

**Item 1 – Cover Page**

**Fien Capital Management, LLC**

**110 Allens Creek Road**

**Rochester, NY 14618**

**(585)271-8910**

**March 14, 2018**

This Brochure provides information about the qualifications and business practices of Fien Capital Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (585)271-8910. 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.

Fien Capital Management, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

## **Item 2 – Material Changes**

This Brochure dated March 14, 2018 is an update from our last filing dated March 16, 2017.

There have been no material changes to our brochure since our last filing.

Our Brochure may be requested by contacting Mark Fien, President, at (585)271-8910.

Additional information about Fien Capital Management, LLC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Fien Capital Management, LLC who are registered, or are required to be registered, as investment adviser representatives of Fien Capital Management, LLC.

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#### **Item 4 – Advisory Business**

Fien Capital Management, LLC was founded in 2001 by Mark Fien, President and principal owner. The firm provides investment management and consulting services to a variety of clients on both a discretionary and non-discretionary basis.

Each client engagement involving ongoing investment management services involves the execution of an investment advisory agreement which specifies whether the firm will manage the client's assets on a discretionary basis or on a non-discretionary basis. The portfolio management process begins with an evaluation of the specific investment needs of a client based on, but not exclusive to, these factors: the client's tolerance for risk, investment time horizon, cash flow needs, tax considerations, and such reasonable restrictions as a client may wish to impose on the management of the account. Following this evaluation, investment objectives are formulated and the investment portfolio is constructed and tailored to the specific needs of the client.

Most of the firm's clients engage the firm to manage their investment portfolios on a discretionary basis which involves the execution of a limited power of attorney, pursuant to which Fien Capital Management, LLC will select investments that it deems most appropriate for a client's situation. In instances where the firm manages an investment portfolio on a non-discretionary basis, the firm will make investment recommendations.

As of March 8, 2018 Fien Capital Management, LLC's assets under management were as follows:

Discretionary	\$104,106,671
Non-Discretionary	<u>\$ 0</u>
Total	\$104,106,671

Fien Capital Management, LLC does not participate in any wrap-fee programs.

#### **Item 5 – Fees and Compensation**

As compensation for services, the firm charges an annual fee, pro-rated and payable quarterly in advance, based on a percentage of the client's assets under management. Subject to individual negotiations, the basic fee schedule is as follows: 1% on the first

\$500,000.00 and .75% on amounts in excess of \$500,000.00. Alternately, an hourly rate, fixed charge or annual fee may be charged quarterly in advance or arrears. The fee for each client may be negotiated individually. Depending on the option selected by the client, fees are either payable within 30 days of invoice or deducted directly from the client's account. Advisory services may be terminated at any time upon not less than 30 days written notice by either party. If fees are prepaid and there is an unearned amount at the time of termination, the client will receive a refund on a prorated basis.

Fien Capital Management LLC's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which will be incurred by the client. Clients may incur certain charges imposed by custodians and brokers such as custodial fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Fien Capital Management LLC's fee, and Fien Capital Management, LLC does not receive any portion of these commissions, fees, and costs.

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

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

Fien Capital Management, LLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

#### **Item 7 – Types of Clients**

Fien Capital Management, LLC provides portfolio management services to individuals, high net worth individuals, retirement plans, charitable institutions, foundations, endowments, trusts, estates and corporations.

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

Fien Capital Management, LLC uses a variety of methods when formulating investment advice and managing assets. The firm predominantly uses bonds, stocks and mutual funds (no load or load waived) to construct an investment portfolio.

Fien Capital Management, LLC primarily uses fundamental analysis when determining the value and appropriateness of securities. Fundamental analysis is a method of security valuation which involves examining a company's financials and operations, especially sales, earnings, growth potential, assets, debt, management, products, and competition. Fundamental analysis takes into consideration only those variables that are directly related to the company itself, rather than the overall state of the market or technical analysis data. Securities are generally purchased within a long-term investment strategy.

Fien Capital Management, LLC uses a variety of criteria when evaluating mutual funds. Criteria may include, but are not limited to; historical performance, manager tenure, expense ratio, portfolio turnover, portfolio composition, investment objective, diversification benefits, investment process, and fund family.

Fien Capital Management, LLC uses asset allocation strategies in an attempt to mitigate risk and attain clients' investment goals. Client portfolios are generally allocated among cash equivalents (including money market funds), income-oriented securities and equity-oriented securities.

Fien Capital Management, LLC uses financial newspapers and magazines, research materials prepared by others, corporate ratings services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases to source information on the merits of investments.

All investments are subject to inherent risks, and investments made by Fien Capital Management, LLC are no exception. "Investing in securities involves risk of loss that clients should be prepared to bear." Specific risks may include, but are not limited to:

**Market Risk.** Markets can trade in random or cyclical patterns, and prices can fall over sustained periods of time. The value of your investments will fluctuate as markets fluctuate and could decline over short or long-term periods.

**Asset Allocation Risk.** Investments are subject to the risk that the allocation of the investments among cash equivalents, income-oriented securities and equity-oriented

securities may have a significant effect on your returns when one of these asset classes is performing poorly relative to the others.

**Interest Rate Risk.** Investments are subject to interest rate risk, which is the risk that the value of the security will decline because of a change in general interest rates. Investments subject to interest rate risk will usually decrease in value when interest rates rise and rise in value when interest rates decline. Also, securities with long maturities typically experience a more pronounced change in value when interest rates change.

**Credit Risk.** Investments are subject to credit risk. An issuer's credit quality depends on its ability to pay interest on and repay its debt and other obligations. The credit risk of a security also may depend on the credit quality of any bank or financial institution that provides credit enhancement for the security.

**Prepayment Risk.** Investments may be subject to prepayment risk. Prepayment risk occurs when the issuer of a security can repay principal prior to the security's maturity. Securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar greater potential for loss in a rising interest rate environment. In addition, the potential impact of prepayment features on the price of a security can be difficult to predict and result in greater volatility.

**High Yield Security Risk.** Investments in fixed-income securities that are rated below investment grade by one or more credit rating agencies or that are unrated and are deemed to be of similar quality ("high yield securities") may be subject to greater risk of loss of principal and interest than investments in higher-rated fixed-income securities. High yield securities are also generally considered to be subject to greater market risk than higher-rated securities. The capacity of issuers to pay interest and repay principal is more likely to weaken than is that of higher-rated securities in times of deteriorating economic conditions or rising interest rates. In addition, high yield securities may be more susceptible to real or perceived adverse economic conditions than higher-rated securities. The market for high-yield securities may be less liquid than the market for higher-rated securities. This can adversely affect our ability to buy or sell optimal quantities of high yield securities at desired prices.

**Inflation Risk.** This is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the value of the investments can decline. This risk increases as one invests a greater portion of its assets in fixed-income securities with longer maturities.

**Foreign Securities Risk.** Fien Capital Management, LLC has the ability to invest in foreign securities. Such investments involve greater risk in comparison to domestic investments

for the following reasons: foreign companies may not be subject to the same degree of regulations as U.S. companies, and there may be less publicly available information about foreign issuers than U.S. issuers; foreign companies may not be subject to uniform accounting, auditing and financial reporting standards; dividends and interest on foreign securities may be subject to foreign withholding taxes; and foreign securities are often denominated in a currency other than the U.S. dollar.

**Currency Risk.** Fluctuations in exchange rates between the U.S. dollar and foreign currencies may negatively affect the value of investments in foreign securities.

**Liquidity Risk.** This is the risk that the market for a security or other investment cannot accommodate an order to buy or sell the security or other investment in the desired timeframe, possibly preventing one from selling these illiquid securities at an advantageous price. This risk also includes that trading on an exchange may be halted because of market conditions.

**Small to Medium Capitalization Risk.** Fien Capital Management, LLC has the ability to invest in securities of companies with small to medium market capitalizations. Such companies may be engaged in business within a narrow geographic region, be less well known to the investment community and have more volatile share prices. Also, companies with smaller market capitalizations often lack management depth and have narrower market penetrations, less diverse product lines and fewer resources than larger companies. Moreover, the securities of such companies often have less market liquidity and, as a result, their stock prices often react more strongly to changes in the marketplace.

**Underlying Fund Risk.** The risk that a portfolio's performance is closely related to the risks associated with the securities and other investments held by the underlying mutual funds and that the ability of a portfolio to achieve its investment objective will depend upon the ability of the underlying mutual funds to achieve their investment objectives.

**Equity Risk.** The risk that the value of equity-oriented securities, such as common stocks and stock mutual funds, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.

**Real Estate Risk.** The risk that investments in Real Estate Investment Trusts ("REITs") will subject the portfolio to risks similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, zoning laws, regulatory



limitations on rents, property taxes and operating expenses. Investments in REITs are subject to management and tax risks.

**Emerging Markets Risk.** The risk of investing in emerging market securities, primarily increased foreign investment risk.

**Leverage Risk.** The risk that a security uses leverage making the investment more volatile than if it had not been levered.

**Management Risk.** The risk that Fien Capital Management LLC's investment techniques will be unsuccessful and cause the portfolio to incur losses.

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

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of the firm or the integrity of its management. Fien Capital Management, LLC has no information to disclose to this item.

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

Fien Capital Management, LLC, nor any of its management persons is engaged in any other financial industry activities required to be disclosed in response to this item. Nor do they have any affiliations with any participants in the financial services industry that they are required to be disclosed in response to this item.

### **Item 11 – Code of Ethics**

Fien Capital Management, LLC has adopted a Code of Ethics for all supervised persons of the firm which acknowledges the firm's fiduciary duty to its clients and imposes a standard of business conduct. The Code of Ethics is based upon the fundamental precept that the interests of the firm's clients must, at all times, be placed before those of the firm or any of its supervised persons. It includes, among other things, provisions relating to the confidentiality of client information, provisions governing personal securities transactions by the firm's supervised persons and a prohibition on insider trading. The code of ethics provides for sanctions in the event that violations occur. All supervised persons at Fien Capital Management, LLC must acknowledge the terms of the Code of Ethics annually, or as

amended.

Fien Capital Management, LLC anticipates that, in appropriate circumstances and to the extent, consistent with clients' investment objectives, it will cause accounts over which Fien Capital Management, LLC has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Fien Capital Management, LLC, its affiliates and/or clients, directly or indirectly, have a position. Fien Capital Management, LLC's supervised persons are required to follow the firm's Code of Ethics. Subject to their compliance with the Code of Ethics as well as any applicable laws, officers, directors and employees of Fien Capital Management, LLC may trade for their own accounts in securities which are recommended to and/or purchased for Fien Capital Management, LLC's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Fien Capital Management, LLC will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interests of Fien Capital Management, LLC's clients. In addition, the Code requires pre-clearance of many transactions. Nevertheless, because the Code of Ethics would permit employees to invest in the same securities as clients in some circumstances, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics in an effort to prevent conflicts of interest between Fien Capital Management, LLC and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Fien Capital Management, LLC's obligation of best execution. In such circumstances, the affiliated and client accounts will receive securities at the total average price. Fien Capital Management, LLC will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Fien Capital Management, LLC's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Mark Fien (585-271-8910).

## Item 12 – Brokerage Practices

Clients who grant Fien Capital Management, LLC discretionary trading authority with respect to the management of their accounts, are required to enter into an investment advisory agreement which authorizes the firm to take these steps without obtaining specific client consent: to buy or sell securities, to select a broker or dealer and to determine appropriate commission rates. These activities are undertaken, subject to any written guidelines that have been communicated with the client and will be consistent with the established client objectives.

### **The Custodian and Brokers We Use**

Fien Capital Management, LLC does not maintain physical custody of client assets. However, we may be deemed to have custody of your assets if for example, you give us authority to withdraw assets from your account (see *Item 15 – Custody*, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when [we/you] instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “*Your Brokerage and Custody Costs*”).

### **How We Select Brokers/Custodians**

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)

- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see *“Products and Services Available to Us from Schwab”*)

## **Your Brokerage and Custody Costs**

Under circumstances where a client appoints Schwab to act as custodian for his or her account, Schwab generally does not charge the client separately for custody services but is compensated by charging the client commissions or other fees on trades that it executes. In addition to commissions, Schwab charges its custody clients a flat dollar amount as a “prime broker” or “trade away” fee under circumstances where transactions were executed by a different broker-dealer but where settlement occurred directly into a client’s account. These “trade away” fees are incurred in addition to the commissions or other compensation paid to the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see *“How We Select Brokers/Custodians”*).

## **Products and Services Available to Us from Schwab**

Schwab Advisor Services™ (formerly called Schwab Institutional®) is the division of Charles Schwab & Co., Inc., a registered broker-dealer, which provides a variety of services to independent investment advisory firms. Schwab provides us and our clients with access to its institutional brokerage-trading, custody, reporting, and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts while others help us manage and grow our business. Schwab’s support services generally are available on an unsolicited basis (we don’t have to request them) and at no charge to us. Schwab’s support services are explained in more detail below.

### **Services That Benefit You.**

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

### **Services That May Not Directly Benefit You.**

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

### **Services That Generally Benefit Only Us.**

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. Our access to these

services at no cost to us presents a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see *"How We Select Brokers/Custodians"*) and not Schwab's services that benefit only us.

### **Trade Aggregation and Allocation**

Fien Capital Management, LLC strives to treat all clients in a fair manner. Fairness is the basic principal underlying this aggregation and allocation policy. When allocating securities among clients, the following considerations will be taken into place but are not limited to: suitability to account, tax consequences, transaction costs, liquidity, maturity, and current portfolio structure.

The allocations of a particular security will be determined by Fien Capital Management, LLC before the trade is placed with the broker. When practical, client trades in the same security will be bunched in a single order (a "block") in an effort to obtain best execution at the best security price available. When employing a block trade:

- A. We will attempt to fill client orders by day-end;
- B. If a block order is filled (full or partial fill) at several prices through multiple trades, an average price and commission will be used for all trades executed;
- C. All participants receiving securities from the block trade will receive the average price; and
- D. Only trades executed within the block on the single day may be combined for purposes of calculating the average price.

It is expected that this trade aggregation and allocation policy will be applied consistently. However, if application of this policy results in unfair or inequitable treatment to some or all of Fien Capital Management, LLC's clients, we may deviate from this policy.

### **Item 13 – Review of Accounts**

Client accounts are monitored on a continuing basis with in-depth reviews on a quarterly basis. Mark Fien, President, and Damian Weidmann, Vice President, review all accounts. The quarterly review may include an analysis of asset allocation, client objectives, security markets, individual issues, changes in market values, risk and other factors pertinent to a client's portfolio. Additional reviews are made as market conditions dictate and upon reasonable requests by clients.

Clients are sent quarterly reports of the status of their accounts in addition to copies of all brokerage confirmations and statements.

Quarterly reports may not be sent for accounts that have limited activity or assets. The adviser provides additional information and is available for reviews on an as needed basis.

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

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 – Brokerage Practices*). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. Fien Capital Management, LLC does not compensate any individual or party for client referrals.

### **Item 15 – Custody**

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct the custodian to deduct our advisory fees directly

from your account. The custodian maintains actual custody of your assets. You will receive account statements directly from the custodian at least quarterly. They will be sent to the email or postal mailing address you provided to the custodian. You should carefully review those statements promptly when you receive them. [We also urge you to compare the custodian's account statements to the periodic [account statements/portfolio reports] you will receive from us.] Our statements may vary from custodial statements based on accounting procedures (including the use of accrued interest), reporting dates, or valuation methodologies of certain securities.

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

When we manage client accounts on a discretionary basis, we obtain discretionary trading authority from the client at the outset of the advisory relationship to select the identity and amount of securities to be bought or sold. In each instance, however, our exercise of such authority must be consistent with the stated investment objectives for the particular client account and limited by any restrictions imposed by the client.

Discretionary authority requires the execution of an investment advisory agreement and a Limited Power of Attorney which allows the firm to place trades, deduct its fee and disburse funds to the account owner.

When selecting securities and determining amounts, Fien Capital Management, LLC observes the investment policies, limitations and restrictions of the clients for which it advises.

Investment limitations or restrictions must be provided to Fien Capital Management, LLC in writing.

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

Unless otherwise assigned by client, Fien Capital Management, LLC will vote proxy matters on behalf of clients. Proxy matters are voted in the best economic interests of clients. If adviser has a material conflict of interest when voting proxies, Fien Capital Management, LLC will disclose the conflict to the client and obtain client consent before voting. Clients may obtain a copy of Fien Capital Management, LLC's complete proxy voting policies and procedures upon written request. Clients may also obtain information from Fien Capital Management, LLC about how Fien Capital Management, LLC voted any proxies on behalf of



their account(s). Clients may “opt out” of having the firm vote proxies on their behalf but may not direct the firm’s vote.

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

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Fien Capital Management, LLC’s financial condition. Fien Capital Management, LLC has no financial condition that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.