

**Part 2A of Form ADV: *Firm Brochure***

**Chartwell Consulting (USA) LLC**

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This brochure provides information about the qualifications and business practices of Chartwell Consulting (USA) LLC. If you have any questions about the contents of this brochure, please contact us at 973 783-2900 or [chartwell@chartwellusa.com](mailto:chartwell@chartwellusa.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Chartwell Consulting (USA) LLC also 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. Our firm's CRD number is 106500.

## **Item 2     Material Changes**

This Firm Brochure, dated 03/09/2020, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

### **Item 3     Table of Contents**

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

## **Item 4     Advisory Business**

Chartwell Consulting (USA) LLC is a SEC-registered non-discretionary investment adviser with its principal place of business located in New Jersey. Chartwell Consulting (USA) LLC began conducting business in 1994.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Nataalka O. Bukalo,
- Richard D. Shaffer,

Chartwell Consulting (USA) LLC offers the following advisory services to our clients:

### **ASSET CONSULTING SERVICES**

The primary clients for these services will be pension, profit sharing and 401(k) plans, endowments and foundations. We offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Asset Consulting Services are comprised of the following distinct services. Clients may choose to use any or all of these services.

#### *Investment Policy Statement Preparation (hereinafter referred to as "IPS"):*

We will meet with the client to determine an appropriate investment strategy that reflects the plan/fund sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for: selection of investment vehicles, strategic asset allocation and rebalancing criteria, procedures and timing interval for monitoring investment performance and any pertinent investment restrictions.

#### *Selection of Investment Vehicles:*

We assist plan/fund sponsors in constructing appropriate strategic asset allocation targets. We will then review various investment funds (active and passive), individual manager strategies (both public and private) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client's asset allocation and plan type (defined benefit plan, defined contribution plan, not-for-profit, family office) and included in the IPS.

#### *Monitoring of Investment Performance:*

We monitor client investments continually, based on the procedures and timing intervals delineated in the Investment Policy Statement. Although our firm is not involved in any

way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

#### *Employee Communications:*

For profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we also provide educational support and investment workshops designed for the plan participants when the plan sponsor engages our firm to provide these services. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

### **AMOUNT OF ADVISED ASSETS**

As of 12/31/2019, we were actively advising on \$2,950,000,000 of client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **ASSET CONSULTING FEES**

Chartwell Consulting's fee schedule for asset consulting services is described below:

#### **INVESTMENT POLICY FORMULATION**

Work with clients to establish the risk and return requirements for management of their assets. Investment restrictions are also identified, and performance guidelines used for evaluation are established. The fee is \$5,000 per client/plan. All fees will be due upon presentation of the work to the client.

#### **ASSET LIABILITY STUDY**

The exposure in equities and fixed income (including international), cash equivalents and any other client approved asset class (alternatives, private equity, real estate, etc.) in a client's portfolio can be evaluated. Specific asset groups will be reviewed to help better achieve the client's return or asset liability goals. The fees will typically range from \$25,000 to \$35,000 depending on the number of asset classes to be evaluated and the complexity of the client's situation. All fees will be due upon presentation of the work to

the client.

## INVESTMENT FUND SEARCH

Chartwell Consulting can screen for mutual funds, ETFs, CITs (collective investment trusts) based on the specific needs of a client. The fees for this service will range from \$4,000 to \$7,500 per fund search. All fees will be due upon presentation of work to the client.

## INVESTMENT ADVISER SEARCH

Chartwell Consulting will screen for investment managers for separate account or commingled fund management based on client specific criteria. The fee for this service ranges from \$10,000-\$25,000 for each search, depending on the structure of the search (traditional management versus alternatives, for example). In the event of a multiple manager search, an appropriate fee structure may be negotiated.

## PERFORAMNCE MONITORING AND EVALUATION

Chartwell will provide performance reports and evaluation (provided that adequate and appropriate data is supplied by the client and/or client's custodian). The fee for this service is \$8,000 to \$12,000 per investment manager or fund evaluated, or can be a percent of assets which are being monitored. These fees will be billed quarterly in arrears.

## GENERAL INFORMATION ON FEES

In certain circumstances, all fees and account minimums can be negotiated.

A client agreement may be canceled at any time, by either party for any reason upon receipt of 90 days written notice. Upon termination on any account any prepaid, unearned fees will be promptly refunded.

If a client requests a special version of any of the above services that goes beyond the typical scope of these services, Chartwell may charge an additional fee. The size of this fee will be determined by the complexity of each client's request. This fee will be disclosed to the client before entering into the service and will be due and payable upon completion of the service or quarterly in arrears, as applicable.

At the discretion of the client, and when applicable, all or part of the client's fee may be paid directly by an investment company in 12(b)-1 fee offset arrangement or from a client's ERISA budget/administration account. Chartwell may at the client's request, assist in negotiating such an arrangement; however, no client is obligated to enter into this type of arrangement.

## GENERAL INFORMATION

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 90 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

***Mutual Fund Fees:*** All fees paid to Chartwell Consulting (USA) LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee and other fund expenses. Chartwell does not recommend client's invest in funds with a distribution fee, sales charge or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s).

***Grandfathering of Minimum Account Requirements:*** Pre-existing advisory clients are subject to Chartwell Consulting (USA) LLC's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

***ERISA Accounts:*** Chartwell Consulting (USA) LLC is deemed to be a fiduciary to advisory clients that are employee benefit plans pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Chartwell Consulting (USA) LLC may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Chartwell Consulting (USA) LLC's advisory fees.

***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 fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

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

Chartwell Consulting (USA) LLC does not charge performance-based fees. Chartwell Consulting (USA) LLC does not manage client assets and does not participate in side-by-side management.

## Item 7 Types of Clients

Chartwell Consulting (USA) LLC provides advisory services to the following types of clients:

- Pension and profit sharing plans (other than plan participants)
- Charitable organizations/not-for-profit organizations
- State or municipal government entities
- Corporations or other businesses not listed above
- High Net Worth Individuals/Family Offices

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

### METHODS OF ANALYSIS

We use the following methods of analysis in formulating our consulting advice:

**Asset Allocation.** We attempt to identify an appropriate strategic allocation of asset class exposure; equity, fixed income, real assets and cash suitable to the client's investment goals and risk tolerance.

A risk of strategic asset allocation is that the returns of asset classes will change over time due to stock and market movements, changes in interest rates. The strategic asset allocation should be monitored and targets may need to be rebalanced or updated to continue to be appropriate for the client's goals.

**Risks for all forms of analysis.** Our analysis methods rely on the assumption that the long-term asset class return assumptions and inflation forecasts that are available from public sources, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.



## **Item 9      Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

## **Item 11    Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Chartwell Consulting (USA) LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Chartwell Consulting (USA) LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. We are non-discretionary advisors and do not manage client assets. We do not have any particular access to non-public information, and all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [nob@chartwellusa.com](mailto:nob@chartwellusa.com), or by calling us at 973 783-2900.

## **Item 12 Brokerage Practices**

Chartwell Consulting (USA) LLC does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

## **Item 13 Review of Accounts**

**REVIEWS:** Chartwell Consulting (USA) LLC will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. Chartwell Consulting (USA) LLC will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur annually.

These accounts are reviewed by: Natalka Bukalo and Richard Shaffer.

**REPORTS:** Client accounts will receive reports as contracted for at the inception of the advisory relationship.

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

It is Chartwell Consulting (USA) LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Chartwell Consulting (USA) LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

Our firm does not have actual or constructive custody of client accounts.

## **Item 16 Investment Discretion**

The advisory services provided by our firm do not include managing client assets. Accordingly, we do not accept investment discretionary authority nor will we manage client accounts on a discretionary basis.

## **Item 17    Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

## **Item 18    Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Chartwell Consulting (USA) LLC has not been the subject of a bankruptcy petition at any time during the past ten years.