

## **Excalibur Management Corporation**

**Three Newton Executive Park  
2223 Washington Street, Suite 202  
Newton, MA 02462-1433**

**617-916-9669 phone**

**617-916-9554 fax**

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

**April 10, 2015**

### **FORM ADV PART 2 BROCHURE**

**This brochure provides information about the qualifications and business practices of Excalibur Management Corporation. If you have any questions about the contents of this brochure, please contact us at 617-916-9669. 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 Excalibur Management Corporation is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Excalibur Management Corporation is 110836.**

**Excalibur Management Corporation is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

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## ***Advisory Business***

Form ADV Part 2A, Item 4

Excalibur Management Corporation is an independent and privately-owned registered investment advisor founded in Boston in 1979 whose business is managing separate accounts for individuals and institutions. Excalibur constructs and manages on a discretionary basis investment portfolios consisting primarily of publicly-traded U.S. equity and debt securities.

Each client account is customized based on the unique investment objectives and constraints of the particular situation. Securities selected may include common and preferred stocks, and government, money market and corporate debt securities. Clients may impose restrictions on investing in certain industry sectors and types of securities purchased.

Excalibur Management Corporation requires clients to select a third-party bank or other financial institution to serve as custodian for their assets being managed. Excalibur Management Corporation has existing client relationships with many of the largest custodian institutions in the U.S., and the firm has the ability to accommodate client requests to work with another custodian of their choice.

Excalibur Management Corporation's principal owners are Michael W. Delduchetto and Marc H. Ohler.

Excalibur Management Corporation had \$355,480,000 in assets under management on a discretionary basis as of December 31, 2014.

## ***Fees and Compensation***

Form ADV Part 2A, Item 5

Excalibur Management Corporation offers investment advisory services for a percentage of assets under management and/or on a fixed fee basis. Special fee arrangements have been established with some clients on a negotiated basis. All fees are billed quarterly, in arrears. Either party can terminate the Advisory Agreement on 30 days written notice, except that the advisory client can, without incurring fees, terminate the contract immediately during the first five days after entering into the contract by delivering of a written notice to Excalibur Management Corporation.

Clients choose whether to have their fees deducted from their portfolio assets or to be billed directly.

Clients choose where to custody their assets. Each custodian/bank/broker has individual fee agreements with each client. Some clients hold mutual funds and incur mutual fund expenses. In cases where Excalibur Management Corporation charges an advisory fee on mutual fund assets, the client is, in effect, paying two management fees, one to Excalibur Management Corporation and one to the fund's advisor. Clients do incur brokerage costs for transactions, which Excalibur Management Corporation strives to minimize (refer to Form ADV Part 2A, Item 12, Brokerage Practices).

***Performance-Based Fees and Side-By-Side Management***

Form ADV Part 2A, Item 6

Excalibur Management Corporation does not have any performance based fee arrangements.

### ***Types of Clients***

Form ADV Part 2A, Item 7

Excalibur Management Corporation manages separate accounts for both individuals and institutions. Taxable accounts include individual and joint, revocable and irrevocable trusts, corporate accounts, and family limited partnerships. Tax-deferred accounts include traditional individual retirement accounts (IRAs), ROTH IRAs, SEP IRAs, foundations, endowments, and pension plans.

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

Form ADV Part 2A, Item 8

Excalibur Management Corporation primarily uses fundamental and technical methods of security analysis. This investment approach will include a continuing analysis of the monetary and economic environment and will proceed to the identification of those well-managed companies that stand to benefit from the changing environment. Essentially, the firm's activities will be guided by fundamental analysis; however, technical analysis is regarded as a valid investment tool and may be employed at the discretion of the investment manager.

Management will strive to seek out the best sources of information from the brokerage and investment banking community. The internet now provides both economic data and company specific information to all investors. We receive financial information directly from selected corporations, research and brokerage firms, Federal Reserve Bank Districts, the Federal Reserve Board of Governors, the U.S. Treasury, and other Federal and state agencies including the SEC. Subscriptions to many periodicals and several computer database services also assist in the fundamental research. Trade and professional subscriptions are sources of information. Economic, monetary, industry and corporate seminar attendance are also valuable sources of information.

The investment strategies used by Excalibur Management Corporation in formulating investment advice and managing assets include long and short term purchases (equities, taxable and tax-free fixed income, and money market), trading (securities sold within 30 days), and options. For taxable accounts, where clients pay state and/or Federal taxes, management will seek to make long-term purchases. However, due to the volatile nature of the securities markets, managers may behave at variance with this policy. For non-taxable clients, investments will be reconsidered when they have achieved pre-established objectives.

Investing in securities involves risk of loss that clients should be prepared to bear.

Investments in equities and long and short term fixed income securities involves the potential for material risks both specific to the company or issuer, e.g. deterioration of credit and outlook, and resulting from broad market declines, e.g. "bear" markets. Money market instruments – whether purchased directly or through money market funds – involve the potential for material risks from credit deterioration both specific to the issuer and from broad adverse economic events. On client request, Excalibur Management Corporation will use options to reduce risk.

Both fundamental and technical analysis involve material risk, e.g. reliance upon incorrect financial information including forecasts specific to a company or issuer or the occurrence of exogenous financial and non-financial events such as recessions, bankruptcies, war, terrorism, earthquakes, etc.

Excalibur Management Corporation's analysis and strategies do not intentionally involve significant or unusual risks.

Excalibur Management Corporation's recommendations are not limited to a particular type of security.

### ***Disciplinary Information***

Form ADV Part 2A, Item 9

As an SEC registered Investment Advisory, Excalibur Management Corporation must disclose all material facts regarding any legal or disciplinary events material to a client's or prospective client's evaluation of the company and its supervised persons. Neither Excalibur Management Corporation or its supervised persons has ever been the subject of any criminal or civil court action, administrative proceedings by the SEC, or proceeding by a self-regulatory organization.



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

Form ADV Part 2A, Item 10

No employee of Excalibur Management Corporation is registered as a broker-dealer, has an application pending to register as a broker-dealer, or has any other affiliation with a broker-dealer.

No employee of Excalibur Management Corporation is currently or has an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor, or associated person of the foregoing entities.

Neither Excalibur Management Corporation nor its management persons has any relationship with an outside entity that is material to its advisory business or to its clients.

Excalibur Management Corporation does not have referral arrangements with any other investment advisors.

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

Form ADV Part 2A, Item 11

Excalibur Management Corporation has a Code of Ethics that was last updated in July, 2009. All employees are subject to Excalibur Management Corporation's Code of Ethics. This Code of Ethics requires the employee to be knowledgeable of compliance standards and abide by them, prohibits the use of non-public information, requires all portfolio holdings to be appropriate to the client's situation, preserve client confidentiality, always put the client's interest ahead of both the employee's and Excalibur Management Corporation's interests, and at all times conduct business in an ethical manner.

A copy of Excalibur Management Corporation's Code of Ethics will be provided to any client or prospective client upon request

Neither Excalibur Management Corporation nor its employees buy securities from or sell securities to clients.

Occasionally an employee may own or buy a security that is owned or purchased for client's accounts. All transactions must be reported to Excalibur Management Corporation quarterly and all holdings must be reported to Excalibur Management Corporation's Chief Compliance Officer on an annual basis.

When Excalibur Management Corporation buys equities for client portfolios, they are primarily in large and mid cap companies. Because of the market volume of trades in these types of securities, Excalibur Management Corporation does not believe employee purchases or sales negatively impact client transactions. To be safe, Excalibur Management Corporation requires that all client transactions be completed before any employee transactions and disclosed to the Chief Compliance Officer.

### ***Brokerage Practices***

Form ADV Part 2A, Item 12

Excalibur Management Corporation strives to obtain the fastest execution of client trades at the best price and at the lowest cost for the client.

Excalibur Management Corporation has never participated in any soft dollar arrangements. Neither Excalibur Management Corporation nor any of its representatives receives any compensation or indirect benefit from selecting a broker-dealer to execute client transactions.

Excalibur Management Corporation has a list of approved broker-dealers that it deals with in executing client trades. This list is reviewed periodically, and changes are made when necessary to ensure best execution is maintained for all clients. Excalibur Management Corporation reviews its broker-dealer arrangements at least annually to ensure that costs are reasonable based on industry norms.

In a limited number of cases, clients have requested that Excalibur Management Corporation use a specified broker-dealer when executing trades for their accounts only. Excalibur Management Corporation's practice is to notify these clients that the naming of a specific broker will most likely result in the client paying a higher transaction cost than Excalibur Management Corporation would be able to get for them if allowed to follow the firm's normal transaction best practices. Such a "directed brokerage" arrangement does not create a conflict of interest between the investment advisor and the client because the client has chosen the broker and established the brokerage fee arrangement.

When feasible, Excalibur Management Corporation will aggregate client transactions into larger "block" trades in order to improve execution timing and minimize transaction costs.

## ***Review of Accounts***

Form ADV Part 2A, Item 13

Portfolio managers review advisory accounts for which they are responsible on a continual basis and at least quarterly on a formal reporting basis. The nature of the review focuses on the client's investment objectives and structure of the account including its asset allocation and holdings. Integral to this review are the client's risk profile, cash flow needs, tax bracket, growth objectives, other assets, etc.

Client accounts are reviewed on a non-periodic and less direct basis as a result of the analysis process. For example, when unexpected news, a change in outlook, or an economic event triggers a review of a security or issuer, a list of account holders is reviewed for continued appropriateness. Also, as economic and market cycles evolve or significant economic events occur, account structures, e.g. asset allocations, are arrayed and reviewed with respect to appropriate market risk exposure for those points in the cycle or as a result of an economic event.

Clients are provided with a portfolio appraisal and an analysis of the portfolio including holdings, asset allocation, and performance at least quarterly.

***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

None

### ***Custody***

Form ADV Part 2A, Item 15

All Excalibur Management Corporation client accounts are held in custody by independent custodians which are either banks or brokerage firms. Clients receive statements, at least quarterly, from these independent custodians. There are a limited number of cases where a Portfolio Manager acts as either a Trustee or Co-Trustee of a client portfolio (15 relationships at last count). In those cases, by SEC regulation, Excalibur Management Corporation is deemed to have custody of those client funds. Excalibur Management Corporation places a legend on those client statements stating that the clients should compare the Excalibur Management Corporation statements with the independent custodian statements to make sure that Excalibur Management Corporation's statements reflect the same information as the independent custodian statements.

### ***Investment Discretion***

Form ADV Part 2A, Item 16

Excalibur Management Corporation only accepts a limited-power of attorney to manage investments on our client's behalf. Each client has a written agreement with Excalibur Management Corporation to this effect.

### ***Voting Client Securities***

Form ADV Part 2A, Item 17

Under normal circumstances, Excalibur Management Corporation votes proxies for client security holdings. If a client wants to discuss a specific proxy vote or wishes to vote proxies themselves, they should contact Excalibur Management Corporation's Chief Compliance Officer, who is ultimately responsible for all proxy voting.



***Financial Information***

Form ADV Part 2A, Item 18

Since all Excalibur Management Corporation fees are charged in arrears, there is no requirement for reporting financial information.