

Item 1 – Cover Page



Wrap Fee Program Brochure

201 South College Street Suite 2250  
Charlotte, NC 28244  
(704) 333-1710

[www.kingfishercapital.com](http://www.kingfishercapital.com)

March 21, 2016

This Wrap Fee Program Brochure provides information about the qualifications and business practices of Kingfisher Capital, LLC ("Kingfisher"). If you have any questions about the contents of this Wrap Fee Program Brochure, please contact H.K. Hallett at (704) 333-1710 or [hk@kingfishercapital.com](mailto:hk@kingfishercapital.com). The information in this document has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

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

## Item 2 – Material Changes

Investment Advisers are required to prepare a disclosure document (“Wrap Fee Program Brochure”) that describes the firm and its business practices. Pursuant to SEC rules, we are required to update our Wrap Fee Program Brochure at least annually and provide you with a summary of any material changes since the previous annual amendment.

We have prepared this updated Brochure, dated March 21, 2016. Following is a description of the material changes that occurred since our last annual amendment dated March 18, 2015.

With this summary, we hereby offer to deliver a complete copy of our Wrap Fee Program Brochure upon your request at any time during the year. You may request a complete copy of this document at any time by contacting H.K. Hallett, Managing Partner at (704) 333-1710 or [hk@kingfishercapital.com](mailto:hk@kingfishercapital.com).

Additional information about Kingfisher Capital is available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Kingfisher who are registered as investment adviser representatives.

### **Item 3 – Table of Contents**

Item 1 – Cover Page .....	1
Item 2 – Material Changes.....	2
Item 3 – Table of Contents .....	3
Item 4 – Services, Fees and Compensation.....	4
Item 5 – Account Requirements and Types of Clients .....	5
Item 6 – Portfolio Manager Selection and Evaluation .....	5
Item 7 – Client Information Provided to Portfolio Managers.....	6
Item 8 – Client Contact with Portfolio Managers.....	6
Item 9 – Additional Information .....	6

#### **Item 4 – Services, Fees and Compensation**

The Kingfisher Manager Program is a wrap program sponsored by Kingfisher Capital. Kingfisher charges a single fee to the client that includes custody, trades executed through the account custodian, investment advisory services and other costs associated with management of the account. The fee does not include other expenses such as account maintenance fees, transfer fees, electronic fund and wire fees, interest, taxes or other expenses unrelated to the purchase and sale of securities. All fees paid to Kingfisher are separate and distinct from the fees and expenses charged by mutual funds or in conjunction with internal expenses associated with exchange-traded funds. The client will be solely responsible, directly or indirectly, for these additional expenses.

Kingfisher negotiates a fee with the account custodian to cover brokerage costs, which is an expense paid by Kingfisher. Kingfisher may choose to pay a fee based on the total assets in the client's account (asset-based pricing) or a fee for each transaction executed in the client account (transaction-based pricing). While the decision does not ultimately affect the cost paid by the client, Kingfisher will benefit from choosing the pricing option that will result in the lowest cost. Furthermore, for accounts subject to transaction-based pricing, Kingfisher has an incentive to limit trading because the custodian charges Kingfisher for each trade.

Clients participating in the Kingfisher Manager Program custodied at TDAmeritrade may be subject to additional fees when Kingfisher chooses to execute transactions at another broker ("trading away"). As discussed in detail in Brokerage Practices section of Item 9, Kingfisher believes that certain situations warrant incurring additional fees in exchange for better execution quality for the transaction, and that the client will benefit from the overall value of the transaction.

Clients may, but are not required to, grant Kingfisher the authority to debit advisory fees directly from the clients' accounts. If the client authorizes Kingfisher to debit fees, Kingfisher is deemed to have custody of the client's funds. Clients will receive a statement, usually monthly but no less than quarterly, directly from their account custodian. Kingfisher urges clients to review the information on the statement for accuracy and compare the information to any reports received directly from Kingfisher.

Fees are charged quarterly in advance based on the value of the account on the last day of the previous quarter. While Kingfisher intends to charge fees in accordance with the standard fee schedule in place at the time of executing the portfolio management agreement, fees are subject to negotiation and may vary from the standard schedules to reflect circumstances that apply to a specific client account. The fee schedule, and any applicable terms and conditions, is stated in the client's portfolio management agreement. The standard advisory fee charged by Kingfisher for clients participating in the Kingfisher Manager Program is as follows:

<u>Asset Value of the Account</u>	<u>Annual Fee</u>
Up to \$1,000,000	1.65%
\$1,000,001 to \$3,000,000	1.35%
Greater than \$3,000,000	1.25%

Kingfisher is also the portfolio manager for the accounts and clients may select any of the investment strategies offered by Kingfisher. Kingfisher may choose to engage the services of a third party manager to implement certain strategies within a client's overall portfolio, such as fixed income investments. Kingfisher will provide client's using any third party manager with a copy of the manager's Form ADV Part 2.

Either party may terminate the portfolio management agreement upon 60 days written notice to the other party. Upon termination, clients will be refunded all fees paid but unearned as of the date the 60-day notice period expires. Termination of the agreement will not affect the liabilities or obligations incurred or arising from transactions initiated under the agreement prior to the termination.

Clients may receive comparable services from other broker-dealers or investment advisers and pay fees that are higher or lower than those charged under the Kingfisher Manager Program. Fees may be more or less than the client would have paid if the services (account management, custody and brokerage transactions) were purchased separately outside of the wrap program.

---

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

Kingfisher provides portfolio management services to high net worth individuals, trusts, estates, pension and profit-sharing plans, charitable institutions, foundations, endowments, corporations, and small businesses.

Kingfisher requires a minimum account value of \$1 million for investment advisory services, although this may be reduced or waived at Kingfisher's discretion. If Kingfisher chooses to accept an account below the stated minimum, the client may be subject to a minimum annual fee of \$3,500 per year.

---

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

Kingfisher manages the majority of the assets in the Kingfisher Manager Program. When appropriate, Kingfisher may recommend the services of a third party manager to implement certain parts of a client's investment portfolio (i.e. fixed income).

Kingfisher offers various global asset allocation and investment strategies. The strategies are implemented using common stocks, preferred stocks, bonds, mutual

funds, exchange-traded funds, derivatives and/or other alternative investments (i.e. Real Estate Investment Trusts, Master Limited Partnerships, etc.) The strategies vary from conservative to growth in orientation. Kingfisher also offers customized income portfolios and thematic and niche strategies.

Client accounts are managed based on the particular investment strategy selected by the client, subject to any specific instructions, guidelines or restrictions provided by the client in writing. Accounts participating in the Kingfisher Manager Program are managed according to the same investment process and operational procedures as accounts managed separately.

---

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

Kingfisher collects information about each client, which may include personal information, objectives, risk tolerance and suitability information. To the extent that Kingfisher engages a third party manager for implementation of the client's investment strategy, Kingfisher will provide this information to the third party manager.

---

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

Kingfisher portfolio managers are available to clients at any time during normal business hours. To the extent Kingfisher selects a third party manager to manage a client account, Kingfisher can arrange a meeting or conference call with the third party manager at the client's request.

---

### **Item 9 – Additional Information**

#### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Kingfisher or its management. Kingfisher has no disciplinary actions to disclose.

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

H.K. Hallett, Alex Miles, and Chad Frk are registered representatives of Redwine & Company, an independent broker-dealer. Kingfisher does not execute any client transactions. The principals may refer clients or other persons to potential investment opportunities, including unaffiliated hedge funds or other private placements, and receive compensation from the fund or sponsor of the investment for the referral. Thus, Kingfisher has a financial interest in recommending those investment opportunities and

therefore, a potential conflict of interest exists. Kingfisher does not receive any compensation other than the referral fee paid by the third party.

As discussed previously, Kingfisher may receive commissions from the sale of insurance products. Clients are not required to implement any recommendations through Kingfisher. Still, this creates an incentive for Kingfisher to recommend insurance products based on the compensation received rather than on the client's needs. Clients do not pay additional fees as a result of the sale of the products. Kingfisher is paid directly from the insurance company issuing the product.

### **Code of Ethics**

Kingfisher adopted a Code of Ethics that sets forth a standard of conduct required by Kingfisher's supervised persons and requires compliance with applicable securities laws, including the Insider Trading and Securities Fraud Enforcement Act of 1988. An investment adviser's Code of Ethics requires certain employees (Access Persons) to report their personal securities holdings within ten days of being hired and annually thereafter, and are required to report securities transactions within thirty days of the end of each calendar quarter. The Chief Compliance Officer or other designated person reviews employee's personal investment activity to ensure employee trading activity does not conflict with advice provided to clients. A complete copy of Kingfisher's Code of Ethics is available to any client or prospective client upon request.

Kingfisher adopted policies and procedures imposing certain conditions and restrictions on transactions for the accounts of Kingfisher's employees. Kingfisher employees are permitted to make investments in securities that are also held in client portfolios, provided they conduct their personal trading in a manner that does not create a conflict of interest with a client, or otherwise take unfair advantage of the client relationship. Employees are required to obtain approval from the Chief Compliance Officer, or other designee, prior to executing trades for their own account in any private placement or initial public offering. Kingfisher employees are prohibited from taking action for personal benefit rather than for a client's benefit, and from using their knowledge of client transactions for personal profit.

An employee of Kingfisher is the manager and control person of an unaffiliated private fund. Kingfisher clients are not solicited to invest in the fund. The private fund is a long short strategy using options and other derivative investments specifically focused on the energy and oil sectors. While the fund may buy and sell securities similar to those recommended for client accounts, Kingfisher's management monitors the trading activity of the private fund to ensure that the fund does not receive any preferential treatment with regard to trading or allocation of investment opportunities. Kingfisher's reviews are also intended to identify any situations where Kingfisher clients are, or have the potential to be, systemically disadvantaged by the private funds trading and investment strategy.

### **Review of Accounts**

Strategies are reviewed by portfolio managers and/or other senior officers. Clients' asset allocation and performance reviews are conducted no less than quarterly. These reviews ensure that client accounts are invested according to their overall agreed upon asset allocation. Additional reviews may occur more frequently due to such factors as inflows to or outflows from an account, significant market movements, economic or political events, or other factors as deemed necessary.

Clients will receive a monthly statement from their custodian, which includes an inventory of holdings and a detailed listing of all transactions. Kingfisher may provide additional reports to clients upon request.

### **Brokerage Practices**

Obtaining best execution is an important aspect of every trade that we place in client accounts. Best execution can be described as seeking the most favorable terms for completing client transactions considering all relevant circumstances at the time. Kingfisher has a Best Execution Committee that provides oversight of our trading practices, including execution quality, soft dollars, directed brokerage, broker selection, and trade aggregation. The goal of the Best Execution Committee is to take a best practices approach to trading principals to ensure transactions are executed in a manner that is most beneficial to our clients.

When selecting broker-dealers to execute client transactions, Kingfisher will seek the best combination of price and execution for a particular transaction. Kingfisher evaluates the services provided by broker-dealers and may consider, among other things:

- Reliability, efficiency and overall quality of service provided;
- Transaction costs;
- Specialization in a particular market;
- Liquidity provided;
- Online services;
- Value of any investment research provided;
- Financial condition;
- Integrity and reputation;
- Error resolution.

Section 28(e) of the Securities Exchange Act permits advisers to use soft dollars, whereas a portion of client commissions is used to purchase research and brokerage services that assist the adviser in managing client accounts. The types of eligible research includes, but is not limited to: research reports on companies, industries and sectors; economic and financial data; financial publications; market data and quotations services; asset allocation; and portfolio analytics. Any client account may participate in soft dollar transactions, including separate accounts and wrap accounts.



Kingfisher entered into soft dollar agreements with Academy Securities and Brownstone Investment Group, and receives soft dollar credits for trades executed with those brokers. Kingfisher may use such credits to pay for research services, such as Bloomberg or other research/market data sources that assist Kingfisher in making investment decisions for client portfolios. Kingfisher is not contractually obligated to direct any trades to these brokers in connection with this arrangement. Research services obtained through soft dollar arrangements are intended to benefit all client accounts. However, the brokerage commissions paid by a client may be used to pay for research that is not used in managing that particular client's account.

Kingfisher recognizes that using client commissions for research products creates a conflict of interest because Kingfisher does not have to pay for the products. This may give Kingfisher an incentive to use a particular broker/dealer based on Kingfisher's interest in receiving the products rather than the client's interest in receiving the most favorable execution. Clients may pay more than the lowest available commission for executing a transaction in order for Kingfisher to receive these benefits. Nonetheless, Kingfisher believes the commissions paid by the client are reasonable in relation to the value of the research and brokerage services received from the broker/dealers and/or third-party providers.

Kingfisher typically executes client transactions through the broker that also serves as custodian for the account. In some cases, Kingfisher may determine that trading through another broker ("trading away") may provide clients with better overall execution quality than by trading directly with the custodian. Trading away is often beneficial when trading fixed income securities, since brokers specializing in bonds have larger inventories, better access to specific bonds and more advantageous pricing. Also, when executing large blocks of thinly-traded stocks or ETFs, execution quality may be improved by trading with a specialist in that market.

Trading away may cause the client to incur additional fees from the executing broker and/or the custodian. Kingfisher believes that any additional fees (including trade-away fees, brokerage commissions, soft dollar commissions, mark-ups, spreads, etc.) are offset by the benefit gained from trading away due to the potential for improvement in execution price. Kingfisher's Best Execution Committee reviews the trading practices to ensure its trade away practices continue to benefit client accounts.

Clients have the opportunity to select the custodian and/or broker-dealer of their choice. However, Kingfisher recommends clients utilize the custodial and brokerage services of TD Ameritrade, Raymond James & Associates or Schwab through each firm's respective institutional adviser platform program, in which Kingfisher participates. The recommended custodians are SEC-registered, FINRA/SIPC/NFA member broker-dealers and are not affiliated with Kingfisher. While these benefits create a potential conflict of interest on behalf of Kingfisher, there is no direct link between Kingfisher's participation in the platform and the advice it gives to clients. The reason for this preference includes, but is not limited to: discounted commission rates; dedicated trading and/or client

service personnel; availability of no load, no transaction fee, load-waved and institutional class mutual funds; access to electronic and/or block trading; daily transaction download and reconciliation files; discounts on compliance, marketing, research, technology and practice management products and services provided by third party vendors; and familiarity of our staff with their operational procedures. While the receipt of these economic benefits - which are not typically available to the custodians' retail customers - creates a potential conflict of interest, there is no direct link between Kingfisher's participation in the platform and the advice it gives to clients and does not depend on the amount of brokerage transactions directed to these custodians. Not all investment advisers require clients to use the services of a particular broker-dealer or custodian. Therefore, by directing brokerage, clients may not receive best execution on transactions and may incur higher costs.

Clients may request that their account be held at a custodian – and transactions executed at a broker-dealer – other than one recommended by Kingfisher. In such cases, the client understands that Kingfisher may not be able to negotiate the best available execution. As a result, transactions in accounts directed by the client to a particular broker-dealer may result in less favorable net prices than would be the case if Kingfisher were authorized to choose the brokers or dealers through which to execute transactions for the client's account. Furthermore, transactions directed by the client may be executed after transactions for accounts where Kingfisher determines the broker-dealer to execute the trades. To the extent that directed brokerage is the result of a wrap-fee arrangement, clients will generally receive best execution through the wrap program sponsor since the fees paid by the client already include commissions and other related costs.

Kingfisher may choose to, but is not required to, aggregate client purchase and sale orders of securities with those of other clients if, in Kingfisher's judgment, aggregation is reasonably likely to result in an overall economic benefit to clients participating in the trade. Clients participating in an aggregated order will receive the average price of all transactions executed on a pro rata basis. If an order is partially filled, shares will be allocated pro rata based on the client's initial participation in the transaction. To the extent that the limited availability of a security would result in a de minimis allocation, Kingfisher may exclude one or more accounts from participating in the order and/or select an alternative allocation method provided that such method is fair and equitable to all client accounts over time.

#### **Client Referral and Other Compensation**

Kingfisher has access to free or discounted research materials from broker-dealers and/or third-party providers in exchange for recommending clients use the custodial services of various broker-dealers, namely, TD Ameritrade, Fidelity, Schwab and Raymond James & Associates. These broker-dealers may provide free industry information that does not qualify as research, such as newsletter or other publications pertaining to compliance, marketing, practice management, etc. In addition, events such as workshops or conferences may be available at reduced cost or no cost. These benefits

are not provided on the basis of client transactions. Under no circumstances do any clients pay additional fees or commissions in order to obtain these products or services.

Kingfisher entered into client referral agreements with unaffiliated third party solicitors whereas the solicitors may refer prospective clients whose investment goals and objectives are compatible with Kingfisher's investment approach. Kingfisher compensates the solicitor for the referral by paying a percentage of the annual fee charged by Kingfisher. Thus, the solicitor has a financial interest in the selection of Kingfisher for investment advisory services. No client referred to Kingfisher by a third party solicitor will pay a higher fee as a result of this compensation arrangement. Clients referred to Kingfisher as part of a solicitation agreement will be provided with a separate solicitors disclosure document outlining the terms of the solicitation arrangement.

*TD Ameritrade AdvisorDirect Referral Program:*

Kingfisher receives client referrals from TD Ameritrade through its participation in TD Ameritrade's AdvisorDirect (the "referral program"). In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, Kingfisher was selected to participate in AdvisorDirect based on the amount of client assets at TD Ameritrade. TD Ameritrade is a broker-dealer and is not affiliated with Kingfisher. There is no employee or agency relationship between TD Ameritrade and Kingfisher. TD Ameritrade has established the referral program as a means of referring its brokerage customers and other investors seeking fee-based investment advisory services to independent investment advisers. TD Ameritrade has no responsibility for management of client portfolios or for any other advisory service offered by Kingfisher. Kingfisher pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to Kingfisher ("Solicitation Fee"). Kingfisher will also pay TD Ameritrade the Solicitation Fee on any advisory accounts of a referred client's family members, including a spouse, child, or any other immediate family member who resides in the same household, provided that Kingfisher was hired on the recommendation of the referred client. Kingfisher will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule as stated in this Form ADV Part 2. For additional information about the AdvisorDirect referral program, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

Kingfisher's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade refers clients to investment advisers with the expectation that the client's assets will be in the custody of TD Ameritrade and client transactions will be executed at TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, Kingfisher has an incentive to recommend the custody and brokerage services of TD Ameritrade. Kingfisher agrees not to solicit clients referred through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duty requires doing so. Kingfisher's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

#### *Other Services Provided by TD Ameritrade*

TD Ameritrade may provide business consulting and professional services received by Kingfisher. Some of the products and services made available by TD Ameritrade through the program may benefit Kingfisher but may not directly benefit client accounts. These products or services may assist Kingfisher in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Services offered by TD Ameritrade are intended to help Kingfisher manage and further develop its business enterprise. The benefits received by Kingfisher through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Kingfisher endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Kingfisher in and of itself creates a potential conflict of interest and may indirectly influence the Kingfisher's choice of TD Ameritrade for custody and brokerage services.

#### **Financial Information**

Registered investment advisers are required to provide certain financial information or disclosures about their financial condition. Kingfisher has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to its clients, and has not been the subject of any bankruptcy proceeding.