

# **Kleinfelder Capital, Inc.**

## **Form ADV Part 2A – Disclosure Brochure**

**Effective: March 17, 2019**

This Form ADV 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Kleinfelder Capital, Inc. (“Kleinfelder Capital” or the “Advisor”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (513) 808-9700.

Kleinfelder Capital is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information through Kleinfelder Capital to assist you in determining whether to retain the Advisor.

Additional information about Kleinfelder Capital and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 289345.

**Kleinfelder Capital, Inc.**  
**8050 Hosbrook Road, Suite 200, Cincinnati, OH 45236**  
**Phone: (513) 808-9700 | Fax: (513) 802-9085**  
**<http://KleinfelderCapital.com>**

## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplements")*. The Disclosure Brochure provides information about a variety of topics relating to an advisor's business practices and conflicts of interest. The Brochure Supplements provide information about Advisory Persons of Kleinfelder Capital. For convenience, we have combined these documents into a single disclosure document.

Kleinfelder Capital believes that communication and transparency are the foundation of its relationship with Clients and will continually strive to provide its Clients with complete and accurate information at all times. Kleinfelder Capital encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Material Changes

- The Advisor has amended its Advisory Services to offer 3(21) Retirement Plan Advisory Services. Please see Items 4 and 5 for more information.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Kleinfelder Capital.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 289345. You may also request a copy of this Disclosure Brochure at any time by contacting us at (513) 808-9700.

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## Item 4 – Advisory Services

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### A. Firm Information

Kleinfelder Capital, Inc. (“Kleinfelder Capital” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). Kleinfelder is organized as a corporation under the laws of the State of Ohio. Kleinfelder Capital was founded in July 2017 and is owned and operated by Michael J. Kleinfelder President and Chief Executive Officer. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Kleinfelder Capital.

### B. Advisory Services Offered

Kleinfelder Capital offers advisory services to individuals, high net worth individuals, families, trusts, estates, businesses and pension and retirement plans (each referred to as a “Client”). Kleinfelder Capital provides a holistic approach to its wealth advisory services. Client engagements typically include comprehensive financial planning and investment management services as described below. Services are tailored to the unique needs of each Client.

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. Our fiduciary commitment is further described in our Code of Ethics. For more information regarding our Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

#### Investment Management Services

Kleinfelder Capital provides customized wealth management solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and planning services. Kleinfelder Capital works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create an investment strategy. Kleinfelder Capital customizes its investment management services for its Clients. Kleinfelder Capital will implement the investment strategy with its internal management and/or the use of unaffiliated money managers or investment platforms (as described below).

*Internal Investment Management* - Portfolios may be constructed using open-end mutual funds, exchange-traded funds (“ETFs”), individual equity securities and or individual fixed income securities. For certain Clients, the Advisor may utilize tax-free municipal bonds and other types of investments. For certain Clients, the Advisor may employed leveraged ETFs and or the short-term use of margin. For mutual funds, the Advisor selects active and passive managers and will seek institutional share classes when available.

Kleinfelder Capital's investment strategies are primarily long-term investment focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. Kleinfelder Capital will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

At no time will Kleinfelder Capital accept or maintain custody of a Client's funds or securities, except for the limited authority as outlined in Item 15 – Custody. All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the Client investment advisory agreement, please see Item 12 – Brokerage Practices.

*Use of Independent Managers* - Kleinfelder Capital may recommend to Clients that all or a portion of their investment portfolio be implemented by utilizing one or more unaffiliated money managers or investment platforms (collectively “Independent Managers”). Independent Managers may be sourced directly or accessed through an investment management platform. The Client will be required to enter into a separate agreement with the Independent Manager[s].

Kleinfelder Capital serves as the Client's primary advisor and relationship manager. However, the Independent Manager[s] will assume discretionary authority for the day-to-day investment management of those assets placed in their control. Kleinfelder Capital will assist and advise the Client in establishing investment objectives

for their account[s], the selection of the Independent Manager[s], and defining any restrictions on the account[s]. Kleinfelder Capital will continue to provide oversight of the Client's account[s] and ongoing monitoring of the activities of these unaffiliated parties. The Independent Manager[s] will implement the selected investment strategies based on their investment mandates. The Client may be able to impose reasonable investment restrictions on these accounts, subject to the acceptance of these third parties.

The Client, prior to entering into an agreement with an Independent Manager, will be provided with the Form ADV Part 2A (or a brochure that makes the appropriate disclosures) of those parties. Kleinfelder Capital does not receive any compensation from these Independent Managers or Investment Platforms, other than Kleinfelder Capital's investment advisory fee (described in Item 5).

#### Financial Planning Services

Financial planning services may be included in an overall wealth management engagement or provided as a separate service, pursuant to the terms of the agreement with the Client.

Kleinfelder Capital will typically provide a variety of financial planning and consulting services to Clients, pursuant to a written financial planning agreement. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation. Generally, such financial planning services involve preparing a formal financial plan or rendering a specific financial consultation based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including but not limited to, investment planning, retirement planning, personal savings, education savings, insurance needs, and other areas of a Client's financial situation.

A financial plan developed for, or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs.

In certain circumstances, Kleinfelder Capital may also refer Clients to an accountant, attorney or other specialist, as appropriate for the Client's unique situation. For certain financial planning engagements, the Advisor will generally provide a written report that contains observations and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six (6) months of contract date, assuming all information and documents requested are provided promptly.

Financial planning recommendations may pose a potential conflict between the interests of the Advisor and the interests of the Client. For example, a recommendation to engage the Advisor for investment management services or to increase the level of investment assets with the Advisor would pose a conflict, as it would increase the advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor.

#### Retirement Plan Advisory Services

Kleinfelder Capital provides 3(21) retirement plan advisory services on behalf of the retirement plans (each a "Plan") and the company (the "Plan Sponsor"). The Advisor's retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan and its Plan Participants. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services generally include:

- Vendor Analysis
- Plan Participant Enrollment and Education Tracking
- Investment Policy Statement ("IPS") Design and Monitoring
- Investment Management
- Performance Reporting
- Ongoing Investment Recommendation and Assistance
- ERISA 404(c) Assistance
- Benchmarking Services

These services are provided by Kleinfelder Capital serving in the capacity as a fiduciary under the Employee

Retirement Income Security Act of 1974, as amended (“ERISA”). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of Kleinfelder Capital’s fiduciary status, the specific services to be rendered and all direct and indirect compensation the Advisor reasonably expects under the engagement.

### C. Client Account Management

Prior to engaging Kleinfelder Capital to provide advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – Kleinfelder Capital will develop a strategy that seeks to achieve the Client’s goals and objectives.
- Asset Allocation – Kleinfelder Capital will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance of risk for each Client.
- Portfolio Construction – Kleinfelder Capital will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Kleinfelder Capital will provide investment management and ongoing oversight of the Client’s investment portfolio.

### D. Wrap Fee Programs

Kleinfelder Capital includes securities transaction fees together with its investment advisory fee. Including these fees into a single asset-based fee is considered a “Wrap Fee Program”. The Advisor customizes its investment management services for its Clients. The Advisor sponsors the Kleinfelder Capital Wrap Fee Program solely as a supplemental disclosure regarding the combination of fees. Depending on the level of trading required for the Client’s account[s] in a particular year, the Client may pay more or less in total fees than if the Client paid its own transaction fees. Please see Appendix 1 – Wrap Fee Program Brochure, which is included as a supplement to this Disclosure Brochure.

### E. Assets Under Management

As of December 31, 2018, the Advisor manages approximately \$125,600,000 in discretionary assets and \$3,800,000 in non-discretionary assets totaling approximately \$129,400,000 in assets under management. Clients may request more current information at any time by contacting the Advisor.

## Item 5 – Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into one or more written agreements with the Advisor.

### A. Fees for Advisory Services

#### Investment Advisory Services

Investment advisory fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Fees are based on the market value of assets under management with the Advisor at the end of the prior quarter. Fees are based on the following schedule:

Assets Under Management	Annual Fee (%)
Up to \$249,999	1.50%
\$250,000 to \$499,999	1.25%
\$500,000 to \$999,999	1.00%
\$1,000,000 to \$1,999,999	0.80%
\$2,000,000 to \$4,999,999	0.65%
\$5,000,000 to \$9,999,999	0.55%
\$10,000,000 and above	Negotiable

The investment advisory fee in the first quarter of service is prorated from the inception date of the Client's account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by Kleinfelder Capital will be independently valued by the Custodian. Kleinfelder Capital will not have the authority or responsibility to value portfolio securities.

The Advisor's fee is exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

Clients may make additions to and withdrawals from their account[s] at any time, subject to Kleinfelder Capital's right to terminate an account. Additions may be in cash or securities provided that Kleinfelder Capital reserves the right to liquidate any transferred securities or decline to accept particular securities into a Client's account[s]. Clients may withdraw account assets on notice to Kleinfelder Capital, subject to the usual and customary securities settlement procedures. However, Kleinfelder Capital designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client's investment objectives. Kleinfelder Capital may consult with its Clients about the options and ramifications of transferring securities. However, Clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

#### Use of Independent Managers

For Client account[s] implemented through an Independent Manager, the Client's overall fees will often include Kleinfelder Capital's investment advisory fee (as noted above) plus advisory fees and/or platform fees charged by the Independent Manager[s], as applicable. The Independent Manager may assume responsibility for calculating the Client's fees and deduct all fees from the Client's account[s]. In such instances, Kleinfelder Capital will not charge its fee separately on those assets.

#### Financial Planning Services

Kleinfelder Capital offers financial planning services on either an hourly basis or a fixed engagement fee. Hourly engagements are billed at a rate of up to \$300 per hour. Fixed engagements are negotiated based on the expected number of hours to complete the engagement at the Advisor's hourly rate. Fees may be negotiable at the sole discretion of the Advisor, depending on the nature and complexity of services to be provided. An estimate for total hours and/or costs will be provided to the Client prior to engaging for these services.

#### Retirement Plan Advisory Services

Fees for retirement plan advisory services are charged an annual asset-based fee of up to 1.50%, billed in advance of each calendar quarter, pursuant to the terms of the agreement. Retirement plan fees are based on the market value of assets under management at the end of the prior calendar quarter. Fees range are generally based on the following schedule:

<b>Assets Under Management</b>	<b>Annual Fee (%)</b>
Up to \$249,999	1.50%
\$250,000 to \$499,999	1.25%
\$500,000 to \$999,999	1.00%
\$1,000,000 to \$1,999,999	0.80%
\$2,000,000 to \$4,999,999	0.65%
\$5,000,000 to \$9,999,999	0.55%
\$10,000,000 and above	Negotiable

### **B. Fee Billing**

#### Investment Advisory Services

Investment advisory fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the beginning of the respective quarter. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with Kleinfelder Capital at the end of the prior quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide



written authorization permitting advisory fees to be deducted by Kleinfelder Capital directly from their accounts held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

#### Use of Independent Managers

Client account[s] implemented through Independent Manager[s] will be billed in accordance to the separate agreement[s] with the respective parties. These parties will typically add Kleinfelder Capital's investment advisory fee and deduct the overall fee from the Client's account[s].

#### Financial Planning Services

Fees for hourly and fixed fee financial planning engagements may be invoiced up to 50% upon execution of the financial planning agreement with the balance due upon completion of the engagement deliverable[s]. Certain Clients may have their planning fees included with their overall investment advisory fees. The Advisor does not collect advance fees of \$1,200 or more for any services that will be completed six (6) months or more in advance.

#### Retirement Plan Advisory Services

Retirement plan advisory fees may be directly invoiced to the Plan Sponsor or deducted from the assets of the Plan, depending on the terms of the retirement plan advisory agreement.

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than Kleinfelder Capital, in connection with investments made on behalf of the Client's account[s]. Kleinfelder Capital may include securities transactions costs as part of its overall advisory fees. Please see Item 4.D. above as well as Appendix 1 – Wrap Fee Program Brochure. The inclusion of securities transaction fees into a single bundled fee may cost the Client more or less than if paid separately.

In addition, all fees paid to Kleinfelder Capital for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of Kleinfelder Capital, but would not receive the services provided by Kleinfelder Capital which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Kleinfelder Capital to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

### **D. Advance Payment of Fees and Termination**

#### Investment Advisory Services

Kleinfelder Capital is compensated for its investment advisory services in advance of the quarter in which investment advisory services are rendered. Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the investment advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Client shall be responsible for investment advisory fees up to and including the effective date of termination. The Advisor will refund any unearned, prepaid fees from the effective date of termination to the end of the quarter. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

#### Use of Independent Managers

In the event that a Client should wish to terminate their relationship with an Independent Manager, the terms for termination will be set forth in the respective agreements between the Client and those third parties. Kleinfelder Capital will assist the Client with the termination and transition as appropriate.

#### Financial Planning Services

Kleinfelder Capital may be partially compensated for its financial planning services in advance the engagement (Please see Item 5.A above.). Either party may terminate the financial planning agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the financial planning agreement



within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Client shall be responsible for planning fees based on the hours incurred or in the event of a fixed fee, the percentage of the engagement completed. Upon termination, the Advisor will refund any unearned, prepaid fees. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

#### Retirement Plan Advisory Services

Kleinfelder Capital is compensated for its services at the beginning of the quarter before advisory services are rendered. Either party may request to terminate the retirement plan advisory agreement, at any time, by providing advance written notice to the other party. Upon termination, the Client shall be responsible for investment advisory fees up to and including the effective date of termination and the Advisor will refund any unearned, prepaid fees from the effective date of termination to the end of the quarter. The Client's retirement plan advisory agreement with the Advisor is non-transferable without the Client's prior consent.

#### **E. Compensation for Sales of Securities**

Kleinfelder Capital does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

Advisory Persons of Kleinfelder Capital may also be registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). In one's separate capacity as a registered representative of PKS, an Advisory Person may implement securities transactions under PKS and not through Kleinfelder Capital. In such instances, an Advisory Person will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by an Advisory Person in one's capacity as a registered representative is separate from and in addition to Kleinfelder Capital's advisory fees. Please see Item 10.

Mr. Kleinfelder is also licensed as an independent insurance professional. As an independent insurance professional, Mr. Kleinfelder may earn commission-based compensation for selling insurance products, including insurance products they sell to Clients. Insurance commissions earned by Mr. Kleinfelder are separate and in addition to Kleinfelder Capital's advisory fees. This practice presents a conflict of interest because a person providing investment advice on behalf of the Advisor who is also an insurance agent has an incentive to recommend insurance products to Clients for the purpose of generating commissions rather than solely based on Client needs. However, Clients are under no obligation, contractually or otherwise, to purchase insurance products through Mr. Kleinfelder.

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

Kleinfelder Capital does not charge performance-based fees for its investment advisory services. The fees charged by Kleinfelder Capital are as described in Item 5 above and are not based upon the capital appreciation of the funds or securities held by any Client.

Kleinfelder Capital does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

#### **Item 7 – Types of Clients**

Kleinfelder Capital offers investment advisory services to individuals, high net worth individuals, families, trusts, estates, businesses and retirement plans. The amount of each type of Client is available on the Advisor's Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor. Kleinfelder Capital generally does not impose a minimum size for establishing a relationship. However, certain investments and strategies may require certain minimums for effective implementation.

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

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### **A. Methods of Analysis**

Kleinfelder Capital primarily employs fundamental analysis methods in developing investment strategies for its Clients. Research and analysis from Kleinfelder Capital are derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

*Fundamental analysis* utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

As noted above, Kleinfelder Capital generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Kleinfelder Capital will typically hold all or a portion of a security for more than a year but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, Kleinfelder Capital may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

### **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Kleinfelder Capital will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process.

Following are some of the risks associated with the Advisor's strategies:

#### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

#### Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a

mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

#### Margin Borrowings

The use of short-term margin borrowings may result in certain additional risks to a Client. For example, if securities pledged to brokers to secure a Client's margin accounts decline in value, the Client could be subject to a "margin call", pursuant to which it must either deposit additional funds with the broker or be the subject of mandatory liquidation of the pledged securities to compensate for the decline in value.

#### Leveraged ETFs

Leveraged ETFs seek to deliver multiples of the performance of the index or benchmark they track. These ETFs typically deliver some multiple of an index's daily returns whether the return is positive or negative. The multiplier effects both the upside and the downside of returns. While it may seem that a 2x multiplier is a benefit in an up-market cycle it is important to remember that the same multiplier applies when the ETF moves against the market. This could potentially result in significant losses, and highlights the additional risk associated with Leveraged ETFs.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

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

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**There are no legal, regulatory or disciplinary events involving Kleinfelder Capital or its Supervised Persons.** Kleinfelder Capital values the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 289345.

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

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#### Broker-Dealer Affiliation

Mr. Kleinfelder is also a registered representative of PKS conducting business under the name Kleinfelder Capital & Company Financial Consulting Group. In his separate capacity as a registered representative, Mr. Kleinfelder will typically receive commissions for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided by Mr. Kleinfelder in this separate capacity. Neither Kleinfelder Capital nor an Mr. Kleinfelder will earn ongoing investment advisory fees in connection with any services implemented in his separate capacity as a registered representative. Under supervision by PKS, PKS may have access to certain confidential information of the Client, including, but not limited to financial information, investment objectives, transactions and holdings information.

#### Insurance Agency Affiliations

As noted in Item 5 – Fees and Compensation, Mr. Kleinfelder is also a licensed insurance professional. Implementations of insurance recommendations are separate and apart from their role with the Advisor. As an insurance professional, Mr. Kleinfelder may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Mr. Kleinfelder is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mr. Kleinfelder or the Advisor.

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

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#### **A. Code of Ethics**

Kleinfelder Capital has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with Kleinfelder Capital (our "Supervised Persons"). The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Kleinfelder Capital and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Kleinfelder Capital associates to adhere not only to the specific provisions of the

Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that address ethics and conflicts of interest. To request a copy, please contact us at (513) 808-9700.

#### **B. Personal Trading with Material Interest**

Kleinfelder Capital allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Kleinfelder Capital does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund or advise an investment company. Kleinfelder Capital does not have a material interest in any securities traded in Client accounts.

#### **C. Personal Trading in Same Securities as Clients**

Kleinfelder Capital allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities, we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. When trading for personal accounts, employees of Kleinfelder Capital may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by Kleinfelder Capital requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer ("CCO") or delegate. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

#### **D. Personal Trading at Same Time as Client**

While Kleinfelder Capital allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. **At no time will any associated person of Kleinfelder Capital, transact in any security to the detriment of any Client.**

### **Item 12 – Brokerage Practices**

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#### **A. Recommendation of Custodian[s]**

Kleinfelder Capital does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize Kleinfelder Capital to direct trades to the Custodian as agreed upon in the investment advisory agreement. Further, Kleinfelder Capital does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where Kleinfelder Capital does not exercise discretion over the selection of the Custodian, it may recommend the Custodian to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by Kleinfelder Capital. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. Kleinfelder Capital may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, its reputation, and/or the location of the Custodian's offices. Kleinfelder Capital will generally recommend that Clients establish their account[s] with Fidelity Clearing & Custody Solutions, a related entity of Fidelity Investments, Inc. (collectively "Fidelity"). Fidelity will serve as the Client's "qualified custodian". Kleinfelder Capital maintains an institutional relationship with Fidelity, whereby the Advisor receives economic benefits from Fidelity. Please see Item 14 below.

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with the broker-dealer/custodian in exchange for research and other services. **Kleinfelder Capital does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian but does receive economic benefits from Fidelity. Please see Item 14 below.**

**2. Brokerage Referrals** - Kleinfelder Capital does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** - All Clients are serviced on a “directed brokerage basis”, where Kleinfelder Capital will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s] at the Custodian. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor’s own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client’s account[s]). Kleinfelder Capital will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. Kleinfelder Capital will execute its transactions through the Custodian. Kleinfelder Capital may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by Mr. Kleinfelder. The CCO also has oversight of investment advisory processes. Formal reviews are generally conducted at least annually or more frequently depending on the needs of the Client. Clients are offered an annual financial plan, subject to scope of their agreement with the Advisor.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client’s request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client’s financial situation, and/or large deposits or withdrawals in the Client’s account[s]. The Client is encouraged to notify Kleinfelder Capital if changes occur in the Client’s personal financial situation that might adversely affect the Client’s investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian’s website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client’s account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

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### **A. Compensation Received by Kleinfelder Capital**

Kleinfelder Capital does not receive securities commissions from product sponsors, broker-dealers or any un-related third party. Kleinfelder Capital may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, Kleinfelder Capital may receive referrals of new Clients from a third-party. However, Kleinfelder Capital and certain Supervised Persons do receive compensation and other economic benefits from PKS as detailed below.

#### Participation in Institutional Advisor Platform

Kleinfelder Capital has established an institutional relationship with Fidelity to assist the Advisor in managing Client account[s]. The Advisor receives access to software and related support as part of its relationship with Fidelity. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a Custodian creates a potential conflict of interest since these benefits

may influence the Advisor's recommendation of the Custodian over one that does not furnish similar software, systems support, or services.

Additionally, the Advisor may receive the following benefits from Fidelity: financial start-up support; reimbursement to Clients for transfer costs to the platform/custodian; financing services, receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and access to an electronic communication network for Client order entry and account information.

#### **B. Client Referrals from Solicitors**

The Advisor does not engage paid solicitors.

### **Item 15 – Custody**

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Kleinfelder Capital does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fee. All Clients must place their assets with a "qualified custodian". Clients are required to engage the Custodian to retain their funds and securities and direct Kleinfelder Capital to utilize the Custodian for the Client's security transactions. Kleinfelder Capital encourages Clients to review statements provided by the Custodian. For more information about custodians and brokerage practices, see Item 12 - Brokerage Practices.

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

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Kleinfelder Capital generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Kleinfelder Capital. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by Kleinfelder Capital will be in accordance with each Client's investment objectives and goals. For Clients with account[s] established at an Independent Manager, those account[s] will also be managed by those parties on a discretionary basis.

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

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Kleinfelder Capital does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

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

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Neither Kleinfelder Capital, nor its management, have any adverse financial situations that would reasonably impair the ability of Kleinfelder Capital to meet all obligations to its Clients. Neither Kleinfelder Capital, nor any of its advisory persons, have been subject to a bankruptcy or financial compromise. Kleinfelder Capital is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.



## **Form ADV Part 2A – Appendix 1 Wrap Fee Program Brochure**

**Effective: March 17, 2019**

This Form ADV 2A – Appendix 1 (“Wrap Fee Program Brochure”) provides information about the business practices and fees for Kleinfelder Capital, Inc. (“Kleinfelder Capital” or the “Advisor”) when Client transaction costs are included with investment advisory fees as a single bundled fee. Kleinfelder Capital sponsors this Wrap Fee Program and provides this Wrap Fee Program Brochure as a supplement to the Kleinfelder Capital Disclosure Brochure, which provides complete details on the business practices of Kleinfelder Capital. If you did not receive the complete Kleinfelder Capital Disclosure Brochure or you have any questions about the contents of this Wrap Fee Program Brochure or the Kleinfelder Capital Disclosure Brochure, please contact us at (513) 808-9700.

Kleinfelder Capital is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Wrap Fee Program Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Wrap Fee Program Brochure provides information about Kleinfelder Capital to assist you in determining whether to retain the Advisor.

Additional information about Kleinfelder Capital and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or by our CRD# 289345.

**Kleinfelder Capital, Inc.**  
**8050 Hosbrook Road, Suite 200, Cincinnati, OH 45236**  
**Phone: (513) 808-9700 | Fax: (513) 802-9085**  
<http://KleinfelderCapital.com>



## **Item 2 – Material Changes**

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Form ADV 2 Appendix 1 provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. In particular, this Wrap Fee Program Brochure discusses the fee billing practices of the Advisor as a supplement to the Disclosure Brochure.

### Material Changes

There have been no material changes to this Wrap Fee Program Brochure since the last distribution to Clients.

### Future Changes

From time to time, we may amend this Wrap Fee Program Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Wrap Fee Program Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Kleinfelder Capital.

At any time, you may view the current Wrap Fee Program Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm's name or CRD# 289345. You may also request a copy of this Wrap Fee Program Brochure at any time, by contacting us at (513) 808-9700.

## **Item 3 – Table of Contents**

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## Item 4 – Services Fees and Compensation

### Services

Kleinfelder Capital Wealth Management, LLC (“Kleinfelder Capital” or the “Advisor”) provides customized investment management and related advisory services for its Clients. This Wrap Fee Program Brochure is provided as a supplement to the Kleinfelder Capital Disclosure Brochure (Form ADV 2A). This Wrap Fee Program Brochure is provided along with the complete Disclosure Brochure to provide full details of the business practices and fees when selecting Kleinfelder Capital as your investment advisor.

As part of the investment advisory fee noted in Item 5 – Fees and Compensation of the Disclosure Brochure, Kleinfelder Capital includes normal securities transaction fees as part of the overall investment advisory fee. Securities regulations often refer to this combined fee structure as a “Wrap Fee Program”.

The sole purpose of this Wrap Fee Program Brochure is to provide additional disclosure relating the combination of securities transaction fees into the single “bundled” investment advisory fee. This Wrap Fee Program Brochure references back to the Kleinfelder Capital Disclosure Brochure in which this Wrap Fee Program Brochure serves as an Appendix. **Please see Item 4 – Advisory Services of the Disclosure Brochure for details on Kleinfelder Capital’s investment philosophy and related services.**

### Program Costs

Advisory services provided by Kleinfelder Capital are offered in a wrap fee structure whereby normal securities transaction costs are included in the overall investment advisory fee paid to Kleinfelder Capital. As the level of trading in a Client’s account[s] may vary from year to year, the annual cost to the Client may be more or less than engaging for advisory services where the transactions costs are borne separately by the Client. The cost of the Wrap Fee Program varies depending on services to be provided to each Client, however, the Client is not charged more if there is higher trading activity in the Client’s account[s]. A Wrap Fee structure has a potential conflict of interest as the Advisor may have an incentive to limit the number of trades placed in the Client’s account[s]. **Please see Item 5 – Fees and Compensation of the Disclosure Brochure for complete details on fees.**

### Fees

#### Investment Advisory Services

Investment advisory fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Fees are based on the market value of assets under management with the Advisor at the end of the prior quarter. Fees are based on the following schedule:

Assets Under Management	Annual Fee (%)
Up to \$249,999	1.50%
\$250,000 to \$499,999	1.25%
\$500,000 to \$999,999	1.00%
\$1,000,000 to \$1,999,999	0.80%
\$2,000,000 to \$4,999,999	0.65%
\$5,000,000 to \$9,999,999	0.55%
\$10,000,000 and above	Negotiable

The investment advisory fee in the first quarter of service is prorated from the inception date of the Client’s account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client’s fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by Kleinfelder Capital will be independently valued by the Custodian (as discussed in Item 12 – Brokerage Practices). Kleinfelder Capital will not have the authority or responsibility to value portfolio securities.

Clients may make additions to and withdrawals from their account[s] at any time, subject to Kleinfelder Capital’s right to terminate an account. Additions may be in cash or securities provided that Kleinfelder Capital reserves the right to liquidate any transferred securities or decline to accept particular securities into a Client’s account[s]. Clients may withdraw account assets on notice to Kleinfelder Capital, subject to the usual and customary securities settlement procedures. However, Kleinfelder Capital designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client’s investment objectives. Kleinfelder Capital may

consult with its Clients about the options and ramifications of transferring securities. However, Clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications. For certain Clients, financial planning services are included in investment advisory fee, pursuant to the terms of the investment advisory agreement.

Investment advisory fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with Kleinfelder Capital at the end of the prior quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. Clients provide written authorization permitting Kleinfelder Capital to be paid directly from their accounts held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

**As noted above, the Wrap Fee Program includes normal securities trading costs incurred in connection with the discretionary investment management services provided by Kleinfelder Capital. Securities transaction fees for Client-directed trades may be charged back to the Client.**

In addition, all fees paid to Kleinfelder Capital for investment advisory services or part of the Wrap Fee Program are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. The Client may also incur other costs assessed by the Custodian or other parties for account related activity fees, such as wire transfer fees, trade away fees and other fees. The Advisor does not control nor share in these fees. The Client should review both the fees charged by the fund[s] and the fees charged by Kleinfelder Capital to fully understand the total fees to be paid. Please see Item 5.C. – Other Fees and Expenses in the Disclosure Brochure (included with this Wrap Fee Program Brochure).

### **Compensation**

Kleinfelder Capital is the sponsor and portfolio manager of this Wrap Fee Program. Kleinfelder Capital receives investment advisory fee paid by Clients for investment advisory services covered under this Wrap Fee Program.

## **Item 5 – Account Requirements and Types of Clients**

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Kleinfelder Capital offers investment advisory services to individuals, high net worth individuals, families, trusts, estates, businesses and pension and profit sharing plans. Kleinfelder Capital generally does not impose a minimum size for establishing a relationship. However, certain investments and strategies may require certain minimums for effective implementation. Please see Item 7 – Types of Clients in the Disclosure Brochure for additional information.

## **Item 6 – Portfolio Manager Selection and Evaluation**

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### **Portfolio Manager Selection**

Kleinfelder Capital serves as the sponsor and portfolio manager for this Wrap Fee Program. Advisory services are detailed in Item 4 – Advisory Services of the Disclosure Brochure.

### **Related Persons**

Kleinfelder Capital's Supervised Persons serve as portfolio managers for services under this Wrap Fee Program. Kleinfelder Capital does not act as portfolio manager for any third-party wrap fee programs.

### **Supervised Persons**

As noted above, Supervised Persons serve as a portfolio manager for the Wrap Fee Program. Please refer to the complete Disclosure Brochure (included with this Wrap Fee Program Brochure) for details on the services provided by Kleinfelder Capital and the Brochure Supplement for the background of the Supervised Persons of Kleinfelder Capital.

### **Performance-Based Fees**

Kleinfelder Capital does not charge performance-based fees for its investment advisory services. The fees charged by Kleinfelder Capital are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

Kleinfelder Capital does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

### **Methods of Analysis**

Please see Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss of the Disclosure Brochure (included with this Wrap Fee Program Brochure) for details on the research and analysis methods employed by the Advisor.

### **Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Kleinfelder Capital will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account[s]. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor. Please see Item 8.B. – Risk of Loss in the Disclosure Brochure for details on investment risks.**

### **Voting Client Securities**

Kleinfelder Capital does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

## **Item 7 – Client Information Provided to Portfolio Managers**

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Kleinfelder Capital is the sponsor and sole portfolio manager for the Program. The Advisor does not share Client information with other portfolio managers because it is the sole portfolio manager for this Wrap Fee Program. Please also see the Kleinfelder Capital Privacy Policy (included after this Wrap Fee Program Brochure).

## **Item 8 – Client Contact with Portfolio Managers**

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Kleinfelder Capital is a full-service investment management advisory firm. Clients always have direct access to the Portfolio Managers at Kleinfelder Capital.

## **Item 9 – Additional Information**

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

#### **Disciplinary Information**

Kleinfelder Capital values the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 289345. Please see Item 9 – Disciplinary Information of the Kleinfelder Capital Disclosure Brochure as well as Item 3 of each Advisory Person's Brochure Supplement (included with this Wrap Fee Program Brochure) for additional information on how to research the background of the Advisor and its Advisory Persons.

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

Please see Item 10 – Other Financial Industry Activities and Affiliations and Item 14 – Client Referrals and Other Compensation of the Kleinfelder Capital Disclosure Brochure as well as Items 4 and 5 of each Advisory Person's Brochure Supplement (included with this Wrap Fee Program Brochure).

#### **Code of Ethics, Review of Accounts, Client Referrals, and Financial Information**

Kleinfelder Capital has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons subject to Kleinfelder Capital's compliance program (our "Supervised Persons"). Complete details on the Kleinfelder Capital Code of Ethics can be found under Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading in the Disclosure Brochure (included with this Wrap Fee Program Brochure).

#### **Review of Accounts**

Investments in Client accounts are monitored on a regular basis by Principals of Kleinfelder Capital. Please see Item 13 – Review of Accounts of the Disclosure Brochure (included with this Wrap Fee Program Brochure).

#### **Other Compensation**

##### Participation in Institutional Advisor Platform

Kleinfelder Capital has established an institutional relationship with Fidelity to assist the Advisor in managing Client account[s]. The Advisor receives access to software and related support as part of its relationship with Fidelity. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a Custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of the Custodian over one that does not furnish similar software, systems support, or services. Additionally, the Advisor may receive the following benefits from Fidelity: financial start-up support; reimbursement to Clients for transfer costs to the platform/custodian; financing services; receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and access to an electronic communication network for Client order entry and account information.

Please see Item 14 – Other Compensation in the Disclosure Brochure (included with this Wrap Fee Program Brochure) for details on additional compensation that may be received by Kleinfelder Capital. The Brochure Supplements for each Advisory Person (also included with this Wrap Fee Program Brochure) provide details on outside business activities and the associated compensation, for all Supervised Person[s] with Kleinfelder Capital.

##### Client Referrals from Solicitors

Kleinfelder Capital does not engage paid solicitors for Client referrals.

#### **Financial Information**

Neither Kleinfelder Capital, nor its management has any adverse financial situations that would reasonably impair the ability of Kleinfelder Capital to meet all obligations to its Clients. Neither Kleinfelder Capital, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. Kleinfelder Capital is not required to deliver a balance sheet along with this Disclosure Brochure, as the firm does not collect advance fees of \$1,200 or more for services to be performed six months or more in advance.

## **Form ADV Part 2B – Brochure Supplement**

**for**

**Michael J. Kleinfelder, CFP®  
President and Chief Executive Officer  
Chief Compliance Officer**

**Effective: March 17, 2019**

This Form ADV 2B ("Brochure Supplement") provides information about the background and qualifications of Michael J. Kleinfelder, CFP® (CRD# 4287993) in addition to the information contained in the Kleinfelder Capital, Inc. ("Kleinfelder Capital" or the "Advisor", CRD# 289345) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the Kleinfelder Capital Disclosure Brochure or this Brochure Supplement, please contact us at (513) 808-9700.

Additional information about Mr. Kleinfelder is available on the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 4287993.

**Kleinfelder Capital, Inc.  
8050 Hosbrook Road, Suite 200, Cincinnati, OH 45236  
Phone: (513) 808-9700 | Fax: (513) 802-9085  
<http://KleinfelderCapital.com>**

## Item 2 – Educational Background and Business Experience

Michael J. Kleinfelder, CFP®, born in 1978, is dedicated to advising Clients of Kleinfelder Capital as its President, Chief Executive Officer and Chief Compliance Officer. Mr. Kleinfelder earned a Bachelor of Arts in Economics from Denison University in 2000 and his MBA from Xavier University in 2008. Additional information regarding Mr. Kleinfelder's employment history is included below.

### Employment History:

President, Chief Executive Officer and Chief Compliance Officer, Kleinfelder Capital, Inc.	07/2017 to Present
Registered Representative, Purshe Kaplan Sterling Investments, Inc.	09/2017 to Present
Financial Advisor, Morgan Stanley	06/2009 to 09/2017
Financial Advisor, Citigroup Global Markets Inc.	06/2009 to 05/2009
Financial Advisor, UBS Financial Services Inc.	03/2001 to 06/2009

### CERTIFIED FINANCIAL PLANNER™ (“CFP®”)

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP® (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP® Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- *Education* – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP® Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP® Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- *Examination* – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- *Experience* – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- *Ethics* – Agree to be bound by CFP® Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- *Continuing Education* – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- *Ethics* – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP® Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.



### Item 3 – Disciplinary Information

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***There are no legal, civil or disciplinary events to disclose regarding Mr. Kleinfelder.*** Mr. Kleinfelder has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Kleinfelder.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Kleinfelder.***

However, we do encourage you to independently view the background of Mr. Kleinfelder on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 4287993.

### Item 4 – Other Business Activities

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#### Broker-Dealer Affiliation

Mr. Kleinfelder is also a registered representative of Purshe Kaplan Sterling Investments, Inc. (“PKS”). PKS is a registered broker-dealer (CRD# 35747), member FINRA, SIPC. In Mr. Kleinfelder’s separate capacity as a registered representative, Mr. Kleinfelder will typically receive commissions for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided by Mr. Kleinfelder. Neither the Advisor nor Mr. Kleinfelder will earn ongoing investment advisory fees in connection with any products or services implemented in Mr. Kleinfelder’s separate capacity as a registered representative.

#### Insurance Agency Affiliations

Mr. Kleinfelder is also a licensed insurance professional. Implementations of insurance recommendations are separate and apart Mr. Kleinfelder’s role with Kleinfelder Capital. As an insurance professional, Mr. Kleinfelder may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Mr. Kleinfelder is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mr. Kleinfelder or the Advisor.

### Item 5 – Additional Compensation

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Mr. Kleinfelder has additional business activities where compensation is received that are detailed in Item 4 above.

### Item 6 – Supervision

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Mr. Kleinfelder serves as a President, Chief Executive Officer and the Chief Compliance Officer of Kleinfelder Capital. Mr. Kleinfelder can be reached at (513) 808-9700.

Kleinfelder Capital has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of Kleinfelder Capital. Further, Kleinfelder Capital is subject to regulatory oversight by various agencies. These agencies require registration by Kleinfelder Capital and its Supervised Persons. As a registered entity, Kleinfelder Capital is subject to examinations by regulators, which may be announced or unannounced. Kleinfelder Capital is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

## Privacy Policy

Effective Date: March 17, 2019

### Our Commitment to You

Kleinfelder Capital, Inc. ("Kleinfelder Capital" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Kleinfelder Capital (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

Kleinfelder Capital does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number[s]	Income and expenses
E-mail address[es]	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

### How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, broker-dealers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting. Kleinfelder Capital shares Client information with PKS due to the oversight PKS has over certain supervised persons of the Advisor. You may also contact us at any time for a copy of the PKS Privacy Policy.	Yes	No
<b>Marketing Purposes</b> Kleinfelder Capital does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Kleinfelder Capital or the Client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent[s] or representative[s].	Yes	Yes
<b>Information About Former Clients</b> Kleinfelder Capital does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

### Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy and will provide you with a revised Policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (513) 808-9700.