

# DEERVIEW ASSET MANAGEMENT

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This brochure provides information about the qualifications and business practices of Deerview Asset Management. If you have any questions about the contents of this brochure, please contact us at 908 832.2504 and/or [deerviewassets@aol.com](mailto:deerviewassets@aol.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Registration does not imply a certain level of skill or training.

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## Advisory Firm Information

Deerview Asset Management is a sole proprietorship. The goal is above average long term total return through investment in stocks and bonds. The percentage allocated between the two will be tailored to meet the income needs and risk profile of each client. The make-up of individual portfolios may be modified through client restrictions on individual or sub sectors of equities.

The amount client funds committed to Deerfield's investment management as of February 29, 2024 totals \$47.8 million. All of this is on a discretionary basis.

## Fee Schedule

Fees are based on a percentage of principal

1% on the first \$5 million

$\frac{3}{4}\%$  on the next \$5million

.6% of the balance

The fees are charged quarterly in arrears and may be negotiable under certain circumstances. There are no other administrative or custodial fees but brokerage fees will be incurred as a result of activity in the portfolios. Clients give Deerview the ability to debit fees directly from accounts.

## Types of Clients

Deerview's client base is primarily composed of high net worth individuals. Some of these set up accounts in the form of trusts. Two foundations and one IRA are included in the total.

## Methods of Analysis

A value-based investment style is applied in the management of portfolios, involving such ratios as price to earnings, price to cash flow, price to book, price to sales, cash balances, etc. The focus is on fundamentals: companies are purchased not pieces of paper. Investments are made for the long term with a 3 year time frame and a price target based on historic perspective. The approach is disciplined with purchases near the low end of their historic range and targets set toward the high end of this range.

Sales begin within 10% of the target which must have an approximately 30% potential when

purchases are initiated. A 20% decline triggers an analytical review. Targets are continually re-assessed during the time of ownership. Companies purchased should have several potential ways of improving the bottom line at least some of which should be internal. Bonds, whether municipal or corporate must be rated A or better with primary emphasis on AA or AAA. A laddered approach is employed from 1 to 10 years.

Client risks involve both indigenous and exogenous variables i.e. internal corporate goals are not met due to mismanagement for example. Fluctuations in economic fundamentals would be an example of a variable beyond corporate control which would affect both the stock market and individual corporate fundamentals

Attempts to mitigate risks are made through diversification of both bond and stock portfolios, purchase of established companies, representation in all 10 S&P sectors within the equity portion of accounts and the trimming of excessive individual positions defined as 15%. Reserves may average 5% to provide flexibility, but may be increased by 10% if the market is deemed to be historically overpriced. The thought is that redeployment of these funds along with resetting the asset allocation ratio at the proper time would be sufficient to result in first quartile performance.

#### Disciplinary Information

There are no criminal or civil actions pending against the firm or its sole proprietor, Bruce T. Hyland. There are also no administrative or SRO proceedings either outstanding or in the past against the above.

#### Financial Industry Activities

The firm is not involved in any other activity than that outlined above nor are we affiliated with any other financial institution.

#### Code of Ethics

Professional competence has been aided by my education: an undergraduate degree from Lafayette College with a major in economics, an MBA from Columbia University and the CFA designation along with compliance with its code of ethics over many years. Forty-five years of investment management experience with such institutions as The Bank of New York, Irving Trust Co., Chase Manhattan Bank and, most recently, with Fiduciary Trust Co. Intl. also proved invaluable. Strict compliance with all SEC regulations and ethical client management were of utmost importance for these institutions and for me.

I have a long standing relationship with the majority of my clients. Our relationship spans between 15 and 20 years. They have been quite satisfied with my investment performance during this period, particularly over the past 10 years when markets were especially difficult and I analyzed and deployed my own value ideas independently on a discretionary basis.

An occasion may arise when the sole proprietor, Bruce T. Hyland, may invest in securities which are recommended to clients creating the potential for a conflict of interest. All such trades will always be done after all client activities are completed. It should also be noted that most stocks employed will be large capitalization issues the movement of which would be unlikely to be affected by activity in accounts overseen by the firm.

All client private information will be securely stored in a locking file cabinet to which unauthorized persons do not have access. Non-public client information will never be revealed if it has no bearing on the ability to carry out job duties on the client's behalf.

Detailed profiles of each client wishing me to continue managing their portfolios have long been done. This process will continue for future clients in order to properly set individual objectives.

Response to client inquiries and trading instructions will be done in a timely manner, certainly within 24 hours. Formal annual meetings or detailed reports will be undertaken containing the firm's analysis of account performance and suitability.

IPOs and private placements will not be used in client portfolios.

The company is exempt from New Jersey regulation under its DeMinimus Rule.

#### Brokerage Practices

Deerview has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC through which Fidelity provides Deerview with Fidelity platform services including brokerage. Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions. Fidelity enables Deerview to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers.

As part of the arrangement, Fidelity also makes available to Deerview, at no additional charge to Deerview, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by Deerview (within specified parameters).

As a result of receiving such services for no additional cost, Deerview may have an incentive to continue to use or expand the use of Fidelity's services. Deerview examined this potential conflict of interest when it chose to enter into the relationship with Fidelity and has determined that the relationship is in the best interests of Deerview's clients and satisfies its client obligations, including its

duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Deerview determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Deerview will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by Deerview will generally be used to service all of Deerview's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. Deerview and Fidelity are not affiliates, and no broker-dealer affiliation with Deerview is involved in the relationship between Deerview and Fidelity.

At times, purchase or sale of securities may be aggregated if a blanket decision is made on that issue. Normally though, each account is looked at separately and investment decisions customized for each of them. The resulting additional trades mean additional brokerage costs, but the investment style employed is long term and not heavily trading oriented, so additional charges will not be significant.

#### Review of Accounts

The small number of accounts managed by the firm allow for constant review. In addition, issues owned across account lines are constantly scrutinized. At the very least, as sole proprietor, I will thoroughly review each account issue by issue on a monthly basis which should lead to activity unless none is warranted.

The client will receive monthly statements from the custodian. Informal phone and email discussions will be initiated by either the clients or the firm on an as needed basis. A formal written performance review and outlook will be sent on an annual basis befitting the long term investment approach employed.

No other firm or individual is compensated for client referrals.

#### Custody

As discussed above, Deerview has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC through which Fidelity provides Deerview with Fidelity platform services. These include custodial, administrative support and record keeping and related services that are intended to support intermediaries like Deerview in conducting business and in serving the best interest of its clients but that may benefit Deerview. It should be mentioned that the monthly statements prepared as a result should be carefully reviewed by the client.

### Investment Discretion

Discretionary authority to manage securities is accepted. A paragraph to that effect must be signed off on by the client and returned. The sole proprietor, Bruce Hyland, will then sign a copy acknowledging receipt and return same to the client. This power is limited by the client and does not include the ability to withdraw or transfer funds from the given account.

### Voting Client Securities

Deerview policy allows clients to retain voting authority or to delegate authority to Deerview. Presently, there are some accounts for which the client has not delegated authority to Deerview. Deerview reserves the right to reject this delegation by informing the client in writing. Typically this decision is made at the account opening but may be altered later.

Due to its small size, Deerview assesses the risk that conflicts of interest arising from Deerview or Hyland owning securities similar to those of its clients as being not material. An average 4% position on \$57 million of assets would be less than \$2 million in the aggregate for all clients. Compared against the market capitalization of the typical security in client portfolios of \$10 billion, any conflict arising from the holding of like securities would be mitigated. Moreover, no rational person would put client relationships and the well being of Deerview at risk when the possibility of affecting the outcome is so immeasurably small.

Most voting issues are routine with votes cast in favor of management's position. However, if a case did arise that Deerview judged a client might wish to express a personal opinion on an issue vital to the client, Deerview would consult with the client before voting.

Deerview expects to receive and vote proxies increasingly online. It will keep records of the votes Deerview casts in paper and/or electronic format for a reasonable period of.

### Financial Information

Prepayment is not solicited for any portion of the firm's investment fee. Although limited discretionary authority is accepted, there is no ability to transfer or withdraw funds from accounts and no financial condition that would impair the ability of the firm to meet any contracted commitment to clients exists



