

# Chasefield | Capital

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## Part 2A Brochure

This brochure provides information about the qualifications and business practices of Chasefield Capital, LLC. If you have any questions about the contents of this brochure, please contact us at 303-854-8425. 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. Chasefield Capital, LLC. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Chasefield Capital, LLC. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Chasefield Capital, LLC is 173912.

## ITEM 2 - MATERIAL CHANGES

### **Summary of Material Changes**

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact Harold Pine at 303-854-8425 or [Harold@chasefield.co](mailto:Harold@chasefield.co)

We encourage you to read this document in its entirety.

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## **ITEM 4 - ADVISORY BUSINESS**

This Disclosure document is being offered to you by Chasefield Capital, LLC. ("Chasefield Capital") in connection with the investment advisory services we provide. It discloses information about the services we provide and the manner in which those services are made available to you, the client.

We are a wealth management firm located in Castle Rock, CO, specializing in investment advisory services for high net worth individuals and families. The firm was established by Harold Pine, the firm's principal owner, in 2014.

We are committed to helping clients build, manage, and preserve their wealth, and to provide assistance to clients to help achieve their stated financial goals. We may offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and Chasefield Capital execute an engagement letter or client agreement.

### **Investment Management and Supervision Services**

We offer discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management. These services include investment analysis, allocation of investments, quarterly portfolio statements and ongoing management services for the portfolio.

We determine your portfolio composition based on your needs, portfolio restrictions, if any, financial goals and risk tolerances. We will work with you to obtain necessary information regarding your financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This enables us to determine the portfolio best suited for your investment objective and needs.

In performing our services, we shall not be required to verify any information received from you or from other professionals. If you request, we may recommend and/or engage the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional.

Once we have determined the types of investments to be included in your portfolio, and allocated them, we will provide ongoing portfolio review and management services. This approach requires us to review your portfolio at least quarterly.

We will rebalance the portfolio, as we deem appropriate, to meet your financial objectives. We will trade these portfolios and rebalance them on a discretionary basis. Our advisory services are tailored to meet your individual needs. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

While our advisory services are tailored to you as an individual, when using mutual funds this multi-fund manager approach makes it difficult for us to ensure that your portfolio will not invest in a particular industry or security. However, we are happy to discuss your preferences regarding socially conscious investment concerns and, we'll try as much as possible, to accommodate them.

In all cases, you have a direct ownership of your securities, rather than an undivided interest in a pool of securities. We do not and will not have custody of your funds or securities. We do have limited authority to direct the Custodian to deduct investment advisory fees, but only with the appropriate prior written authorization from you.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that may adversely affect an account's performance. This could result in capital losses in your account.

### **Financial Planning Services**

Financial advisory services provided by us will include the analysis of your situation and assistance in identifying and implementing appropriate financial planning and investment management techniques to help you meet your specific financial objectives. Such services will include a written financial analysis and specific or general investment and/or planning recommendations.

In preparing your financial plan, we may address five areas of financial planning. These include: financial planning, money management, tax, estate and insurance planning.

Our specific services in preparing your plan may include:

- Review and clarification of your financial goals.
- Assessment of your overall financial position including cash flow, balance sheet, investment strategy, risk management and estate planning.
- Creation of a unique plan for each goal you have including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession and other personal goals.
- Develop of a goal oriented investment plan around tax suggestions, asset allocation, expenses, risks and liquidity factors for each goal. This includes IRA and qualified plans, taxable and trust accounts that require special attention.
- Design a complete risk management plan including risk tolerance, risk avoidance, mitigation and transfer, including liquidity as well as various insurance and possible company benefits.
- Craft and implement, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death.
- Generate a retirement plan, risk management plan and succession plan for your business, if applicable.

## **Wrap Fee Programs**

We do not place client assets into a wrap fee program.

## **Assets**

As of March 31, 2015, we have \$27,198,729 assets under discretionary management. We do not have any non-discretionary assets under management.

# **ITEM 5 - FEES AND COMPENSATION**

## **Investment Management Fees and Compensation**

Chasefield Capital charges a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and other account maintenance activities. The custodian may charge custodial fees, transaction costs, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below.

In addition, some mutual fund assets deposited in the account may have been subject to deferred sales charges and 12(b)(1) fees and other mutual fund annual expenses as described in the fund's prospectus. (Advisor does not share in these fees.) These fees are independent of our fees and should be disclosed by the custodian or contained in each fund's prospectus. You should also note that fees for comparable services vary and lower fees for comparable services may be available from other sources.

The fees for portfolio management are based on an annual percentage of assets under management and are applied to the account asset value on a pro-rated basis, billed quarterly in advance. The initial fee will be based upon the date the account is accepted for management by execution of the advisory agreement by Chasefield Capital or when the assets are transferred through the last business day of the current calendar quarter. The fee will be based at last business day of the previous quarters. The market value will be determined as reported by the Custodian. Fees are assessed on all assets under management, including securities, cash and money market balances.

Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. All account sizes will be charged an annual fee of 1.50%. In certain circumstances at our discretion, we may allow you to negotiate fees.

Advanced billing is done on a quarterly basis and is the primary way fees are assessed in advisory accounts. To calculate advanced billing Chasefield Capital assumes a 360 day year and quarters lasting 90 days. Calculations are as follows:

$[(\text{Quarter End Value} \times \text{Advisory Fee}) / 360] \times 90 \text{ days} = \text{Advance Billing}$

At our discretion, we will (aggregate) asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. We may do this, for example, where we also service accounts on behalf of your minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow you the benefit of an increased asset total, which could potentially cause your account(s) to be assessed a reduced advisory fee based on the asset levels available in our fee schedule.

You authorize us to debit your account quarterly for our fee. The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. At the same time Chasefield Capital instructs the custodian to deduct fees from the client's account; Chasefield Capital will send the client an invoice itemizing the fee. Itemization shall include the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to you indicating all the amounts deducted from the account including our advisory fees. You are encouraged to review your account statements for accuracy.

Either Chasefield Capital or you may terminate the management agreement, upon 30 day written notice to the other party. The management fee will be pro-rated to the date of termination and unearned fees will be refunded to you, for the quarter in which the cancellation notice was given. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

### **Financial Planning Fees**

We will negotiate planning fees with you. Fees may vary based on the extent and complexity of your individual personal circumstances, your gross income and complexity of your assets. Your fee for the designated financial advisory services will be based on one of the following ways:

- **Fixed Fee:** Under a fixed fee arrangement, any fee will be agreed upon by you and Chasefield Capital in advance of services being performed. The fee will be determined based on factors including the complexity of your financial situation, agreed upon deliverables, and whether or not you intend to implement any recommendations through us.

When we are chosen to implement your plan, we will waive or reduce a portion of our financial planning fee. The type of fee and, in the case of a fixed fee, the amount of the

fee will be agreed to prior to the signing of the financial planning agreement. One half of the total fee will be due and payable at the time you enter into the financial planning agreement, with the balance due and payable at the time the financial plan is delivered.

Typically, we complete a plan within a week or two and will present it to you within 90 days of the contract date. If the work is not completed in such a time, we may refund your fee on a pro-rated basis. The financial planning flat fee refund is calculated as follows: within the first week of signing the agreement, if the client cancels we will refund 50% of the fee. Fixed fees shall not exceed \$10,000. We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.

- **Hourly Rate:** Under an hourly rate agreement, your total cost for financial planning services will be based on the amount of time we spend developing your financial plan. This includes time spent meeting with you, analyzing your financial objectives, and evaluating and documenting your strategies. Our hourly rates are \$225.00. The hourly rate will be agreed upon in advance of services being performed. The fee and the number of hours will be determined based on factors including, the complexity of your financial situation, agreed upon deliverables and the level of your plan. Either party may terminate the agreement. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you.

In no case are our fees based on, or related to, the performance of your funds or investments.

When both investment management or plan implementation and financial planning services are offered, there is a potential conflict of interest since there is an incentive for the party offering financial planning services to recommend our investment management services for which we may receive compensation. However, we will make all recommendations independent of such considerations and based solely on our obligations to consider your objectives and needs. As a financial planning client, you always have the right to act upon any of our recommendations or to use our investment management services. Chasefield Capital will act in your best interest and act as a fiduciary in carrying out services provided to you.

You may terminate the consulting service agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you based on an hourly rate of \$225.00.

If you terminate the agreement prior to completion of the plan, any prepaid, unearned fees will be refunded promptly, and any earned, unpaid fees will be due and payable at an hourly rate of \$225.00.

### **Advisory Fees in General**

Clients should note that similar advisory services may or may not be available from other registered (or unregistered) investment advisers for similar or lower fees.



### **Additional Fees and Expenses:**

Advisory fees payable to us do not include all the fees you will pay when we purchase or sell securities for your Account(s). The following list of fees or expenses are what you may pay directly to third parties, whether a security is being purchased, sold or held in your Account(s) under our management. Chasefield Capital receives no part of the following fees.

- Brokerage commissions;
- Transaction fees;
- Exchange fees;
- SEC fees;
- Advisory fees and administrative fees charged by Mutual Funds (MF) and Exchange Traded Funds (ETFs)
- Advisory fees charged by sub-advisers (if any are used for your account);
- Custodial Fees;
- Deferred sales charges (on MF or annuities);
- Odd-Lot differentials;
- Transfer taxes;
- Wire transfer and electronic fund processing fees;
- Commissions or mark-ups / mark-downs on security transactions;

Please refer to the “Brokerage Practices” below for discussion of Chasefield Capital’s brokerage practices.

### **ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance based fees). Our advisory fee compensation is charged only as disclosed above in Fees and Compensation.

### **ITEM 7 - TYPES OF CLIENTS**

We provide investment advice to high net worth individuals and families. Our initial account value is \$2,000,000; however, we may accept accounts for less than the minimum.

### **ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

#### **Our Philosophy**

Strategy is a set of rules that prescribes action over time for all possible set of contingencies. Institutional investing is driven by investment policies and is used by such organizations as Yale or California Pension Employees Retirement System.

The value of an adviser is not at outperforming a specific benchmark like the S & P 500, is to deliver a process that has been predetermined between the client and the adviser. When markets become volatile or expected returns are low, it is often the inclination of investors to change strategy. In other words, we work to help investors overcome behavioral inconsistencies when risk premiums are at a disadvantage to investors.

Chasefield Capital additionally focuses on understanding the value of assets and their pricing mechanisms. We reduce exposure to assets that appear to have low odds of outperforming or delivering returns relative to their risk. We treat the uncertainty of forecasts as an additional risk parameter investor's face. Investors often develop in their mind a predetermined return they must make. Capital markets are indifferent to investor desires. We therefore think in terms of what are the chances based on probability models you will earn your desired return. Clients are generally aware that returns are independent over time, meaning that the return last year tells you little about the return next year. The allocation to risky assets becomes a constant if there is no uncertainty to your forecast. Very long run investors can withstand higher degrees of variability versus those investors that have shorter horizons where predictability becomes much more difficult.

By taking a disciplined approach, we can embed some these ideas in the process. It focuses both the client and Chasefield Capital on their funding imperative and a total return concept and less on the attention of outperforming a benchmark that is elusive to most managers and investors.

#### Practical Application of this Model

- What are the real risk tolerances given parameter uncertainty? All investors are risk takers when markets are stable.
- What is your real time horizon?
- What are and aren't your risks?
- Avoid seeking high returns when expected returns are low.
- Reduce taxes and friction from costs
- When historical returns have been high and valuations are stretched avoid being overly optimistic and when valuations are low avoid being overly pessimistic.

The strategy to create wealth is different than the strategy to preserve wealth. A well thought out plan is necessary to be successful. A sufficient condition is to be disciplined and stay the course, rebalance regularly, be cost and tax efficient. Know your true time horizon and tolerance for variability in your portfolio value.

#### **Our Process**

Chasefield Capital runs a global dynamic asset allocation model that is valuation based and disciplined. It is driven by long term thinking and thematic drivers that affect long run structural price movements and valuations in capital assets. Our primary focus is strategic asset allocation with ranges around each asset class. Tactical shifts have a one to three year horizon and are built from probabilistic based quantitative models. These models are based on fundamental and economic factors. Quantitative models are tools and do not reshape the reality of complex financial markets.

Our process is investment policy statement (IPS) driven with the greatest focus on the client's future liabilities and much smaller focus on trying to beat some arbitrary benchmark like the S&P 500. The IPS is custom built to include or exclude specific asset classes. Diversification is always working for you but specific situations may dictate the desire for more or less private equity or alternatives. Additionally, clients may be more or less comfortable with applications of hedging or leverage. Solid processes deliver expected performance over the long run. Process over performance delivers more consistent results.

The models are based on both solid academic research that include mean variance optimization with such risk metrics as value-at-risk and conditional value-at-Risk. Low turnover and tax efficiency are important concepts that are implemented. Chasefield Capital depends on processing large amounts of data to create expected returns and risk. Expected returns are not realized returns they represent the most likely outcome given our parameters.

We use portfolio optimization commonly known as mean variance optimization (MVO) as a starting point. Since MVO is very return dependent and forecasting returns can have a high degree of variability, MVO unconstrained can produce some very challenging results. From there, we examine the asset allocation from a qualitative standpoint and make adjustments based on the IPS for the client. We ask is this an appropriately diversified portfolio targeting that IPS? Does the portfolio not only address proper value-at-risk measures but does it examine permanent loss of capital, volatility, liquidity and inflation risks under the client's IPS.

At the security level, we deliver a Core/Satellite philosophy taking advantage of indexing and active management. Indexing is carving out a piece of the portfolio to exploit the fact that approximately three quarters of all managers fail to consistently outperform their indexes on a risk adjusted basis after fees and transactions. This is primarily in more efficient assets that readily trade. Satellite is making small highly diversified investments that differ from the benchmark. We have highly disciplined guidelines for asset allocation, asset classes, sectors and security selection.

Additionally, we implement a rebalancing policy that will reduce drag from volatility and avoid unintended consequence of concentrated positions.

## **Risks**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through Chasefield Capital.

You should be aware that your account is subject to the following risks:

- *Stock Market Risk* – The value of securities in the portfolio will fluctuate and, as a result, the value may decline suddenly or over a sustained period of time.
- *Managed Portfolio Risk* – The manager's investment strategies or choice of specific securities may be unsuccessful and may cause the portfolio to incur losses.
- *Industry Risk* – The portfolio's investments could be concentrated within one industry or group of industries. Any factors detrimental to the performance of such industries will disproportionately impact your portfolio. Investments focused in a particular industry are subject to greater risk and are more greatly impacted by market volatility than less concentrated investments.
- *Non-U.S. Securities Risk* – Non-U.S. securities are subject to the risks of foreign currency fluctuations, generally higher volatility and lower liquidity than U.S. securities, less developed securities markets and economic systems and political and economic instability.
- *Emerging Markets Risk* – To the extent that your portfolio invests in issuers located in emerging markets, the risk may be heightened by political changes and changes in taxation or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- *Currency Risk* – The value of your portfolio's investments may fall as a result of changes in exchange rates.
- *Interest Rate Risk*. The value of fixed income securities rises or falls based on the underlying interest rate environment. If rates rise, the value of most fixed income securities could go down.
- *Credit Risk* - Most fixed income instruments are dependent on the underlying credit of the issuer. If we are wrong about the underlying financial strength of an issuer, we may purchase securities where the issuer is unable to meet its obligations. If this happens, your portfolio could sustain an unrealized or realized loss.

- *Inflation Risk* - Most fixed income instruments will sustain losses if inflation increases or the market anticipates increases in inflation. If we enter a period of moderate or heavy inflation, the value of your fixed income securities could go down.
- *ETF and Mutual Fund Risk* – When we invest in an ETF or mutual fund for a client, the client will bear additional expenses based on its pro rata share of the ETFs or mutual fund’s operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients may also incur brokerage costs when purchasing ETFs.
- *Management Risk* – Your investment with us varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment may decrease.

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## **ITEM 9 - DISCIPLINARY INFORMATION**

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Chasefield Capital does not have any legal, financial or other “disciplinary” item to report.

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## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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Chasefield Capital has no other relationship or arrangement with a related person that is material to its advisory business. Chasefield Capital does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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## **ITEM 11 - CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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Chasefield Capital and persons associated with us are allowed to invest for their own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for your account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This may create a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any potential conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code

of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect our clients by deterring misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Chasefield Capital, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

We have established the following restrictions in order to ensure our firm's fiduciary responsibilities:

1. A director, officer or employee of Chasefield Capital shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No director, officer or employee of Chasefield Capital shall prefer his or her own interest to that of the advisory client.
2. We maintain a list of all securities holdings for anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Chasefield Capital.
3. We emphasize the unrestricted right of the client to select and choose any broker-dealer (except in situations where we are granted discretionary authority) he or she wishes.
4. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
5. Any individual not in observance of the above may be subject to termination.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; attn: Chief Compliance Officer.

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## **ITEM 12 - BROKERAGE PRACTICES**

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### **The Custodian and Brokers We Use**

#### *Investment Management Services*

Clients must maintain assets in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated, and unaffiliated with Schwab. Schwab will hold client assets in a brokerage account, and buy and sell securities when we instruct them to.

While we recommend that clients use Schwab as custodian/broker, client must decide whether to do so and open accounts with Schwab by entering into account agreements directly with them. We will open accounts with Schwab on the client's behalf and will notify the client in writing of the custodian's name, address, and the title of the account, promptly when the account is opened and following any changes to this information. The accounts will always be held in the name of the client and never in Chasefield Capital's name. Even though clients maintain accounts at Schwab, we can still use other brokers to execute trades for client accounts (see ***Client Brokerage and Custody Costs***, below).

#### *How We Select Brokers/Custodians*

We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

1. Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
2. Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
4. Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
5. Availability of investment research and tools that assist us in making investment decisions
6. Quality of services
7. Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices
8. Reputation, financial strength, and stability
9. Prior service to Chasefield Capital and our other clients
10. Availability of other products and services that benefit us, as discussed below (see ***Products and Services Available to Us From Schwab***)

#### *Client Brokerage and Custody Costs*

For our clients' accounts that Schwab maintains, Schwab generally does not charge separately for custody services. However, Schwab receives compensation by charging ticket charges or other fees on trades that it executes or that settle into clients' Schwab accounts. In addition to commissions, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a client's Schwab account. These fees are in addition to the ticket charges or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize trading costs, we have Schwab execute most trades for client accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for

a transaction based on all relevant factors, including those listed above (see ***How We Select Brokers/Custodians***).

*Products and Services Available to Us from Schwab*

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide Chasefield Capital and our clients with access to its institutional brokerage, trading, custody, reporting, and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts; others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us.

Following is a more detailed description of Schwab's support services:

*Services That Benefit Our Clients*

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit our clients and their accounts.

*Services That May Not Directly Benefit Our Clients*

Schwab also makes available to us other products and services that benefit us but may not directly benefit our clients or their accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

1. Provide access to client account data (such as duplicate trade confirmations and account statements)
2. Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
3. Provide pricing and other market data
4. Facilitate payment of our fees from our clients' accounts
5. Assist with back-office functions, recordkeeping, and client reporting

*Services That Generally Benefit Only Us*

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

1. Educational conferences and events
2. Consulting on technology, compliance, legal, and business needs



3. Publications and conferences on practice management and business succession
4. Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

#### *Our Interest in Schwab's Services*

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions. We believe that our selection of Schwab as custodian and broker is in the best interests of our clients.

Some of the products, services and other benefits provided by Schwab benefit Chasefield Capital and may not benefit our client accounts. Our recommendation or requirement that you place assets in Schwab's custody may be based in part on benefits Schwab provides to us, or our agreement to maintain certain Assets Under Management at Schwab, and not solely on the nature, cost or quality of custody and execution services provided by Schwab.

We place trades for our clients' accounts subject to its duty to seek best execution and its other fiduciary duties. We may use broker-dealers other than Schwab to execute trades for your accounts maintained at Schwab, but this practice may result in additional costs to clients so that we are more likely to place trades through Schwab rather than other broker-dealers. Schwab's execution quality may be different than other broker-dealers.

#### *Brokerage for Client Referrals*

Chasefield Capital does not receive client referrals from any broker-dealer or third party in exchange for using that broker-dealer or third party.

While as a fiduciary, we endeavor to act in your best interest, our recommendation that you maintain your assets in accounts at our recommended custodians may be based in part on the benefit to us or the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a conflict of interest. IARs endeavor at all times to put the interest of our clients first as a part of their fiduciary duty.

#### **Aggregation and Allocation of Transactions**

Chasefield Capital may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client investment advisory agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all

transactions in that security on a given business day. Chasefield Capital does not aggregate trades of our personnel with those of client accounts.

If we do not receive a complete fill for an aggregated order, we will allocate the order on a pro-rata basis. If we determine that a pro-rata allocation is not appropriate under the particular circumstances, we will base the allocation on other relevant factors, which may include:

1. When only a small percentage of the order is executed, with respect to purchase allocations, allocations may be given to accounts high in cash;
2. With respect to sale allocations, allocations may be given to accounts low in cash;
3. We may allocate shares to the account with the smallest order, or to the smallest position, or to an account that is out of line with respect to security or sector weightings, relative to other portfolios with similar mandates;
4. We may allocate to one account when that account has limitations in its investment guidelines prohibiting it from purchasing other securities that we expect to produce similar investment results and that can be purchased by other accounts in the block;
5. If an account reaches an investment guideline limit and cannot participate in an allocation, we may reallocate shares to other accounts. For example, this may be due to unforeseen changes in an account's assets after an order is placed;
6. If a pro-rata allocation of a potential execution would result in a *de minimis allocation* in one or more accounts, we may exclude the account(s) from the allocation and disgorge any profits. Generally, *de minimis* allocations do not exceed 5% of the total allocation. Additionally, we may execute the transactions on a pro-rata basis.
7. We will document the reasons for any deviation from a pro-rata allocation.

## **Trade Errors**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

We do not select or recommend broker/dealers based upon receiving client referrals from a broker/dealer or third party. We do not routinely recommend, request or require that

you direct us to execute transaction through a specified broker dealer. Additionally, we typically do not permit you to direct brokerage.

We place trades for your account subject to our duty to seek best execution and other fiduciary duties. We may use broker-dealers other than your custodian to execute trades for your account, but this practice may result in additional costs to you so that we are more likely to place trades through your custodian rather than other broker-dealers. Your custodian's execution quality may be different than other broker-dealers.

As a matter of policy and practice, we do not utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.

## **ITEM 13 - REVIEW OF ACCOUNTS**

### Account Reviews and Reviewers – Investment Supervisory Services

The underlying securities within the investment supervisory services are monitored at least quarterly. These reviews will be made by Harold Pine. Client meetings are typically held three times a year and are usually conducted in person or by telephone.

The purpose of all these reviews is to ensure that the investment plan continues to be implemented in a manner which matches your objectives and risk tolerances. More frequent reviews may be triggered by material changes in variables such as your individual circumstances, or the market, political or economic environment. You are urged to notify us of any changes in your personal circumstances.

### Statements and Reports

Chasefield Capital will through Schwab have the ability to provide clients with Performance/Position summary reports upon request. Reports may also be provided at every client meeting. Communication to clients will be done on an as needed basis with a minimum of 1 contact per calendar quarter.

The Custodian will provide quarterly statements of the assets in our Account, the purchase date, the cost and the current market value for the period (or since the opening of the Account). The quarterly fee will be reflected on the periodic account statement provided by the Custodian. The Custodian will make available to you a statement no less than quarterly showing all amounts paid from the Account including all management fees paid by Custodian to Chasefield Capital. In case of an error in such reports, you shall notify Chasefield Capital promptly, and Chasefield Capital will use good faith efforts to make corrections to such reports in a timely manner. Additionally, Chasefield Capital will send the Client a notice of amount invoiced and billed as part of its quarterly

reporting. You are urged to compare the reports provided by Chasefield Capital against the account statements you receive directly from your account custodian.

Financial Planning/Consulting clients (i.e. those who have no assets under management with us in our advisory program) will receive no regular reports from the Firm.

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## ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

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### *Schwab Support Products and Services*

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see **Item 12 – Brokerage Practices**). We do not base particular investment advice, such as buying particular securities for our clients, on the availability of Schwab's products and services to us.

### *Outside Compensation*

We may enter into written referral agreements with third parties by which the third party may, from time to time, refer clients that may establish accounts and enter into advisory relationships with us. In such circumstances, we agree to pay the third party a referral fee equal to a percentage of fees received by us from the referred client. The referral fee may be split between third parties who have jointly participated in referring a client to Chasefield Capital. The fee to be paid by Chasefield Capital will be borne entirely by us and there will be no additional fee, cost or expense to the referred client resulting from the referral agreement. Chasefield Capital makes disclosure of such referral arrangement, if any, to the client before entering into an advisory agreement. All referral agreements are governed by Rule 206(4)-3 under the Investment Advisers Act of 1940.

Chasefield Capital only refers clients to professionals we believe are competent and qualified in their field, but it is ultimately the client's responsibility to evaluate the provider, and it is solely the client's decision whether to engage a recommended firm. Clients are under no obligation to purchase any products or services through these professionals, and Chasefield Capital has no control over the services provided by another firm. Clients who chose to engage these professionals will sign a separate agreement with the other firm. Fees charged by the other firm are separate from and in addition to fees charged by Chasefield Capital.

If the client desires, Chasefield Capital will work with these professionals or the client's other advisers (such as an accountant or attorney) to help ensure that the provider understands the client's investments and to coordinate services for the client. Chasefield Capital will never share information with an unaffiliated professional unless first authorized by the client.

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## **ITEM 15 - CUSTODY**

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Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Chasefield Capital is deemed to have custody of client funds and securities whenever Chasefield Capital is given the written authority to have fees deducted directly from client accounts. However, this is the only form of custody Chasefield Capital will ever maintain. It should be noted that authorization to trade in client accounts is generally not deemed by regulators to be custody.

For accounts in which Chasefield Capital is deemed to have custody through its authorized deduction of fees, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Chasefield Capital. When clients have questions about their account statements, they should contact Chasefield Capital or the qualified custodian preparing the statement.

When fees are deducted from an account, Chasefield Capital is responsible for calculating the fee and delivering instructions to the custodian. At the same time Chasefield Capital instructs the custodian to deduct fees from the client's account; Chasefield Capital may send the client an invoice itemizing the fee. Itemization shall include the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

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## **ITEM 16 - INVESTMENT DISCRETION**

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Prior to engaging Chasefield Capital to provide investment advisory services, clients enter into a written Agreement with Chasefield Capital granting the firm the authority to supervise and direct, on an on-going basis, investments- in accordance with the client's investment objective and guidelines. Clients will also execute any and all documents required by the Custodian so as to authorize and enable Chasefield Capital, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your account. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any investment

company registered under the Investment Company Act of 1940 and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such authority will be communicated by you to us in writing (as written in the Advisory Agreement).

The limitations on investment and brokerage discretion held by Chasefield Capital for you are:

1. For discretionary clients, we require that it be provided with authority to determine which securities and the amounts of securities to be bought or sold, as well as the broker-dealer to be used and the commission rates to be paid.
2. Any limitations on this discretionary authority shall be included in this written authority statement. You may change/amend these limitations as required. Such amendments shall be submitted in writing.

Research products and services received by us from broker-dealers will be used to provide services to all our clients.

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## **ITEM 17 - VOTING YOUR SECURITIES**

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Chasefield Capital accepts authority to vote proxies with respect to securities owned by clients.

We have adopted proxy voting policies and procedures with respect to securities owned by our clients for which we have been specifically delegated voting authority and discretion, in accordance with its fiduciary duties and Securities and Exchange Commission Rule 206(4)-6 under the Investment Advisers Act of 1940, which are reasonably designed to ensure that proxies are voted in the best interest of clients.

To facilitate our proxy responsibilities (assuming the client has designated that responsibility to Chasefield Capital), we have contracted with Risk Metrics Group to vote all proxies on our behalf. Risk Metrics Group generally follows recommendations made by ISS Governance Services (ISS). Prior to any proxy vote, such recommendations are reviewed by one of our portfolio managers, with the reasons for any votes that are contrary to ISS recommendations being documented.

The guiding principle by which we review voting on all matters submitted to security holders is the maximization of the ultimate economic value of your holdings. We do not permit voting decisions to be influenced in any matter that is contrary to, or dilutive of, this guiding principle. It is the policy to avoid situations where there is any material conflict of interest or perceived conflict of interest affecting the voting decisions. Any perceived conflict of interest is reviewed by the Chief Compliance Officer and the proxy voting committee.

It is the general policy that we vote on all matters presented to security holders in any Proxy, and these policies and procedures have been designed with that in mind. However, we reserve the right to abstain on any particular vote or otherwise withhold its vote on any matter if in the judgment of Chasefield Capital, the costs associated with voting such Proxy outweigh the benefits you, or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of you, in our judgment.

Clients delegate to Chasefield Capital the discretionary power to vote the securities held in their account pursuant to written agreement. Chasefield Capital does not generally accept any subsequent directions on matters presented to shareholders for a vote, regardless of whether such subsequent directions are from the client itself or a third party. We view the delegation of discretionary voting authority as an “all-or-nothing” choice for our clients.

Upon request, we will provide separately to each client (i) a copy of Chasefield Capital’s proxy voting policies and procedures and (ii) details as to how the firm has voted securities in your account.

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#### **ITEM 18 - FINANCIAL INFORMATION**

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This item is not applicable to this brochure. We do not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.

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#### **ITEM 19 – REQUIREMENTS FOR STATE REGISTERED ADVISERS**

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Please see Form ADV Part 2B, Item 2 regarding Harold Pine’s formal education and business background.

Please see Form ADV Part 2B, Item 4 for information regarding Mr. Pine’s other business activity along with the time spent.

Chasefield Capital does not assess clients a performance fee.

Mr. Pine has not been involved in the following items:

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
  - a) an investment or an investment-related business or activity;
  - b) fraud, false statement(s), or omissions;

- c) theft, embezzlement, or other wrongful taking of property;
- d) bribery, forgery, counterfeiting, or extortion; or
- e) dishonest, unfair, or unethical practices.

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- a) an investment or an investment-related business or activity;
- b) fraud, false statement(s), or omissions;
- c) theft, embezzlement, or other wrongful taking of property;
- d) bribery, forgery, counterfeiting, or extortion; or
- e) dishonest, unfair, or unethical practices.

No individual from Chasefield Capital has a relationship with any issuer of securities that is not listed in Item 10.C. of Part 2A.

If you have any questions, concerns or require additional information before retaining the services of Chasefield Capital Group, you may contact our CCO Harold Pine at (303) 854-8425 or [harold@chasefield.co](mailto:harold@chasefield.co).



# Chasefield | Capital

Harold F. Pine

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<http://www.chasefield.co>

April 3, 2015

Part 2B Brochure

The Brochure Supplement provides information about Harold Pine (CRD# 707759) that supplements Chasefield Capital, LLC's Brochure. You should have received a copy of the Brochure. Please contact Harold Pine, Chief Compliance Officer, if you did not receive Chasefield Capital, LLC's brochure or if you have any questions about the contents of this supplement.

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

## EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

### **Harold F. Pine**

Born: 1957

Post-Secondary Education:

University of Washington, pursuing a Master of Science, Computational Finance

University of Colorado, MBA, Finance, 1996

Cal State Sacramento, B.S. Business Administration, Finance; Minor – Economics, 1980

Successfully completed the Uniform Investment Adviser Law Exam (Series 65)

Recent Business Experience:

First Western Trust, Senior Portfolio Manager, September 2010 to December 2014

Jess S. Morgan, Company, Chief Investment Officer; April 2008 to September 2010

## DISCIPLINARY INFORMATION

Mr. Pine has no history of legal or disciplinary events.

## OTHER BUSINESS ACTIVITIES

Mr. Pine has no other business activities outside of Chasefield Capital.

## ADDITIONAL COMPENSATION

Harold Pine does not receive any economic benefit for providing advisory services beyond the scope of Chasefield Capital, LLC.

## SUPERVISION

Mr. Pine is supervised through a compliance program designed to prevent and detect violations of the federal and state securities laws. Supervision is conducted by the Chief Compliance Officer, Harold Pine who is responsible for administering the policies and procedures. Mr. Pine reviews those policies and procedures annually for their adequacy and the effectiveness of their implementation. All policies and procedures of the firm are followed.

### **Harold Pine's contact information:**

Harold Pine

Chief Compliance Officer

(303) 854-8425

[harold@chasefield.co](mailto:harold@chasefield.co)

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**ITEM 7 - REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

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Please be advised that Mr. Pine has not been involved in an award or has otherwise been found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- (a) An investment or an *investment-related* business or activity;
- (b) Fraud, false statement(s), or omissions;
- (c) Theft, embezzlement, or other wrongful taking of property;
- (d) Bribery, forgery, counterfeiting, or extortion; or
- (e) Dishonest, unfair, or unethical practices.

Additionally, Mr. Pine has not been involved in an award or otherwise been found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) An investment or an *investment-related* business or activity;
- (b) Fraud, false statement(s), or omissions;
- (c) Theft, embezzlement, or other wrongful taking of property;
- (d) Bribery, forgery, counterfeiting, or extortion; or
- (e) Dishonest, unfair, or unethical practices

Mr. Pine has not been the subject of a bankruptcy petition.

To the best of our ability all material conflicts of interest are disclosed regarding Chasefield Capital, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.