



*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Fielder Capital Group LLC (hereinafter “Fielder” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

## Item 2. Material Changes

In this Item, Fielder is required to discuss any material changes that have been made to the brochure since the last annual amendment dated March 30, 2016. The Firm has the following changes to disclose:

- The format and general language of the brochure have been overhauled;
- The Firm has updated Item 5 and Item 6 to reflect that it does not provide services for a performance-based fee;
- The Firm also updated Item 5 to update its billing practices with respect to its Investment Counseling services;
- The Firm has updated Item 8 to reflect its current methods of analysis and investment strategies;
- The Firm has updated Item 12 to provide additional information regarding its receipt of investment research products and/or services in return for directing clients to certain broker-dealers; and
- As this brochure is being filed as part of the Firm's registration with the SEC, the Firm has removed its disclosure for Item 19 (Requirements for State Registered Advisers).

Fielder has no other change to disclose in relation to this Item.

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## Item 4. Advisory Business

Fielder offers a variety of advisory services, which include Institutional Research Services, Investment Management Services, and Investment Counseling Services. Prior to Fielder rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Fielder setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

Fielder is the successor entity of Fielder Management, Inc., which was formed in 2009 and is wholly owned by Frank C. Byrd III. As of March 28, 2017, Fielder had \$82,823,696 of assets under management, \$14,358,103 of which was managed on a discretionary basis and \$68,465,593 of which was managed on a non-discretionary basis.

While this brochure generally describes the business of Fielder, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Fielder’s behalf and is subject to the Firm’s supervision or control.

### **Institutional Research and Consulting Services**

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Fielder provides investment research and consulting services to an institutional client. Fielder may offer similar services to other institutions in the future. Institutional clients may negotiate to engage Fielder to perform a variety of customized, comprehensive research functions, which fall within Fielder’s area of expertise. These specially tailored projects vary in scope and duration, depending on the specific needs of the institutional client.

Clients are advised that these services present a conflict of interest whereby certain institutional clients of Fielder could receive and act upon Fielder’s research before Fielder utilizes its research for its investment management clients. In fact, Fielder’s engagement with institutional clients may prohibit Fielder from utilizing its research until the expiration of an agreed-upon waiting period. Non-institutional clients may be disadvantaged by this delay.

### **Investment Management Services**

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Fielder manages client investment portfolios on a discretionary or non-discretionary basis.

Fielder manages portfolios on a discretionary basis based upon the client’s objectives, risk tolerance, time horizon and other related factors. For discretionary accounts, Fielder constructs a strategic allocation of assets, primarily among individual equity and debt securities, mutual funds, exchange-traded funds (“ETFs”), and Independent Managers (as defined below). While Fielder does not currently employ the use of futures or options as a part of its strategy, it has the ability to do so should circumstances warrant their use in the future. Similarly, while Fielder does not presently do so, it may invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles for the clients who are “accredited investors” as defined under Rule 501 of the Securities Act of 1933, as amended, when consistent with the clients’ investment objectives. Fielder may also provide advice about any other type of investment held in clients’ portfolios.

Fielder may also render non-discretionary investment management services to clients. This may relate to assets held in clients' individual employer-sponsored retirement plans, variable life/annuity products that they own, and/or 529 plans or other products which are not held by the clients' primary custodians. In so doing, Fielder either directs or recommends the allocation of client assets among the various investment options that are available within the product. Client assets are maintained at the specific insurance company or custodian designated by the product. Fielder may also provide nondiscretionary advice about any other type of investments otherwise held by clients.

Fielder tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Fielder consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Fielder if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if Fielder determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

## **Use of Independent Managers**

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As mentioned above, Fielder selects certain Independent Managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

Fielder evaluates a variety of information about Independent Managers, which includes the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. Fielder also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

Fielder continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. Fielder seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

## **Investment Counseling Services**

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Fielder may provide individuals and institutions with financial planning, wealth management, or consulting services that address any or all of the following: investment policy statement preparation, portfolio review, cash flow analysis, retirement planning, estate planning, or succession planning. These services may be provided to clients either on a stand-alone basis or as part of an investment management engagement.

Fielder's recommendations are based upon each client's individual objectives, time horizon, risk tolerance, and other related factors. In performing these services, Fielder is under no obligation to verify any information provided by the client or by the client's other professionals (such as attorney or accountant). Fielder is expressly authorized to rely on such information. Fielder may recommend its own services as well as those of other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Fielder recommends its own services. The client is under no obligation to act upon any of the recommendations made by Fielder under a financial planning or consulting engagement, nor is the client obliged to engage the services of any recommended professional, including Fielder itself. The client is free to accept or reject any of Fielder's recommendations and has complete discretion regarding the implementation of such recommendations. It is the client's responsibility to promptly notify Fielder of any changes in their financial situation or financial objectives so that Fielder can review and potentially revise its prior recommendations and/or current services.

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

Fielder offers services on a fee basis, which includes fixed and hourly fees, as well as fees based upon assets under management.

### **Institutional Research and Consulting Fees**

Fielder charges a monthly base fee of eight thousand, three hundred, thirty-three dollars (\$8,333), which entitles the client the ability to engage Fielder to work on custom research or consulting projects. At this fee level, an institutional client has the ability to engage Fielder for up to four customized projects over the course of a twelve-month period.

Additionally, Fielder may, at its discretion, accept engagements for one-off customized projects on an hourly or fixed fee basis. The fees are negotiable and vary according to the scope, duration and nature of each specific project, as well as the experience and seniority of the financial professional(s) staffed for the engagement. The individual hourly fee rates are approximately as follows:

- Frank C. Byrd III (Principal): \$600 per hour;
- Senior Analyst: \$450 per hour; and
- Research Staff: \$250 per hour.

Fielder's agreement may also require the client pay, or reimburse, for certain incidental expenses, (e.g., transportation, lodging, etc.) that are necessary to render the services as agreed. Typically, the length of these specialized engagements ranges from one to three months; however, a particular project may require more or less time as is necessary under the circumstances. Fielder usually invoices clients for this work on a monthly basis in arrears. The fee is based upon actual hours worked on each research project, as agreed upon and per Fielder's stated pricing. For example, a particular research engagement may call for staffing of one research staff member and one senior analyst for a term of eight weeks. Assuming it takes 25 hours per week of the research staff member's time (\$50,000 total over eight weeks) and 10 hours per week of the senior analyst's time (\$36,000 total over eight weeks), the total fee with respect to that engagement is

\$86,000, plus payment of any incidental costs and expenses. In this case Fielder would bill the client \$43,000 at the end of the first month and \$43,000 at the end of the second month.

In the event the financial professionals engaged to provide the services are unable to complete the project within the allotted period of time, Fielder may negotiate to extend the relationship at the rates listed above.

Fielder, in its sole discretion, may negotiate to charge a lesser Institutional Research Consulting fee based upon several factors including the client's current budget for third party independent research, anticipated future business, the frequency and scope of anticipated client engagement, and the anticipated value affected on the client's investment decisions. At the discretion of the client, Fielder may occasionally receive a bonus fee higher than the one negotiated with the client, if the client voluntarily decides to award additional compensation to Fielder based on the quality and impact of Fielder's research reports and recommendations.

Institutional Research and Consulting Fees are usually billed in arrears each calendar month, though Fielder and the client may alternatively agree to bill on a quarterly basis either in arrears or prospectively. Fixed-fee contracts initiated or terminated during a billing period will be prorated. Upon termination of any fixed-fee contract, any unearned fees will be promptly returned to the client and any unpaid, earned fees will be due and payable to Fielder. Fielder, in its sole discretion, may also sell certain individual research reports to clients at a fixed apportioned rate. Prior to delivery of the research periodicals, the client is required to enter into a written agreement with Fielder, setting forth the exact terms and conditions of the engagement. The agreement between Fielder and the client continues in effect until terminated by either party pursuant to the terms of the agreement.

## Investment Management Fees

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Fielder offers investment management services for an annual fee based on the amount of assets under the Firm's management. This management fee varies, depending upon the size and composition of a client's portfolio and the type of services rendered. This management fee varies in accordance with the following blended fee schedule:

<u>ACCOUNT VALUE</u>	<u>BASE FEE</u>	<u>ANNUALIZED FEE</u>
First \$1 million	0.223%	0.89%
Next \$2 million	0.198%	0.79%
Next \$2 million	0.173%	0.69%
Next \$5 million	0.148%	0.59%
Over \$10 million	0.123%	0.49%

The annual fee is prorated and charged quarterly in advance, based upon the market value of the assets being managed by Fielder on the last trading day of the previous billing period, unless Fielder otherwise agrees in writing. The aggregate net value of the managed account shall be determined on the basis of such asset statements as are provided by the custodian of the account or by any investment vehicle utilized in the account. If a managed account is initiated or terminated during a calendar quarter, it will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. If assets are deposited into or withdrawn from an account

after the inception of a quarter that exceed ten percent (10%) of the portfolio value prior to the transaction, the fee payable with respect to such assets is prorated based on the number of days remaining in the quarter.

## **Investment Counseling Fees**

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Individual and institutional clients may engage Fielder to provide customized Investment Counseling on a fixed-fee or hourly-fee basis under a stand-alone engagement.

For fixed-fee engagements, the amount of the fee and the frequency of billing is negotiable and according to the scope, duration, and nature of the engagement, as well as the experience and seniority of the financial professional(s) staffed for the engagement. Fixed-fee engagements initiated or terminated during a billing period will be prorated. Upon termination of any fixed-fee contract, any unearned fees will be promptly returned to the client and any unpaid, earned fees will be due and payable to Fielder.

For hourly-fee engagements, the hourly rates and frequency of billing is negotiable and vary according to the scope, duration, and nature of each specific project, as well as the experience and seniority of the financial professional(s) staffed for the engagement. The individual hourly fee rates are approximately as follows:

- Frank C. Byrd III (Principal): \$600 per hour;
- Senior Analyst: \$450 per hour; and
- Research Staff: \$250 per hour.

Such hourly-fee engagements may also require the client pay, or reimburse, for certain incidental expenses, (e.g., transportation, lodging, etc.) that are necessary to render the services as agreed. Typically, the length of these hourly-fee engagements ranges from five to twenty hours; however, a particular-project may require more or less time as is necessary under the circumstances. The hourly-fee is based upon actual hours worked on each consulting project, as agreed upon and per Fielder's stated pricing. Upon termination of any hourly-fee contract, any unearned fees will be promptly returned to the client and any unpaid, earned fees will be due and payable to Fielder.

## **Fee Discretion**

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Fielder may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

## **Additional Fees and Expenses**

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In addition to the advisory fees paid to Fielder, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, reporting charges, fees charged by the Independent Managers, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed



in the fund's prospectus (*e.g.*, fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

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## **Direct Fee Debit**

Clients provide Fielder and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Fielder. Alternatively, clients may elect to have Fielder send a separate invoice for direct payment.

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## **Account Additions and Withdrawals**

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

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

Fielder does not provide any services for a performance-based fee (*i.e.*, a fee based on a share of capital gains or capital appreciation of a client's assets).

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

Fielder offers services to individuals, investment management firms, hedge funds, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

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## **Minimum Account Value**

As a condition for starting and maintaining an investment management relationship, Fielder imposes a minimum portfolio value of \$1,000,000. Fielder may, in its sole discretion, accept clients with smaller portfolios based upon certain criteria, including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-

existing client, account retention, and pro bono activities. Fielder only accepts clients with less than the minimum portfolio size if the Firm determines the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. Fielder may aggregate the portfolios of family members to meet the minimum portfolio size.

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

### Methods of Analysis and Investment Strategies

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Fielder endeavors to understand each client's holistic financial circumstances, including their assets, liabilities, estimated future income and expenditures, and tolerance for risk. At the conclusion of this discovery process, Fielder determines an appropriate mix of asset classes and investments that it believes will optimize the client's odds of achieving of their objectives within their risk tolerance comfort zone.

Fielder utilizes a value-oriented investment strategy, employing both quantitative and qualitative analysis, that seeks to own securities that the Firm believes are fairly-valued, while underweighting or avoiding altogether securities the Firm believes are over-valued. On occasion, Fielder may seek to bet against securities that it believes are over-valued (utilizing short-sales, put options or other derivative instruments). Fielder may execute all or a portion of this strategy by investing in a portfolio of individual securities, ETF's, mutual funds, and/or by utilizing external managers (as discussed in Item 4). Fielder bases its investment decisions upon its own internal research, third party research providers, or outside consultants.

Fielder seeks to provide broad portfolio diversification to mitigate risk exposure to any single security or asset class. Nevertheless, these diversification efforts cannot eliminate market volatility. Large groups of securities and asset classes can, at times, become highly correlated and undergo high levels of volatility (including securities that Fielder judges attractively valued). Over time, Fielder periodically rebalances clients' portfolios resulting from changes in securities prices, client circumstances, and/or Fielder's outlook on specific securities or asset classes.

Fielder endeavors to minimize costs over and above Fielder's management fee. This may be accomplished through investing in passive (index) funds and diversified portfolios ("baskets") of individual stocks and bonds. Fielder generally seeks to reduce the use of third party intermediaries such as funds, partnerships and other such financial products. This may help lower clients' incremental costs as well as provide them greater transparency, liquidity, and control of their assets. Fielder may, however, when in the client's best interests, invest in public or private investment funds or managed accounts (i.e., may retain unaffiliated investment advisers authorized to invest on a discretionary or non-discretionary basis). Generally, Fielder will invest in another investment fund or managed account if it believes that such fund or account offers efficient access to a particular strategy, sector, or geographic area or that the manager of the investment fund or account has specialized expertise or knowledge (for example, local knowledge of a particular country or deep industry expertise). Any fixed or management fees or expenses of any investment fund or managed account will be borne by the client in addition to Fielder's Investment Management Fee (as set forth above).

While it is anticipated that Fielder will invest primarily in long positions of U.S. fixed income, publicly-traded equity, equity-linked securities and related instruments, Fielder does have broad and flexible investment authority. Accordingly, Fielder may at any time include long or short positions in U.S. or non-U.S. publicly traded or privately issued or negotiated common stocks, preferred stocks, stock warrants and rights, corporate or sovereign debt, bonds, notes or other debentures or debt participations, partnership interests, and other securities or financial instruments including those of other investment companies, convertible securities, swaps, options (purchased or written), futures contracts and other derivative instruments. Fielder may employ leverage in a client's portfolio. At any given time, positions (long or short) in a concentrated number of issuers may comprise substantially all of the client's portfolio. Further, Fielder's investment of client's investments in cash and cash equivalents may at times be significant.

Fielder intends to pursue the investment objective described above and will generally follow the outlined investment process and strategy for so long as they are in accord with the client's investment objective, although Fielder reserves the right to formulate new strategies to carry out the investment objective of the client. In order to maintain flexibility and to capitalize on investment opportunities as they arise, Fielder has the authority to invest any particular percentage of its portfolio in any type of investment or region. Accordingly, the amount of the client's portfolio that is invested in any type of investment or that is weighted in different countries or different sectors can change at any time based on the availability of attractive market opportunities.

## **Risk of Loss**

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### *Market Risks*

The profitability of a significant portion of Fielder's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. Equity and fixed income securities fluctuate in value, often for reasons unrelated to the intrinsic value of the issuer of the securities. General economic or market conditions, such as a rise in interest rates or a broad decline in stock market prices, can negatively affect the market price of fixed income and equity securities. Further, unexpected changes in earnings forecasts can negatively impact a specific issuer and hence its equity price. There can be no assurance that Fielder will be able to predict those price movements accurately.

### *Mutual Funds and Exchange-Traded Funds (ETFs)*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a

mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Management Through Similarly Managed Accounts*

Fielder generally manages portfolios by allocating portfolio assets among various securities on a discretionary basis using one or more of its proprietary investment strategies, collectively referred to as "investment strategy". In so doing, Fielder buys, sells, exchanges and/or transfers shares of securities based upon the investment strategy.

Fielder's management using the investment strategy complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the investment strategy, with a safe harbor from the definition of an investment company.

Although Fielder generally executes an investment strategy that results in comparatively low portfolio turnover (trading activity), on occasion Fielder's investment strategy may involve an above-average portfolio turnover that could negatively impact upon the net after-tax gain experienced by an individual client. Securities in the investment strategy are usually exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to Fielder's clients may be limited. As further discussed in response to Item 12, Fielder allocates investments among its clients on a fair and equitable basis.

### *Short Sales*

Short sales involve a number of risks. In the event the underlying security rises above the short sale price, a short seller may be obligated to re-purchase the security at a much higher level than the initial price in order to cover the short sale. This may result in a loss, potentially even larger than the amount of the initial short position. Furthermore, short sellers may be charged interest on the securities that they borrow. Short sellers are also subject to counterparty risk in that the lending party may be unable or unwilling to deliver the borrowed securities, thus impairing the short seller's ability to satisfy its contractual obligations.

### *Options*

Options allow investors to buy or sell a security at a contracted "strike" price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options

contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

### *Use of Margin*

To the extent that a client authorizes the use of margin, and margin is thereafter employed by Fielder in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to Fielder will be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin shall correspondingly increase the management fee payable to Fielder. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

While the use of margin borrowing can substantially improve returns, such use may also increase the adverse impact to which a client's portfolio may be subject. Borrowings will usually be from securities brokers and dealers and will typically be secured by the client's securities and/or other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the client's obligations, and if the client were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the client's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the client's borrowings and the interest rates on those borrowings, which will fluctuate, could have a significant effect on the client's profitability.

### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

## **Item 9. Disciplinary Information**

Fielder has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

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

This item requires investment advisers to disclose certain financial industry activities and affiliations. Fielder does not have any other financial industry activities or affiliations that need to be disclosed in relation to this Item.

## Item 11. Code of Ethics

Fielder and persons associated with Fielder (“Associated Persons”) are permitted to buy or sell securities that it also recommends to clients consistent with Fielder’s policies and procedures.

Fielder has adopted a code of ethics (“Code of Ethics”) made up of its personal securities transaction and insider trading policies and procedures. When Fielder is purchasing or considering for purchase any security on behalf of a client, no Covered Person (as defined below) may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Fielder is selling or considering the sale of any security on behalf of a client, no Covered Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. Fielder’s Code of Ethics requires employees to: (i) pre-clear certain personal securities transactions; (ii) report personal securities transactions on at least a quarterly basis; and (iii) provide Fielder with a detailed summary of certain holdings, both initially upon commencement of employment and at least annually thereafter, over which such employees have control and beneficial interest. Each of these disclosure requirements (i, ii, and iii) is documented, reviewed by Fielder’s Chief Compliance Officer, and retained in Fielder’s records.

Unless specifically defined in Fielder’s procedures (summarized above), neither Fielder nor any of Fielder’s Associated Persons may effect for himself or herself, for an Associated Person’s immediate family (i.e., spouse, minor children, and adults living in the same household as the Associated Person), or for trusts for which the Associated Person serves as a trustee or in which the Associated Person has a beneficial interest (collectively “Covered Persons”) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Fielder’s clients.

The foregoing policies and procedures are not applicable to (a) transactions effected in any account over which neither Fielder nor any of its Supervised Persons (as defined in this Form ADV) has any direct or indirect influence or control; and (b) transactions in securities that are: direct obligations of the government of the United States; bankers’ acceptances, bank certificates of deposit, commercial paper, and high quality short-term debt instruments, including repurchase agreements; or shares issued by registered open-end investment companies.

This policy has been established recognizing that some securities being considered for purchase and sale on behalf of Fielder’s clients trade in sufficiently broad markets to permit transactions by clients to be completed without any appreciable impact on the markets of such securities. Under certain limited circumstances, exceptions may be made to the policies stated above. Fielder will maintain records of these trades, including the reasons for any exceptions.

In accordance with Section 204A of the Investment Advisers Act of 1940 (“Advisers Act”), Fielder also maintains and enforces written policies reasonably designed to prevent the unlawful use of material non-public information by Fielder or any of its Supervised Persons.

Clients and prospective clients may contact Fielder to request a copy of its Code of Ethics.

## Item 12. Brokerage Practices

### Recommendation of Broker-Dealers for Client Transactions

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Fielder recommends that clients utilize the custody, brokerage and clearing services of one or more broker-dealers for investment management accounts. The final decision to custody assets with a broker-dealer is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Fielder is independently owned and operated and not affiliated with such broker-dealers. The broker-dealers may provide Fielder with access to its institutional trading and custody services, which are typically not available to retail investors.

Factors which Fielder considers in recommending any broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. The broker-dealers may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by a broker-dealer recommended by the Firm may be higher or lower than those charged by other Financial Institutions.

The commissions paid by Fielder's clients to broker-dealers comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Fielder determines that the commissions are 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 Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Fielder seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other broker-dealers with whom the Firm and its custodians have entered into agreements for prime brokerage clearing services. Should an account make use of prime brokerage, the Client may be required to sign an additional agreement, and additional fees are likely to be charged.

Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist Fielder in its investment decision-making process. Such research will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Fielder does not have to produce or pay for the products or services.

Fielder periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.



## **Software and Support Provided by Financial Institutions**

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Fielder receives without cost from a broker-dealer it recommends to clients administrative support, computer software, related systems support, as well as other third party support as further described below (together "Support") which allow Fielder to better monitor client accounts maintained at such broker-dealer and otherwise conduct its business. Fielder receives the Support without cost because the Firm renders investment management services to clients that maintain assets at such broker-dealer. The Support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The Support benefits Fielder, but not its clients directly. Clients should be aware that Fielder's receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services. In fulfilling its duties to its clients, Fielder endeavors at all times to put the interests of its clients first and has determined that the recommendation of a broker-dealer is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, Fielder receives the following benefits from broker-dealers: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information.

## **Brokerage for Client Referrals**

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Fielder does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

## **Directed Brokerage**

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The client may direct Fielder in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by Fielder (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Fielder may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.



## Item 13. Review of Accounts

### Account Reviews

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Fielder monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm's Principal, Frank C. Byrd III. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Fielder and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### Account Statements and Reports

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Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. In addition, Investment Management clients may also receive reports from Fielder on a quarterly basis or as otherwise requested and agreed upon in writing. Such reports may include relevant account and/or market-related information, such as an inventory of account holdings and account performance. Clients should compare the account statements they receive from their custodian with any reports they receive from Fielder.

## Item 14. Client Referrals and Other Compensation

### Client Referrals

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The Firm does not currently provide compensation to any third-party solicitors for client referrals.

## Item 15. Custody

The Advisory Agreement and/or the separate agreement with any Financial Institution authorize Fielder and/or the Independent Managers to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Fielder.

In addition, as discussed in Item 13, Fielder will also send, or otherwise make available, periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from Fielder.

## Item 16. Investment Discretion

Fielder is given the authority to exercise discretion on behalf of clients. Fielder is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. Fielder is given this authority through a power-of-attorney included in the agreement between Fielder and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Fielder takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made; and
- The broker-dealer that executes trades (in the case of a prime brokerage relationship).

## Item 17. Voting Client Securities

### Acceptance of Proxy Voting Authority

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Fielder accepts the authority to vote a client's securities (i.e., proxies) on their behalf. When Fielder accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully-described in the Firm's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in Fielder's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact Fielder to request information about how the Firm voted proxies for that client's securities or to get a copy of Fielder's Proxy Voting Policies and Procedures. A brief summary of Fielder's Proxy Voting Policies and Procedures is as follows:

- The Firm's Principal, Frank C. Byrd III will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The Firm will vote proxies according to Fielder's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, the Firm devotes an appropriate amount of time and resources to monitor these changes.

- Clients cannot direct Fielder's vote on a particular solicitation but can revoke the Firm's authority to vote proxies.

In situations where there is a conflict of interest in the voting of proxies due to business or personal relationships that Fielder maintains with persons having an interest in the outcome of certain votes, the Firm takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

## **Item 18. Financial Information**

Fielder is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.