



# **Castlevue Partners, LLC**

## **Wrap Fee Program Brochure**

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This Wrap Fee Program Brochure provides information about the qualifications and business practices of Castlevue Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 214.710.1995. 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.

Addition information about Castlevue Partners, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable CRD # is 281410.

Castlevue Partners, LLC is registered with the United States Securities and Exchange Commission as an Investment Adviser; however, such registration is not intended to imply a certain level of skill or training.



## **ITEM 2 - MATERIAL CHANGES**

The SEC recently adopted amendments to Form ADV, which requires that certain material be included in Brochures of this type. One of those new items is a summary of any material changes that were made in the adviser's current Brochure since its last annual Brochure.

Since the last filing of the Castleview Partners' Brochure, we have made changes to Item 4 – Services, Fees and Compensation to provide additional clarification in this section.



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## **ITEM 4 - SERVICES, FEES AND COMPENSATION**

### **CASTLEVUE PARTNERS, LLC**

Castlevue Partners, LLC ("Castlevue Partners" or "CP") is a Registered Investment Adviser with the Securities and Exchange Commission ("SEC"). Investment management services from Castlevue Partners are offered through Investment Adviser Representatives ("IARs") of the Firm.

### **MULTIPLE STRATEGY PORTFOLIO PROGRAM**

Castlevue Partners is the sponsor of the Multiple Strategy Portfolio Program ("Program"), and works with IARs to implement the Program for Clients. Clients participating in the Program grant discretionary trading authority to Castlevue Partners and Castlevue Partners manages the Client's account in such a manner that is consistent with the Client's risk tolerance and investment objectives. As part of its Program services, Castlevue Partners is responsible for account administration, fee billing, and performance reporting, and uses internet-based software to provide the IAR with the capability of directly monitoring client accounts, downloading information concerning changes in the Program and accessing current information related to the Program. Castlevue Partners does not have custody of Client's assets; rather, the assets are held at a qualified custodian.

Based on financial and investment information specific to the Client as well as the Risk Tolerance Questionnaire ("RTQ"), Castlevue Partners may propose a portfolio of sub-advisors to manage the Client's Program assets in accordance with their Investment Policy Statement ("IPS"). The portfolio of sub-advisors is intended to combine multiple asset strategies into a single portfolio within one account. When creating the Proposal, if an instance arises whereby a sub-advisor's minimum investment amount is greater than the Client's available funds to meet that particular sub-advisor's intended asset strategy, then Castlevue Partners will recommend and/or make available Exchange Traded Funds ("ETFs") or open-ended mutual funds that are approved by Castlevue Partners as alternatives for those Client's funds. The IAR may select available sub-advisors and/or ETFs and mutual funds to build an initial portfolio, with or without the use of the Risk Tolerance Questionnaire. After the Client has funded the portfolio, Castlevue Partners will then manage the portfolio.

The IAR provides the specific advice to the Client concerning the selection of sub-advisors that Castlevue Partners proposes to the Client. The Client has full discretion to accept or reject the proposal, and the IAR will be responsible for updating Castlevue Partners on material changes in Client financial or personal circumstances affecting the investment strategy Castlevue Partners is managing on behalf of that Client. The Client may impose trading restrictions to restrict trading in a protected position. However, deviations from the Proposal may run contrary to the recommendations within the Proposal and will impact overall performance.

Sub-advisors are selected after being evaluated by a proprietary due diligence process. Castlevue Partners reserves the right to add or remove sub-advisors in the Program at its discretion. Sub-advisors in the Program provide trade signals to Castlevue Partners for Castlevue Partners to facilitate the trades in the client's account. In some situations, the sub-advisor does not provide signals, but rather exercises trading authority for the Client's account as a separately managed account. In this case, the Client will receive the sub-advisor's disclosure documents and sign additional forms for authorization.

In addition to the selected sub-advisors, Castlevue Partners has developed proprietary strategies. Where appropriate, a portion of the assets within the Program may be invested in these proprietary strategies in conjunction with the recommended sub-advisors. Since Castlevue Partners serves as the investment advisor to



these strategies, the amount of fees that Castleview Partners receives will be greater than if these strategies were not included in the Program's assets. Although there is an additional level of work to provide the strategies, this additional revenue could create an incentive to recommend the use of a Castleview strategy instead of a comparable unaffiliated manager strategy.

### **Variable Annuity Accounts**

On a limited basis and on behalf of the Client, Castleview Partners may manage the investments within variable annuities, which are subject to the terms and conditions of the prospectus delivered to the Client by the variable annuity issuer. The Program is designed as a means for the IAR to tailor the management of the Client's assets to the Client's individual needs. Variable annuity sub-accounts available to Castleview Partners will depend upon the individual variable annuity issuer selected by the Client and will be more fully described in the Prospectus delivered to the Client by the variable annuity issuer. Castleview Partners has no part in the selection of these sub-accounts for any particular issuer, and Castleview Partners is unable to add or remove sub-accounts. Castleview Partners monitors the performance of the variable annuity sub-accounts in the Program and will periodically adjust and rebalance the portfolios in accordance with the investment strategy.

### **FEES AND COMPENSATION**

Clients pay an investment advisory fee for advisory services rendered by Castleview Partners and their IAR. It's possible that the fee received by Castleview and IAR could be more than if Client paid separately for investment advice, brokerage, and other services; therefore, the IAR may have a financial incentive to recommend the Program over other programs or services. Clients pay Castleview Partners a Total Fee for participation in the Program. The Total Fee covers investment management services provided by Castleview Partners, asset allocation, sub-advisor review, third-party model management fees, mutual fund and ETF review, evaluation and presentation (if applicable), performance measurement and transactional reporting and execution and other account-related services provided by us, and execution and custodial services provided by Custodian. The Total Fee does not cover any margin interest, national securities exchange fees, charges for transactions not executed through the Custodian, costs associated with exchanging currencies, fees and expenses charged by mutual funds or any investment company in which the Assets may be invested, wire transfer fees or other fees required by law. Client also understands that markups, markdowns and spreads charged by a dealer unaffiliated with Custodian may be included in the price of certain transactions executed on behalf of Client. A portion of the Program Fee charged by Castleview Partners is paid to sub-advisors as compensation based on the assets invested in their respective Models and a portion is retained by Castleview Partners. The Program Fee is negotiable and typically ranges from .75% to 2.75%, annually, and may differ from client to client based upon a number of factors. Total advisory fees cannot exceed 2.99%, annually.

### **Account Fee Calculations**

Billing periods are typically a calendar quarter. The Average Daily Balance of the Program assets are multiplied by the applicable combination of the Advisory Fee and the Model Management Fees, weighted for the number of days in the calculation period, divided by 365. Due to normal market forces, the fee each quarter will vary due to changes in daily value of Program assets as well as changes in the relative proportion of value of Program assets allocated to each sub-advisor model strategy.

For a new account enrolled in the Program under the In Advance billing method, the Average Daily Balance of Program assets from inception date through the end of the first month will be used in



the billing computation for the inception quarter. For a new account enrolled in the Program under the In Arrears billing method, the Average Daily Balance of Program assets from inception date through the end of the first quarter will be used in the billing computation for the inception quarter. Under both billing methods, the calculation for the inception quarter is pro-rated for the number of days the account is actually managed.

In computing the Average Daily Balance of Program Assets, shares of any mutual funds shall be valued at their respective net asset value as calculated on the valuation date in accordance with each fund's prospectus. Any such valuation shall not be deemed a guarantee of any kind whatsoever with respect to the value of those assets.

Client hereby authorizes Castleview Partners to charge Client's account automatically for all Account Fees payable with respect to Program Assets. The quarterly Account Fees will be deducted from Client's account on or about the fifth (5th) business day after the commencement of each calendar quarter. Client shall be responsible for verifying the accuracy of any fee calculation and acknowledges that Custodian will not determine whether the manner for calculating such fees is correct.

In the event the Program is terminated prior to the last day of the calendar quarter, the Account Fee for such quarter shall be calculated proportionately with respect to the number of days the account was managed and the Client shall be refunded any unearned fees.

#### **PROGRAM FEE SCHEDULE**

Castleview Partners Program Fees are negotiable and can range from .75% to 2.75% annually, and may differ from client to client based upon a number of factors such as which sub-advisors are selected and the types of services provided by Castleview Partners. The exact fee schedule that will apply to any given Client will be a part of the Acceptance of Terms section in the Client Management Agreement executed by all clients of Castleview.

#### **OTHER COMPENSATION**

Each of the mutual funds, ETFs and variable annuity sub-accounts included in the Program bears its own operating expenses. Such internal expenses are in addition to the fees paid to Castleview Partners and the Client's individual IAR. Information on the amount and calculation of expenses for each of the mutual funds is set forth in the fund's prospectus and periodic reports provided by the fund to the Client. Information concerning the amount and calculation of expenses of each variable annuity sub-account and any other expenses assessed by each variable annuity issuer are contained in the prospectus delivered to the Client by the variable annuity issuer.

The cost of advisory and investment management services provided through the Program may be more or less than the cost of purchasing similar services separately. For example, an unmanaged direct investment in a mutual fund, ETF or variable annuity sub-account would be less expensive than participation in the Program, because the Client would not bear the Castleview Partners Program Fee. Variable annuity accounts may be subject to transaction costs in connection with portfolio rebalancing as provided in the Prospectus delivered to the Client by the variable annuity issuer. Such costs, if incurred, would be in addition to the Castleview Partners Program Fee.

#### **WRAP FEE PROGRAM DISCLOSURES**

- Wrap fee programs may not be suitable for all investment needs, and any decision to participate in a wrap fee program should be based on the Client's financial situation, investment objectives, tolerance for risk, and investment time horizon, among other considerations.

- The benefits under a wrap fee program depend in part upon the size of the account, the management fee charged and the number of transactions likely to be generated in the account. For example, a wrap fee program may not be suitable for accounts with little trading activity. In order to evaluate whether a wrap fee program is suitable for a Client, the Client should compare the fees and any other costs of the Program with the amounts that would be charged by other advisers, broker-dealers and custodians for advisory fees, brokerage and other execution costs and custodial services comparable to those provided under the Program.
- Participating in a wrap fee program may cost more or less than the cost of purchasing advisory, brokerage, and custodial services separately from third parties.
- Castleview Partners and IARs receive compensation as a result of clients' participation in the Program. This compensation may be more than the amount Castleview Partners or IAR would receive if the client paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because Castleview Partners and IAR have a financial incentive to recommend the Program.

**NOTE FOR ERISA PLANS:** Castleview Partners acknowledges its status as a registered "investment adviser" with the SEC. IARs have the ability to and may provide fiduciary and/or non-fiduciary services to retirement plans (i.e., 401k, 403b, etc.). Retirement plans may or may not be subject to the U.S. Department of Labor's Employee Retirement Income Security Act ("ERISA"). Regardless of whether the retirement plan is subject to ERISA, IARs are capable of providing services to a retirement plan.

With respect to services provided to managed ERISA accounts, Castleview Partners also acknowledges its status as a "fiduciary" within the meaning of ERISA section 3(21). In most cases, the advisor is an ERISA 3(21) fiduciary tasked with "recommending," "assisting," "helping," or "advising" the sponsor as the sponsor goes about making selection/monitoring/replacement decisions, but does not have discretionary authority over the plan's assets.

IARs can offer the following types of services to a retirement plan:

- Selection of Investments
- Assessment of Investments
- Investment Policy Statement Review
- Performance Monitoring
- Third Party Service Provider Liaison
- Employee Enrollment
- Employee Education
- Vendor Review/Conversion



## **ITEM 5 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

The Firm generally makes its Program available to individuals, trusts, and corporations and other business and charitable entities.

The minimum investment for the Program is generally \$100,000. Mutual fund and variable annuity accounts generally have a minimum of \$50,000. Castleview Partners reserves the right, in its sole judgment, to accept certain accounts below these minimums. In situations where Castleview Partners accepts an account below the minimum investment, the Client might not get the benefit of all available investments due to the practical limitation that smaller allocations of money may create.

Sub-advisors providing investment models have minimum investment amounts which range from approximately \$25,000 to \$250,000. These minimums are model specific. As with account minimums, Castleview Partners reserves the right, in its sole judgment, to make model portfolios available below these minimum investment requirements.



## **ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION**

Castleview Partners will enter into arrangements with selected, unaffiliated third-party Registered Investment Advisers (“sub-advisors”) whereby Castleview Partners gains access to their proprietary investment portfolio models. These sub-advisors are in the business of constructing portfolios for their own clients with specific investment objectives in mind. Through these arrangements, the sub-advisor has the obligation to make known to Castleview Partners the exact investments they purchase and sell for their Clients and Castleview Partners has the right to use that information to purchase and sell the same investments in Client accounts. CP’s Client is not a Client of this sub-advisor and, therefore, the sub-advisor has no fiduciary obligation to the Client. They are not responsible to determine whether or not their portfolios are suitable for Clients and they do not construct their portfolios with any particular Castleview Partners Clients in mind. It is Castleview Partners’ and the IAR’s responsibility to determine whether or not, and to what extent, these portfolios are suitable for Clients. In some cases, it may be possible for Client to bypass Castleview Partners and Advisor and contract directly with the sub-advisor to purchase asset management services. However, direct access to these sub-advisors typically requires a much higher minimum investment. The cost of going directly to them could be higher or lower than going through Castleview Partners.

Castleview Partners employs a multiphase approach to researching and selecting sub-advisors whose models are acceptable for inclusion in the Program. Such sub-advisors are evaluated using data and information from several sources, including the manager and independent databases. Among the types of information analyzed are historical performance, investment philosophy, investment style and historical volatility. Also reviewed are the sub-advisors’ Form ADV and portfolio holdings reports that help demonstrate the sub-advisor’s securities selection process. To ensure accuracy, Castleview Partners attempts to verify all information by comparing it to publicly available sources. The investment professionals at the investment management firms are a primary source of information to Castleview Partners, providing quantitative and qualitative information.

Once sub-advisors are accepted into the Program, Castleview Partners regularly monitors performance and performs due diligence reviews to ensure the sub-advisor is meeting expectations. If a sub-advisor is not meeting expectations, Castleview Partners will determine if and when they should be removed from the Program.

### **Emerging Managers**

Emerging Managers are those whose models are accessible through the Castleview Partners platform, but do not meet the criteria that other sub-advisors must meet. Such sub-advisors could be associated with Castleview Partners or they may own, or be associated with, their own Registered Investment Advisory firm.

Though these sub-advisors may have been in the financial services industry for a number of years and Castleview Partners believes that they and their strategies will be successful, choosing them is more risky because they have not yet met the same demonstrable track record of performance with a specific model strategy required of other sub-advisors. Due diligence has been performed on them, but their level of experience as dedicated asset managers and the length of time they have run these particular strategies do not meet our standard due diligence requirements.

In some cases, these Emerging Managers are persons associated with Castleview Partners or one of its affiliates. In addition, the Emerging Manager could also be acting as your Investment Adviser Representative. As such, a conflict of interest could arise.

## **PROGRAM INVESTMENT RISKS**

### **General Risk**

Investing in securities involves risk of loss that the Client should be prepared to bear. Castleview Partners does not represent or guarantee that it can predict future results, successfully identify market tops or bottoms, or insulate client from losses due to market corrections or declines. Castleview Partners cannot offer any guarantees or promises that the Client's financial goals and objectives will be met. Past performance is in no way an indication of future performance. The value of a Client's assets will be subject to a variety of factors, such as the liquidity and volatility of the securities markets. Portfolio transactions may give rise to tax liability, for which the Client is responsible.

### **Asset Allocation Risk**

Asset allocation risk is the risk that a Client's assets may be allocated to an asset class that underperforms other asset classes. For example, fixed-income securities may underperform equities. Accordingly, asset allocation risk will be influenced by the allocation among sub-advisors and other investment options.

### **Investment and Market Risk**

Recommendations are subject to investment risk, including the possible loss of the entire principal amount invested. A recommendation to invest in securities and other instruments may also involve market risk, which is the risk that the value of these positions, like other market investments, may move up or down, sometimes rapidly and unpredictably. Recommended investments at any point in time may be worth less than the original investment, even after taking into account any reinvestment of distributions.

### **Information Risk**

Advice is based in large part on information received from Client, sub-advisors, IARs, Product Sponsors and other third parties. Therefore, advice relies significantly on the accuracy and completeness of the information provided by such persons and the skill and analytical ability of the sub-advisors.

## **PROXY VOTING**

Castleview Partners will not vote proxies on behalf of Clients. Clients are instructed to read through the information provided with the proxy-voting documents and to make a determination based on the information provided. Clients who own shares of common stock or mutual funds are responsible for exercising their right to vote as shareholders.



## **ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

IARs may use Castleview Partners' Risk Tolerance Questionnaire to determine each Client's financial situation, investment objectives, time horizon, risk tolerance, and other information necessary to define that Client's investment needs. Client profiles are a series of questions, which are designed to help determine the return objectives and investment goals/needs of Clients. The information on this questionnaire is provided to both Castleview Partners and the IAR.

Sub-advisors who merely provide their models to Castleview Partners, but do not actually have control over the Client's account, will not have access to Client information.



## **ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS**

Clients may contact or consult directly with Castleview Partners investment management personnel or third-part management personnel, but such meetings are typically arranged by the Client's IAR.



## **ITEM 9 - ADDITIONAL INFORMATION**

### **Disciplinary Information**

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Registered Investment Adviser or the integrity of its management. Neither Castleview Partners, its owners, nor its management have been involved in any legal or disciplinary events that would reasonably have a material impact on a Client's evaluation of Castleview Partners' advisory business or the integrity of management.

### **Code of Ethics**

Castleview Partners' Code of Ethics sets forth a standard of business conduct that is expected to be followed by all of its employees. Castleview Partners employees must uphold high standards of ethical conduct in their relationships with each other, Castleview Partners, Clients and the public. Castleview Partners' Code of Ethics details such items as Conflicts of Interest, Protection of Nonpublic Personal Information, Personal Securities Trading Expectations, Reporting of Violations, Recordkeeping Requirements, Outside Business Activities, Gifts and Gratuities, and Privacy Considerations to ensure that each employee understands what is expected of them from a regulatory and ethical perspective. Material violations of such laws, rules, regulations or any part of the Code of Ethics may result in disciplinary action or termination of any association with Castleview Partners and notification of such violation to the appropriate regulatory authority. Please note that a copy of the Code of Ethics is available to Clients upon request.

### **Personal Trading**

From time to time, Castleview Partners, or a related person, will invest in the same securities that are going to be, or have already been, bought or sold for Clients' accounts. Transactions for Castleview Partners, or a related person, could be effected at or about the same time they are effected for Client's account. Because of this, a conflict of interest could arise in that it is possible for Castleview Partners, or a related person, to place its order ahead of a Client's order and, as a result, get a better price than the Client. While the Firm does allow its related persons to invest in these securities, to address the possible conflict, the Firm does not allow Firm or Employee orders to be placed ahead of Clients. Doing so could put the Client at a disadvantage and would be a violation of Castleview Partners' fiduciary duty to the Client.

### **Review of Accounts**

Affiliated IARs will offer to meet with Clients on no less than an annual basis to review Client's account(s). Each calendar quarter, Clients will receive a statement from the custodian of the Client's account listing all activity that has occurred during the quarter. In addition, quarterly performance reports from Castleview Partners showing how the Client's investments have performed will be made available online for the Client's review.

### **Client Referrals and Other Compensation**

From time to time, Castleview Partners may pay a referral fee to a person or entity, who is not supervised by the Firm, for introducing Clients. Such fees will be paid pursuant to SEC Rule 206(4)-3 regarding cash solicitation arrangements. The amount of the fee will be a percentage of the total fee paid to manage the Client's account. In no case will CP mark-up the Client fee to pay referral compensation.

### **Financial Information**

Castleview Partners does not have any financial conditions or impairments that would prevent it from meeting contractual commitments to Clients. Castleview Partners does not take physical custody of Client funds or securities, or serve as trustee or signatory for Client accounts, and does not require the prepayment of more than \$1,200 in fees six months in advance. Therefore, Castleview Partners is not required to include a financial statement with this Wrap Fee Brochure.