

**Item 1. Cover Page**

**Brochure of  
A Fine Line Asset Management Company, LLC**

**4104 24th Street, #566  
San Francisco, CA 94114  
(415) 550-8030  
beth@afinelineasset.com**

**March 29, 2013**

This brochure provides information about the qualifications and business practices of A Fine Line Asset Management Company, LLC (“A Fine Line”) If you have any questions about the contents of this brochure, please contact us at (415) 550-8030 or beth@afinelineasset.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 A Fine Line also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Although A Fine Line is a “Registered Investment Adviser,” that registration does not imply a certain level of skill or training.”

**Item 2. Material Changes**

Not applicable.

**Item 3. Table of Contents**

	<b>Page</b>
<b>Item 1. Cover Page .....</b>	<b>1</b>
<b>Item 2. Material Changes .....</b>	<b>1</b>
<b>Item 3. Table of Contents .....</b>	<b>2</b>
<b>Item 4. Advisory Business .....</b>	<b>3</b>
<b>Item 5. Fees and Compensation .....</b>	<b>3</b>
<b>Item 6. Performance-Based Fees and Side-By-Side Management.....</b>	<b>4</b>
<b>Item 7. Types of Clients.....</b>	<b>4</b>
<b>Item 8. Methods of Analysis, Investment Strategies and Risk of Loss .....</b>	<b>4</b>
<b>Item 9. Disciplinary Information .....</b>	<b>7</b>
<b>Item 10. Other Financial Industry Activities and Affiliations.....</b>	<b>7</b>
<b>Item 11. Code of Ethics, Participation or Interest In Client Transactions and Personal Trading .....</b>	<b>7</b>
<b>Item 12. Brokerage Practices .....</b>	<b>8</b>
<b>Item 13. Review of Accounts .....</b>	<b>10</b>
<b>Item 14. Client Referrals and Other Compensation .....</b>	<b>10</b>
<b>Item 15. Custody .....</b>	<b>10</b>
<b>Item 16. Investment Discretion .....</b>	<b>11</b>
<b>Item 17. Voting Client Securities .....</b>	<b>11</b>
<b>Item 18. Financial Information .....</b>	<b>11</b>
<b>Item 19. Requirements for State-Registered Advisers.....</b>	<b>12</b>
<b>Privacy Policy .....</b>	<b>12</b>

#### **Item 4.           Advisory Business**

A Fine Line is a California limited liability company that has been in business since 2002. It serves as the investment adviser to other accounts. A Fine Line's manager, controlling owner and portfolio manager is Elizabeth A. Strutzel. As of December 31, 2012, A Fine Line had total discretionary assets under management of approximately \$105,000,000 and total non-discretionary assets under management of approximately \$32,000,000.

A Fine Line provides investment supervisory services to families and family offices through individually managed accounts ("Supervisory Services"). Supervisory Services may include, but are not limited to, development of asset allocation policies, recommendations on new or existing investments, management of identified portfolios, and/or periodic portfolio rebalancing to realign portfolios to asset allocation policies.

A Fine Line may provide investment advice through consultation on selection of investment advisors and on investment activities or opportunities with no ongoing future oversight responsibility to both investment advisory clients and other clients who do not require investment advisory services ("Consulting Services").

To tailor its services to the individual needs of each individually managed account, A Fine Line:

- Manages each such account based on the client's financial situation and investment objectives and in accordance with any restrictions that the client imposes on managing the account. A Fine Line obtains this information from a client in a questionnaire or otherwise.
- At least annually, contacts each client (either in person or by telephone) to ask about any changes in the client's financial situation or investment objectives and whether the client desires to impose or modify any restrictions on managing the account.
- Notifies each client quarterly in writing to contact A Fine Line if there are any changes in the client's financial situation or investment objectives, or if the client desires to impose or modify any restrictions on managing the account.
- A Fine Line makes itself reasonably available to clients for consultation.

#### **Item 5.           Fees and Compensation**

A Fine Line negotiates an annual fee with each client to whom A Fine Line provides either discretionary or non-discretionary "investment supervisory services." The fee may be fixed for a period of time until the assets change substantially either in size or complexity, at which time the fees will be re-negotiated. A Fine Line may also charge fees as a percentage of assets under management. Fees as a percentage of assets range from 0.10% to 0.50% of assets under management. Factors considered by A Fine Line in establishing its fee agreement with each client include: the value of the assets with respect to which A Fine Line provides consulting services, whether A Fine Line will provide discretionary or non-discretionary services, the complexity of the assets and other factors. Fee payments typically are due monthly or quarterly

in advance depending on the terms of each client's advisory services contract. Fiscal year consulting fees typically range from \$10,000 to \$500,000 annually.

Fees for Consulting Services are negotiable. If the consultation is a defined project, the fee is based upon the complexity of the consultation and estimated time required to complete the consultation. Retainers to ensure a minimum time commitment for consultation and consultations on an hourly basis are available. A Fine Line's typical hourly fee rate is \$400/hour and is negotiable based on the total projected hours and regularity of services.

A Fine Line bills each client for such amounts.

Accounts that invest in mutual funds, exchange traded funds, separately managed public security accounts, hedge funds, real estate funds and private equity funds also pay, indirectly, investment advisory fees to the managers of those funds.

A Fine Line believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees.

Except as may be otherwise negotiated in particular cases, the holder of an individually managed account may terminate the account by giving 30 days' prior written notice.

In all cases, expenses and the pro rata portion of the management fee through the date of termination are charged to the account. All prepaid but unearned advisory fees are refunded on termination of a client's account.

Each account is responsible for its own costs and expenses, including trading costs and expenses (such as brokerage commissions, expenses related to short sales, and clearing and settlement charges), ongoing legal, accounting and bookkeeping fees and expenses, and the fees and expenses charged by any fund administrator for its accounting, bookkeeping and other services. A Fine Line bears its own operating, general, administrative and overhead costs and expenses, other than the expenses described above. All or part of these costs and expenses may be paid, however, by securities brokerage firms and futures commission merchants that execute clients' securities trades, as discussed in Item 12 below.

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

A Fine Line currently manages only accounts that pay fixed rate or asset-based compensation as described in Item 5. It does not manage accounts that pay performance-based compensation.

#### **Item 7. Types of Clients**

A Fine Line's separate account clients may include high-net-worth individuals, trusts, corporations, foundations, endowments and pension plans.

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

Investment Supervisory Services may include, but are not limited to, development of asset allocation policies, recommendations on new or existing investments, management of identified portfolios, and/or periodic portfolio rebalancing to realign portfolios to asset allocation policies. A Fine Line's services in the first six to twelve months following engagement generally are more extensive than those provided in subsequent periods. Typically, in the initial period, A Fine Line develops asset allocation policies and implementation strategies. In subsequent periods, A Fine Line typically focuses on periodic rebalancing of portfolios and monitoring.

A Fine Line provides Consulting Services on selection of investment advisors and on investment activities or opportunities with no ongoing future oversight responsibility to both investment advisory clients and other clients who do not require investment advisory services. Clients who do not require investment advisory services would include, but not be limited to, clients managing their own investments, clients who require consultation in selecting an investment advisor, or other investment advisors/financial planners who require investment consultation on a particular issue. These consultations may include asset allocation policies, investment strategy, analysis of investments in alternative investment limited partnerships, methods of managing concentrated investment positions with large embedded capital gains, use of mutual funds and exchange traded funds in effecting an asset allocation policy, due diligence to be used in selecting an investment advisor or education about investment concepts and issues.

### Risk Factors

Investing in securities involves risk of loss that clients should be prepared to bear. Below are some of the risks that investors should consider before investing in any account that A Fine Line manages. Any or all of such risks could materially and adversely affect investment performance, the value of any account or any security held in an account, and could cause investors to lose substantial amounts of money. Below is only a brief summary of some of the risks that a client or investor may encounter.

- Client accounts may not achieve their investment objectives. A strategy may not be successful and investors may lose some or all of their investment.
- Investor sentiment on the market, an industry or an individual stock, fixed income or other security is not predictable and can adversely affect an account's investments.
- An account may hold stocks that disappoint earnings expectations and decline, and may short stocks that beat earnings expectations and rise.
- A Fine Line may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. A Fine Line also may receive material, non-public information about an issuer that prevents it from trading securities of that issuer for a client when the client could make a profit or avoid losses.
- An account may have higher portfolio turnover and transaction costs than a similar account managed by another investment adviser. These costs reduce investments and potential profit or increase loss.

- A Fine Line may use leverage by borrowing on margin, selling securities short and trading derivatives, which increases volatility and risk of loss. These instruments can be difficult to value. An incorrect valuation could result in losses.
- Counterparties such as brokers, dealers, futures commission merchants, custodians, administrators, investment advisers and investment funds with which A Fine Line does business on behalf of clients may default on their obligations. For example, a client may lose its assets on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt.
- A Fine Line may cause clients to invest in securities of non-U.S., private and government issuers. The risks of these investments include political risks; economic conditions of the country in which the issuer is located; limitations on foreign investment in any such country; currency exchange risks; withholding taxes; limited information about the issuer; limited liquidity; and limited regulatory oversight.
- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to investors.
- Some of an account's positions may be or become illiquid, in which case A Fine Line may not be able to sell such positions.
- An account may invest in restricted securities that are subject to long holding periods or that are not traded in public markets. These securities are difficult or impossible to sell at prices comparable to the market prices of similar publicly-traded securities and may never become publicly traded.
- An account's investments may not be diversified. Therefore, a loss in any one position, industry or sector in which a fund has invested may cause significant losses.
- A Fine Line determines the value of securities and commodities held in client accounts, whether or not a public market exists for such instruments. If A Fine Line's valuation is inaccurate, it might receive more compensation than that to which it is entitled.
- A Fine Line and its affiliates and agents generally are not responsible to any client or investor for losses incurred in an account unless the conduct resulting in such loss breached A Fine Line's fiduciary duty to the client or investor.
- Federal, state and international governments may increase regulation of investment advisers, private investment funds and derivative securities, which may increase the time and resources that A Fine Line must devote to regulatory compliance, to the detriment of investment activities.

- A Fine Line is not registered with the SEC as a broker-dealer, or with the Commodity Futures Trading Commission as a commodity pool operator or commodity trading adviser. A Fine Line believes that none of these registrations is required because exemptions are available under applicable law. If a regulatory authority deems that any of these registrations is required, A Fine Line and any fund could be subject to expensive legal action and potential termination.
- A Fine Line's activities could cause adverse tax consequences to clients and investors, including liability for interest and penalties.
- A Fine Line and its affiliates may spend time on activities that compete with a client account without accountability to investors, including investing for other clients and their own accounts. If A Fine Line receives better compensation and other benefits from managing other assets or client accounts compared to managing an account, it has incentive to allocate more time to those other activities. These factors could influence A Fine Line not to make investments on an account's behalf even if such investments would benefit the account.

The above is only a brief summary of some of the important risks that a client may encounter.

**Item 9. Disciplinary Information**

Not applicable.

**Item 10. Other Financial Industry Activities and Affiliations**

Not applicable.

**Item 11. Code of Ethics, Participation or Interest In Client Transactions and Personal Trading**

A Fine Line has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, that establishes standards of conduct for A Fine Line's supervised persons. The Code of Ethics includes general requirements that A Fine Line's supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to comply with the personal trading restrictions described below and periodically to report their personal securities transactions and holdings to A Fine Line's Compliance Officer, and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Compliance Officer. Each supervised person of A Fine Line receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received those materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during the preceding year. Clients and prospective clients may obtain a copy of A Fine Line's Code of Ethics by contacting Elizabeth A. Strutzel.

Under A Fine Line's Code of Ethics, A Fine Line and its officers, managers, members and employees may personally invest in securities of the same classes as A Fine Line purchases for clients and may own securities of issuers whose securities that A Fine Line subsequently purchases for clients. This practice creates a conflict of interest in that any of such persons can use his or her knowledge about actual or proposed securities transactions and recommendations for a client account to profit personally by the market effect of such transactions and recommendations. To address this conflict, except as described in Item 12 regarding aggregating securities transactions, if A Fine Line purchases or sells a security for clients and any of A Fine Line and its officers, managers, members and employees on the same day, either the clients and A Fine Line and its officers, managers, members and employees pay or receive the same price, or the clients receive the more favorable price. A Fine Line and its officers, managers, members and employees may also buy or sell specific securities for their own accounts based on personal investment considerations aside from company or industry fundamentals, which A Fine Line does not believe appropriate to buy or sell for clients.

Because A Fine Line may manage more than one account, there may be conflicts of interest over its time devoted to managing any one account and allocating investment opportunities among all accounts that it manages. For example, A Fine Line selects or recommends investments for each client based solely on investment considerations for that client. Different clients may have differing investment strategies and expected levels of trading. A Fine Line may buy or sell, (or make a recommendation to buy or sell), a security for one type of client but not for another, or may buy or sell, (or make a recommendation to buy or sell), a security for one type of client while simultaneously selling (or buying) the same security for another type of client. A Fine Line attempts to resolve all such conflicts in a manner that is generally fair to all of its clients. A Fine Line may give advice to, and take action on behalf of, any of its clients that differs from the advice that it gives or the timing or nature of action that it takes on behalf of any other client so long as it is A Fine Line's policy, to the extent practicable, to allocate investment opportunities to its clients fairly and equitably over time. A Fine Line is not obligated to acquire for any account any security that A Fine Line or its managers, members or employees may acquire for its or their own accounts or for any other client, if in A Fine Line's absolute discretion, it is not practical or desirable to acquire a position in such security for that account.

## **Item 12. Brokerage Practices**

Where A Fine Line has discretion to select the broker that it uses for client transactions and the commission rates that clients pay such brokers, A Fine Line may consider a number of factors to make that selection, including, for example:

- net price, clearance, settlement and reputation;
- financial strength and stability;
- efficiency of execution and error resolution;
- block trading and block positioning capabilities;
- willingness to execute related or unrelated difficult transactions in the future;
- special execution capabilities;
- offering to A Fine Line on-line access to computerized data regarding clients' accounts;
- computer trading systems; and



- the availability of stocks to borrow for short trades.

A Fine Line may also purchase from a broker or futures commission merchant or allow a broker or futures commission merchant to pay for the following (each a “soft dollar” relationship):

- research reports, services and conferences, including third-party research fees;
- technical data;
- periodical subscription fees;
- consultations;
- performance measurement data;
- on-line pricing;
- news wire and data processing charges; and
- quotation services.

A Fine Line may receive soft dollar credits based on principal, as well as agency, securities transactions with brokers and futures commission merchants or direct a broker or futures commission merchant that executes transactions to share some of its commissions with a broker or futures commission merchant that provides soft dollar benefits to A Fine Line.

During A Fine Line’s last fiscal year, it did not purchase products or services with client brokerage commissions or markups.

Section 28(e) of the Securities Exchange Act of 1934 provides a “safe harbor” to investment advisers who use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the adviser in performing investment decision-making responsibilities. Conduct outside of the safe harbor of section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. If A Fine Line uses commission dollars to pay for products or services that provide administrative or other nonresearch assistance to itself or its affiliates, such payments may not fall within the section 28(e) safe harbor.

A Fine Line may pay to a broker commissions and mark-ups that exceed those that another broker or futures commission merchant might charge for effecting the same transaction because of the value of the brokerage, research, other services and soft dollar relationships that such broker or futures commission merchant provides. A Fine Line determines in good faith that such compensation is reasonable in relation to the value of such brokerage, research, other services and soft dollar relationships, in terms of either the specific transaction or A Fine Line’s overall fiduciary duty to its clients. An account may, however, pay higher commissions and mark-ups than are otherwise available or may pay more commissions or mark-ups based on account trading activity. The research and other benefits resulting from A Fine Line’s brokerage relationships benefit A Fine Line’s operations as a whole and all accounts that it manages, including those that do not generate the soft dollars that pay for such research and other benefits and accounts of clients that direct A Fine Line to use a broker or futures commission merchant that does not provide A Fine Line with soft dollar services. A Fine Line does not allocate soft dollar benefits to client accounts proportionately to the soft dollar credits that the accounts generate.

A Fine Line's relationships with brokers and futures commission merchants that provide soft dollar services influence A Fine Line's judgment and create conflicts of interest in allocating brokerage business between firms that provide soft dollar services and firms that do not. A Fine Line has an incentive to select or recommend a broker or futures commission merchant based on A Fine Line's interest in receiving soft dollar services rather than clients' interest in receiving the most favorable execution. These conflicts of interest are particularly influential to the extent that A Fine Line uses soft dollars to pay expenses it would otherwise be required to pay itself.

A Fine Line may aggregate securities sale and purchase orders for a client with similar orders being made contemporaneously for other accounts that A Fine Line manages or with accounts of its affiliates. In such event, A Fine Line may charge or credit a client the average transaction price of all securities purchased or sold in such transactions. As a result, however, the price may be less favorable to the client than it would be if A Fine Line were not executing similar transactions concurrently for other accounts. A Fine Line may also cause a client to buy or sell securities directly from or to another client, if such a cross-transaction is in the interests of both clients.

If a client directs A Fine Line to use a specific broker, A Fine Line has not negotiated the terms and conditions (including, among others, commission rates) relating to the services provided by such broker. A Fine Line is not responsible for obtaining from any such broker the best prices or particular commission rates. A client that directs A Fine Line to use a specific broker may not be able to participate in aggregate securities transactions and may trade after such aggregate transactions and receive less favorable pricing and execution. The client may pay higher commissions and mark-ups than it would pay if A Fine Line had discretion to select broker-dealers other than those that the client chooses.

#### **Item 13. Review of Accounts**

A Fine Line reviews all accounts monthly or quarterly. Those reviews take into account such matters as asset allocation, cash management, the prospects of individual securities, changes in issuer earnings, industry outlook, market outlook and price levels. A Fine Line provides periodic reports to clients monitoring financial assets relating to the agreed upon services. For investment advisory clients, these reports typically include (1) a summary of assets by asset class, and (2) descriptive summaries of investments being recommended for current or future investment by the client.

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

A Fine Line may engage solicitors to whom it pays cash or a portion of the advisory fees paid by clients referred to it by those solicitors. In such cases, this practice is disclosed in writing to the client and A Fine Line complies with the other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, to the extent required by applicable law.

#### **Item 15. Custody**

The custodian of each individually managed account sends account statements at least quarterly to the client. Each client should carefully review those statements.

## **Item 16. Investment Discretion**

A Fine Line has discretionary authority to manage investment accounts on behalf of clients pursuant to a limited power of attorney in each client's account agreement. Such discretion is limited by the requirement that clients advise A Fine Line of:

- the investment objectives of the account;
- any changes or modifications to those objectives; and
- any specific investment restrictions relating to the account.

A client must promptly notify A Fine Line in writing if the client considers any investments recommended or made for the account to violate such objectives or restrictions. A client may at any time direct A Fine Line to sell any securities or take such other lawful actions as the client may specify to cause the account to comply with the client's investment objectives. In addition, a client may notify A Fine Line at any time not to invest any funds in the client's account in specific securities or specific categories of securities.

## **Item 17. Voting Client Securities**

A Fine Line votes all proxies on behalf of each account over which A Fine Line has proxy voting authority based on A Fine Line's determination of such account's best interests. In some cases, the client retains proxy voting authority, so A Fine Line does not vote proxies in those accounts. In determining whether a proposal serves an account's best interests, A Fine Line considers a number of factors, including:

- the proposal's economic effect on shareholder value;
- the threat that the proposal poses to existing rights of shareholders;
- the dilution of existing shares that would result from the proposal;
- the effect of the proposal on management or director accountability to shareholders; and
- if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual.

A Fine Line abstains from voting proxies when A Fine Line believes that it is appropriate to do so.

If a material conflict of interest over proxy voting arises between A Fine Line and a client, A Fine Line will vote all proxies in accordance with the policy described above. If A Fine Line determines that this policy does not adequately address the conflict of interest, A Fine Line will notify the client of the conflict and request that the client consent to A Fine Line's intended response to the proxy solicitation. If the client consents to A Fine Line's intended response or fails to respond to the notice within a reasonable time specified in the notice, A Fine Line will vote the proxy as described in the notice. If the client objects in writing to A Fine Line's intended response, A Fine Line will vote the proxy as the client directs.

## **Item 18. Financial Information**

Not applicable.

**Item 19. Requirements for State-Registered Advisers**

Not applicable.

**Privacy Policy**

A Fine Line and the investment limited partnerships for which it serves as general partner:

- collect non-public personal information about their clients and investors from the following sources:
  - information received from clients or investors on applications or other forms, and
  - information about clients' or investors' transactions with A Fine Line, its affiliates or others;
- do not disclose any non-public personal information about their clients or investors or former clients or investors to anyone, except as permitted by law;
- restrict access to non-public personal information about their clients and investors to their employees who need to know that information to provide services to clients; and
- maintain physical, electronic and procedural safeguards that comply with federal standards to guard clients' and investors' personal information.

6332\001\NKOREN\1710660.8