deemed by the advisor to be appropriate and consistent with the client's suitability and objectives. These investment vehicles may include, but are not limited to, the following:

Exchange-listed securities	Over-the-counter securities
Foreign securities	Warrants
Corporate debt securities	Commercial paper
Certificates of deposit	Municipal securities
Mutual funds	Exchange-traded funds
U.S. Government securities	Options contracts
Real estate Partnerships	Oil and gas Partnerships

Securities transactions in advisory accounts are executed through Ameritrade, Anvil's advisory client custodian. Other brokerage firms, broker/dealers and/or custodians may be utilized if requested by the client if deemed more appropriate by the advisor. Under these client-directed brokerage circumstances, however, clients are advised that their direction may hinder Anvil's ability to achieve best execution on trades, negotiate commissions or participate in block trading which could be beneficial to the client.

Upon entering into an advisory relationship with a client, the IAR is responsible for conducting a discovery meeting to determine the client's goals, objectives, financial circumstances, investing parameters and applicable asset class strategies. The IAR executes an advisory agreement with the client which is reflective of the services Anvil will be providing. An Investment Policy Statement (IPS) is developed for the client's approval and signature. The IAR then decides upon an allocation model consistent with the stated goals and risk tolerance of the client, and an implementation of assets into the strategy is initiated. All trades within advisory accounts are executed on a discretionary basis, which eliminates the need for the IAR to consult with the client and gain their consent prior to implementing any recommended transactions.

Portfolio models are structured to specific investment strategies and objectives which undergo monthly review and, when necessary, reallocation by the Firm's Investment Committee. The models offered and managed by Anvil are as follows:

**Classic Cash Management – Iron**

- Designed to provide stable return while generating nominal yield
- Short duration, investment grade issues will be featured in this portfolio
- The portfolio can invest in Money Market Funds, Certificates of Deposit as well as short term Government, Agency and corporate obligations
- 100% fixed income
- Short duration
- Investment grade credit

**Classic Fixed Income – Carbon**

- Intermediate to long term portfolio constructed to provide minimal volatility while achieving market yield

- Duration as well as credit profile customized to meet clients' liquidity needs
- Permissible instruments include all varieties of fixed income instruments available in the new-issue and secondary markets
- 100% fixed income
- Variable duration
- Variable credit

#### **Classic Total Yield – Steel**

- Strategy designed to maximize yield, either from interest or dividends
- Yield, rather than duration or credit quality, is the primary metric by which this portfolio is judged
- Fixed income instruments as well as dividend generating equities may be used in this strategy
- $\leq 50\%$  Fixed income,  $\leq 50\%$  equities

#### **Classic Balanced – Chromium**

- This strategy features a blend of domestic, developed international and emerging market equities and fixed income designed to take advantage of large, market-based asset allocation shifts
- The portfolio is designed to produce market returns with less-than-market risk characteristics
- Equities and fixed income, as well as commodities, real estate trusts and other non-correlating asset classes may be used
- 40%-60% equities, 40%-60% fixed income,  $\leq 10\%$  non-correlating asset classes

#### **21<sup>st</sup> Century Equity – Vanadium**

- Nimble, equity based portfolio designed to maximize return
- Portfolio will target high-beta markets and sectors
- Domestic, developed international and emerging equities will be used
- Large, Mid and Small Cap equities will be used
- Inflation-hedging assets may be included

Anvil's IARs are prohibited from participating in Initial Public Offerings (IPOs), Penny Stock transactions and/or Private Placements for its clients. Fees related to investment vehicles are clearly identified to the client, either by the advisor or by prospectus, prior to investing.

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#### **Termination of Agreements**

Either Anvil or the client may terminate the advisory agreement at any time by notifying the other party in writing thirty (30) days prior to the termination date. Anvil will refund any unearned portion of the fees deducted in advance with the funds deposited into the client's account.

In addition, Anvil reserves the right to terminate any advisory engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Anvil's judgment, to providing proper financial advice. Any unearned portion of fees collected in advance will be

refunded to the client.

## **Fees and Compensation**

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### **Description of Fees**

Under the terms of Anvil's Investment Advisory Agreement, account values utilized in fee calculations are based on the collective assets held by the custodian(s) on the last business day of the expiring quarter. The Firm requires a minimum value of \$100,000 to open an advisory account. Accounts between that minimum and \$250,000 are assessed a fixed minimum annual fee of \$2500, billed in advance in quarterly installments. Once an account value exceeds \$250,000, fees are assessed based on a percentage of assets under management according to the following fee schedule:

<u>Account Value</u>	<u>Annual Advisory Fee</u>
\$ 100,000 to \$ 249,999	\$ 2500 Fixed Annual Fee
\$ 250,000 to \$ 1,000,000	1.00%
\$ 1,000,001 to \$ 2,000,000	0.75%
Over \$2,000,000	0.50%

Fees may be negotiable, at the discretion of the advisor, based on client-specific circumstances, subject to the approval of either the CCO or the unanimous approval of the Investment Committee.

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### **Fee Billing**

All asset management clients are billed for advisory services based on the above fee schedule, with all managed account balances aggregated for the purpose of fee calculations. Except for accounts subject to the fixed annual fee, as previously stated, billed amounts are based on the percentage of assets under management.

All fees are billed quarterly, in advance, based on the market value of the assets on the last business day of the previous quarter, as valued by the account custodian(s). New accounts, once established, are assessed a pro rata portion of the annual fee for the quarter in which the account is established. Fees are deducted directly from the client's accounts, as agreed upon in their Investment Advisory Agreement.

Should an asset management client terminate these services prior to the end of a given quarter, they will receive a pro rata refund of fees paid. The amount of the refund is calculated by dividing the quarterly fee assessed by the number of days in the calendar quarter to determine the daily fee amount. This amount is then multiplied by the number of days in the quarter which have expired at the time the written notice of termination is received by the Firm.

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### **Other Fees**

Custodians may charge transaction fees on purchases or sales of certain securities, including mutual funds and exchange-traded funds. These transaction charges, if assessed, are usually small and incidental to the purchase or sale of a security and defined in the respective custodian's agreement, which is provided to and signed by

the client prior to utilizing the custodian. Anvil, however, does not receive any portion of these fees, if charged by the custodians. From an asset management standpoint, the selection of securities appropriate to a client's portfolio and their overall management plan is more important than these nominal fees, if any, that the custodian may charge to buy or sell the securities selected. If charged, they would be further discussed in the Brokerage Practices section of this Disclosure Document.

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**Expense Ratios**

Most mutual funds, whether purchased directly or through custodial accounts, generally charge an internal management fee, called an expense ratio, which is separate from the advisory service fees charged by Anvil or transaction fees that might be charged by the custodians. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted. These fees are specific to each mutual fund and deducted from the fund's performance annually by the mutual fund company. Clients are not billed directly for these fees. Any such fees, if present, are clearly defined in each mutual fund's prospectus, which is provided to the client at the time the fund is recommended to the client.

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**Past Due Accounts and Termination of Agreements**

Anvil has not established a policy on past due accounts since all fees are billed in advance and deducted directly from asset management accounts. In the event, however, that any outstanding balance remains uncollected within a timeframe deemed reasonable by the Firm, the client may be notified of a termination of the relationship. Under normal circumstances, as previously stated, either Anvil or the client may terminate the advisory agreement at any time by notifying the other party in writing thirty (30) days prior to the termination date. Anvil will refund any unearned portion of advance payments.

## **Performance-Based Fees**

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**Performance-Based Fees**

Anvil's fees are not based on a share of the capital gains or capital appreciation of managed securities. Since performance-based compensation may create or at least give the appearance of creating an incentive for advisors to recommend investments that may carry a higher degree of risk to the client, Anvil does not use performance-based fee assessments.

## **Types of Clients**

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**Description**

Anvil's clients are comprised primarily of individuals but may include other advisory firms, corporations, pension and profit sharing plans, trusts, estates and charitable organizations. Client relationships may vary in scope and length of service.

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**Account Minimums**

As previously stated, the Firm requires a minimum advisory account size of \$100,000. However, smaller accounts may be considered, with approval of the CCO or Investment Committee. Accounts less valued at less than \$250,000 are assessed a minimum annual fee of \$2500, billed in quarterly installments. Once assets exceed the \$250,000 threshold, fees will automatically convert to the standard fee schedule previously cited, with credit applied for fees paid year-to-date, if applicable.

Advisory fees vary based on the amount of assets under management by the Firm and, accordingly, clients with smaller accounts will pay a higher percentage rate on their annual fees than the fees paid by clients with greater amounts of assets under management.

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

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**Methods of Analysis**

In developing investment strategies for advisory clients, the Firm employs key aspects of Modern Portfolio Theory. This Theory seeks to maximize portfolio returns relative levels of risk. Implementation of those strategies may entail long- or short-term purchases, trading of securities within thirty (30) days, short sales, margin accounts and/or option writing. The development of these strategies is based on a variety of information sources and methods of securities analysis. Information sources include financial publications, research acquired from outside sources, corporate rating services and company press releases, along with annual reports, prospectuses and SEC filings. Specific securities are evaluated through the use of charting, fundamental, technical and cyclical analysis methods.

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**Investment Strategies**

The primary investment strategy used on client accounts is strategic asset allocation. This approach seeks to maximize gains while minimizing risk through the use of diversification of investments across a broad spectrum of domestic and foreign asset classes. Portfolios are globally diversified in this manner to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client provides the advisor with detailed information that documents their objectives and their desired investment strategy. This information is reviewed with the client periodically and strategies adapted to any changes in objectives and/or suitability. As previously stated, other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions and option writing.

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**Risk of Loss**

All investment programs have certain risks that are borne by the investor. Clients are advised of these various types of risk and the possibility of loss of their assets.

Investment strategies are developed based on the risk tolerance of each client and the types of these risks they may be subjected to. Investment vehicles are then selected by the advisor that are deemed suitable for the client according to their respective goals, timeframes and risk tolerances to potential losses. Our investment approach constantly keeps this risk of loss in mind. Investors may face any or all of the following investment risks while pursuing their financial goals:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## Disciplinary Information

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### Legal and Disciplinary

Neither the Firm nor any of its associated persons have been involved in any legal or disciplinary events related to past or present investment clients.

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

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### **Financial Industry Activities**

Anvil is not registered as a securities broker-dealer, futures commission merchant, commodity pool operator or commodity trading advisor nor does it maintain any commission-based direct relationships with FINRA-registered broker-dealers at this time.

### **Affiliations**

Anvil does not provide legal, accounting or tax preparation services to its clients. Should the need arise for those services, however, Anvil may refer the clients to attorneys or accountants who are independent of Anvil. If clients choose to use the services of those firms, they may be required to execute separate agreements with them which identify their specific services and fees. Anvil receives no compensation for these referrals.

### **Outside Business Activities**

As stated above, James Bruce is licensed as a life and/or health insurance agent. These activities are in addition to his responsibilities as an Anvil advisor and for which he may be compensated through separate, standard commissions for the sale of insurance and insurance-related products and services in conjunction with, but separate from, his advisory activities.

Mr. Bruce also serves as a solicitor for Multi-Funds LLC, an investment sales force outsourcing firm which executes securities transactions for clients through MidAmerica Financial Services, Inc., a FINRA- and SIPC-member broker/dealer. In this capacity, he may recommend to clients the use of these firms' services and receive solicitor compensation for those recommendations. Multi-Funds LLC will not, however, be recommended to advisory clients of Anvil Partners, Inc. due to the real or perceived conflict of interest which might result.

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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### **Code of Ethics**

Anvil places the utmost priority on maintaining high standards of integrity and professionalism by its associated persons in the conduct of its advisory business. The greatest asset held by this Firm is the trust and confidence placed in it by its clients. It is incumbent upon all members of the Firm to maintain, further and adhere to the tenet that the clients' interest is paramount in all that we do. Anvil has established a Code of Ethics which has been specifically formulated to ensure that our fiduciary obligations are met.

The Firm's Code of Ethics establishes ethical guidelines for its employees and advisors to adhere to relative to the following key areas of its advisory operations:



Compliance	Personal Securities Transactions
Insider Trading	Rumor Mongering
Conflicts of Interest	Outside Business Activities
Gifts and Entertainment	Code Violation Reporting and Sanctions
Recordkeeping	

All associated persons of Anvil are committed to our Code of Ethics, which is available in its entirety for review by clients and prospective clients. Copies of the Code may be requested by written request sent to Anvil Partners, Inc., 534 Delaware Avenue, #107, Buffalo, New York 14202 or by calling (716) 464-2987 during normal business hours. A copy will be forwarded promptly upon receipt of a request.

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### **Conflicts of Interest**

Inherent in our Code of Ethics is a prohibition on any associated person from participating in any actions or activities which might pose real or perceived conflicts of interest with the Firm's clients without disclosing those conflicts to the clients. Accordingly, as stated above, James Bruce, an Investment Advisor Representative of Anvil Partners, Inc., maintains a relationship with Multi-Funds LLC and their broker/dealer affiliate, MidAmerica Financial Services, Inc. To avert any possible conflict of interest, Mr. Bruce is only permitted to serve as a solicitor for these firms outside of his role as an Investment Advisor Representative of Anvil Partners, Inc. As an outside business activity which Anvil Partners, Inc. has approved, he is compensated separately by these firms as a solicitor and is prohibited from recommending the services of these firms to advisory clients of Anvil Partners, Inc. Anvil Partners, Inc. does not share in any compensation received by Mr. Bruce for these activities.

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### **Participation or Interest in Client Transactions**

Anvil and its employees may buy or sell securities that are also held by clients. Associated persons are prohibited, however, from trading securities within their personal accounts ahead of trades of the same securities in client accounts, a practice commonly known as "front running". They are also prohibited from conducting sales of securities between their personal accounts and those of advisory clients.

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### **Personal Trading**

It is Anvil's policy to prohibit personal securities transactions by its associated persons which are or could lend the appearance of being in conflict with either client transactions or the Firm's fiduciary responsibility to its clients. The Firm has designated James Bruce as its Chief Compliance Officer (CCO). As such, he conducts reviews of all associated person trading activity on a quarterly basis. These personal trading reviews ensure that the personal trading of employees does not impact the securities markets and that clients of the Firm receive preferential trading treatment at all times.

# Brokerage Practices

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## Selecting Brokerage Firms

While it does maintain an indirect broker/dealer affiliation through James Bruce with MidAmerica Financial Services, Inc., as previously stated, Anvil itself does not currently maintain a direct affiliation with any FINRA-registered broker/dealers, beyond utilizing Ameritrade, a registered broker/dealer, as an outside custodian, to implement trades for its advisory clients. Specific custodial firm recommendations are made to clients based on the client's need for such services and the custodian's proven integrity and financial responsibility, along with their best execution of orders at reasonable commission rates, if applicable. Ameritrade and some executing broker/dealers utilized by Anvil may charge commissions on select trades within advisory client accounts. If/When such charges are present, they are disclosed to the client prior to entering into a client relationship with those entities through Anvil.

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## Best Execution

Anvil reviews the execution of its advisory client trades on an ongoing basis to ensure that its clients are receiving the best execution possible within their advisory accounts. In addition to best execution reviews by the custodian, Anvil's CCO conducts periodic reviews of its trading accuracy and efficiency utilizing Rule 605 reports drawn from publicly available data. If any issues of potential concern are noted in these reports, relative to trading activities affecting the Firm's advisory clients, they are addressed by the CCO directly with the custodian at that time, resolved immediately in the client's favor and all relevant information documented accordingly.

Additionally, on an annual basis, the CCO may request and review a Rule 606 report which compares the relative performance of Ameritrade, as a broker/dealer, to other broker/dealers in the market place across a variety of parameters. In seeking best execution for its clients, lowest transaction cost may not always be the key determinative factor. Anvil also examines qualitative factors such as speed and accuracy of executions, value of research provided, commission rates and responsiveness to client and advisor concerns, for example. As a result, some trades may not necessarily obtain best price, within reason, but the Firm will achieve higher quality service across its entire trading platform.

Based on these comparisons, the Firm continually seeks to ensure that the overall trading execution performance of its custodians compare favorably in the marketplace. Documentation of the Firm's ongoing Best Execution review is maintained by the CCO as a key component of its compliance books and records.

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## Soft Dollars

Soft dollar practices generally refer to arrangements under which investment advisors or money managers obtain products or services (other than execution of securities transactions) from or through a broker/dealer in exchange for the advisor directing client brokerage transactions to that broker/dealer.

Anvil does not have any soft dollar arrangements in existence at this time, nor does it Anticipate having any in the future.

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**Order Aggregation**

While the advisor generally places trades of individual securities for clients, such orders may also be “batched” or aggregated with those of other clients or the advisor to facilitate a block trade. By executing block trades, the Firm seeks to achieve a better execution price for all parties interested in trading a specific security.

When trades are blocked, the allocation of shares is established in writing before the trade is entered. In the event of a partially filled block order, shares will be allocated in a top down manner, based upon the order of trades received, until all available shares have been allocated to client accounts. An advisor’s personal or family accounts will not receive an allocation of shares unless all client orders have been satisfied first. In the event of varying execution prices in a block trading situation, the clients will receive the average of the execution prices to achieve a uniform price for all clients. Detailed records of each block trade and the allocation of shares are maintained by the Firm’s CCO.

## **Review of Accounts**

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**Periodic Reviews**

Anvil continuously monitors the composition and performance of client portfolios as a key component of its ongoing service commitment to its clients. Account reviews are conducted by each IAR with their respective clients at least annually. Reviews may be performed more frequently in response to client requests or at any time when the Firm or the individual advisor feels that specific events or market conditions dictate.

Portfolio models are reviewed and updated quarterly by the Firm's CCO. Adjustments to portfolio models are made periodically to reflect changes in suitability, market conditions, market opportunities or client concerns. Individual holdings within each model are evaluated relative to their performance and the likelihood that they will contribute to the objectives of the specific portfolio model in which they are held.

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**Review Triggers**

The Firm’s advisors monitor economic and market conditions, perform due diligence reviews of securities and financial products and investigate significant gains or losses in client portfolios. Concerns in any of these areas, changes in tax laws and/or changes in client objectives or suitability may trigger the need for off-cycle account reviews with clients as well.

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**Regular Reports**

Clients are provided with transaction confirmations, notices and regular account statements directly from the custodian of their accounts on a quarterly basis. Copies of all items sent to clients are simultaneously copied to Anvil.

## **Client Referrals and Other Compensation**

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### **Incoming Referrals**

Anvil relies primarily on referrals from clients and professional networking for the acquisition of new advisory clients. Going forward, the Firm may utilize the services of paid solicitors to promote its advisory practice, primarily for its TAMP-related services. Solicitors for the Firm will be required to provide each prospective client with a copy of Anvil's Form ADV Part 2, its Privacy Policy and a copy of the Solicitor Agreement executed between Anvil and the solicitor. The solicitor's agreement includes the compensation paid to the solicitor for referring the client to Anvil along with pertinent information about the solicitor's ongoing interactive role with the client once they have retained the Firm.

### **Referrals Out**

Anvil does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

### **Other Compensation**

Anvil receives no other forms of compensation for its services beyond those identified above and specifically stated in its agreements executed with clients.

## **Custody**

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### **Account Statements**

It is the Firm's policy to have custody over client assets only to the extent that it requests the client's custodians to deduct advisory fees directly from the client's account(s), when authorized by the client, in lieu of fees being billed directly to the client for payment. As previously stated, all advisory client assets are held at Ameritrade, a qualified custodian as defined by the SEC. Ameritrade provides account statements directly to the clients at their addresses of record at least quarterly, with copies forwarded electronically to Anvil.

### **Performance Reports**

Clients are urged to review the performance of their investments as reported on their account statements received directly from their account custodians. These statements, along with market and portfolio performance are reviewed with each client during periodic account reviews with their respective advisor.

## **Investment Discretion**

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### **Discretionary Authority for Trading**

Investment advisory services are provided to clients solely on a discretionary basis, with discretion authorization specified in the respective client's asset management agreement. Accordingly, under a discretionary relationship, Anvil has the authority to

determine, without obtaining specific client consent, the securities to be bought or sold, the timing of transactions and the amount of the securities to be traded. This authority facilitates placing trades in client accounts on their behalf so that we may promptly implement their investment policy when timeliness is an issue.

The clients retain the right to place limitations on the advisor's discretionary powers. If any such limitations or restrictions are specified, they are clearly defined within the advisory agreement at the outset of services. Subsequently, restrictions may be added or dropped from the client's authorization by submitting a request in writing to the Firm.

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**Limited Power of Attorney**

Anvil does not accept or maintain power of attorney over client accounts or financial affairs.

## **Voting Client Securities**

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**Proxy Votes**

Anvil does not vote proxies on securities. Clients are expected to vote their own proxies and account custodians are directed to forward all proxy voting materials directly to the clients. If assistance on voting proxies is requested by a client, the advisor may provide recommendations only. If any conflict of interest might exist relative to advising the client on proxy issues, it will be disclosed to the client.

## **Financial Information**

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**Financial Condition**

Anvil does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. Neither the Firm nor any associated persons have been a party in any bankruptcy proceedings during the past ten (10) years. Since Anvil does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$500 per client six months or more in advance, it is not required to prepare or provide a financial balance sheet to clients.

## **Business Continuity Plan**

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**General**

Anvil has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

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**Disasters**

It is Anvil's policy to provide uninterrupted service to its clients and to minimize the downtime should any unforeseen event cause disruption to its business operations.

A Business Continuity Plan has been developed and implemented by the Firm to accomplish this. The plan makes provision for most natural or man-made disasters which could conceivably disrupt the day-to-day operations of the Firm and access by clients to their account information. Anvil's computer systems are backed-up automatically at the end of each day to cloud-based back-up and storage via Carbonite, an independent service provider.

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**Alternate Offices**

An alternate office has been designated to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients in the event of a disaster that dictates moving our office to an alternate location. At that time, they will be provided with alternate contact information and will be periodically kept abreast of the status of the office facility restoration or relocation.

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**Loss of Key Personnel**

In the event of the death or permanent disability of mission-critical officers of the Firm, the remaining officer would assume full responsibility for management of the Firm and servicing of the Firm's clients. Management of client assets will continue, without disruption, according to the strategies currently in place.

## **Information Security Program**

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**Information Security**

The Firm is committed to safeguarding client information by holding it in the strictest confidence. Only information that is necessary to effect, administer or enforce a transaction is gathered. Such information may include, but is not limited to, health and financial data submitted with account applications or other forms.

To protect its client's privacy, the Firm has implemented internal procedures designed to restrict access to personal information. It may, as necessary, disclose limited personal information to other financial institutions to facilitate the completion of their authorized activities or as otherwise authorized by the client. It is the policy of the Firm not to disclose non-public personal information to any non-affiliated third parties, except as required by law, and no change is anticipated in this policy in the future. Clients will be notified prior to the implementation of any changes to this policy, should they occur.

In some instances, federal and/or state regulators may be permitted by law to review Firm and client records. Anvil will comply with such requests whenever mandated by law. The Firm does not, however, provide non-public personal information to mailing list vendors or unaffiliated solicitors under any circumstances. Any client information gathered by Anvil will be maintained for the duration of that client's relationship with the Firm and beyond for a period of time specified by current or future regulations.

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**Privacy Notice**

All prospective clients of the Firm are provided with a copy of Anvil's Privacy Policy at their initial meeting. Subsequently, a copy of Anvil's Privacy Policy is sent to each client, along with an offer to forward a copy of its Disclosure Document, during the first quarter of each calendar year.

## **Brochure Supplement (Part 2B of Form ADV)**

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At this time, Anvil Partners, Inc. is managed through the concerted efforts of its majority owner, Jeremy Beck. Mr. Beck also serves as Anvil's Chief Compliance Officer and Anti-Money Laundering Officer, responsible for the day-to-day supervision of the Firm's advisory activities. Jeremy Beck serves as the Firm's Investment Advisor Representative conducting its advisory business. This Brochure Supplement provides information specific to the Firm's Investment Advisor Representatives in addition to that provided in the Anvil Partners, Inc. Part 2A Brochure, which you should have received a copy of. If not, please contact Mr. Beck to receive one or if you have any questions about the contents of the Brochure or this Supplement. Additional information about Jeremy Beck is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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### **Education and Business Standards**

Anvil requires that advisors must be full-time associates of the Firm and have either a bachelor's degree from an accredited university or work experience that demonstrates their aptitude for financial planning and investment management along with a demonstrated knowledge of and compliance with federal, state and industry regulations governing the financial industry. Further, they are required to participate on an ongoing basis in related coursework or training focused on furthering their knowledge of financial planning and tax planning. Examples of acceptable coursework objectives include advanced degrees and professional designations such as MBA, CFP®, CFA, ChFC, JD, CTFA, EA or CPA. Upon achieving one or more of these advanced degrees or industry-recognized professional designations, advisors are required to participate in ongoing continuing education programs sufficient to maintain their degrees or designations in a current, active and good standing status.

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### **Professional Certifications**

At this time, no advisors of Anvil possess any industry-related professional designations, certifications and/or credentials that are required to be explained in further detail.

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### **Jeremy B. Beck, President/Chief Investment Officer**

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#### **Educational Background:**

- Born 1971
- Post-Secondary Education  
Bachelor of Arts/Psychology - 1995  
University of Buffalo  
Buffalo, New York
- Professional Designations  
None at this time.



**Business Experience:**

- March 2013 to Present                      President/Chief Investment  
Anvil Partners                      Officer/Investment Advisor  
Buffalo, New York                      Representative
- March 2008 to March 2013                      Vice President/Portfolio Manager  
Nottingham Advisors  
Buffalo, New York
- February 2001 to March 2008                      Vice President/Portfolio Manager  
First Niagara Trust and Investment Services  
Buffalo, New York
- February 1999 to February 2001                      Equity Trader  
Niagara Investment Advisors  
Buffalo, New York
- February 1998 to February 1999                      Registered Representative  
American Express Financial Advisors  
Buffalo, New York

**Disciplinary Information:** Mr. Beck has not been the subject of any financial industry-related disciplinary actions.

**Other Business Activities:** Mr. Beck does not participate in any activities beyond his responsibilities with Anvil Partners at this time.

**Additional Compensation:** Mr. Beck is compensated solely through his services at Anvil Partners.

**Supervision:** As an Investment Advisor Representative of a registered investment advisory firm, Mr. Beck is ultimately governed by financial industry regulations imposed by the SEC and State of New York. Mr. Beck can be reached by telephone at (716) 464-2987 or by email at [jbeck@anvilinvestmentpartners.com](mailto:jbeck@anvilinvestmentpartners.com).

**Arbitration Claims:** No arbitration actions have been filed against Mr. Beck.

**Self-Regulatory Organization or Administrative Proceedings:** Mr. Beck has not been a party in any such proceedings.

**Bankruptcy Petition:** None.