

# ADV PART 2A

## FIRM BROCHURE

**May 18, 2021**

**Item 1. Cover Page**

This brochure provides information about the qualifications and business practices of Fairview Capital Investment Management, LLC ("Fairview Capital"). If you have any questions about the contents of this brochure, please contact us at (415) 464-4640. 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.

Fairview Capital is a registered investment adviser. Such registration does not imply any level of skill or training. Additional information about Fairview Capital is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2. Material Changes**

Since Fairview Capital's last brochure filed on March 31, 2021, Fairview Capital is no longer the general partner and investment adviser of the investment partnerships previously described in the brochure.

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#### **Item 4. Advisory Business**

Fairview Capital is an independent firm founded in March 1995 that provides investment advice and management to individually managed accounts. Andrew F. Mathieson is the principal owner.

Fairview Capital manages discretionary separate accounts for high-net-worth individuals, trusts, pension and profit-sharing plans, charitable organizations, endowments, foundations, corporations and other businesses. After in-depth consultations, Fairview Capital creates diversified, customized portfolios structured to meet specific financial objectives. These portfolios include the following:

Separately Managed Accounts (SMA) – portfolios intended to hold equities, fixed-income securities (including cash and equivalents), or mutual funds and exchange-traded funds (“ETFs”) in varying proportions. The targeted asset allocation ranges are determined by the portfolio manager assigned to each portfolio in consultation with the client.

Wealth Management Accounts (WMA) – seek exposure to other asset classes beyond those included in our SMA portfolios. To achieve this goal, WMA portfolios incorporate mutual funds and/or ETFs in addition to the mutual funds, ETFs and other securities held in SMA portfolios.

Fairview Capital also provides non-discretionary financial planning consulting services to high-net-worth individuals. These arrangements are referred to as Wealth Management Consulting accounts.

Fairview Capital holds a limited power of attorney to act on a discretionary basis with client funds. Client funds are deposited in either a brokerage firm or bank custodian account. As of April 1, 2021, Fairview Capital had \$ 1,383,789,095, in assets under management.

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

Fairview Capital believes that its fees are competitive with fees that other investment advisers charge for comparable services. Comparable services may be available, however, from other sources for lower fees than those charged by Fairview Capital. The specific manner in which Fairview Capital charges fees is established in a client’s written agreement. Such fees generally are payable quarterly in advance. Clients may elect to be billed for fees or to authorize Fairview Capital to directly debit fees from their accounts. Accounts initiated or terminated during a calendar quarter are charged a prorated fee. Except as may be negotiated otherwise in particular cases, a client may terminate a discretionary individually managed account by giving 30 days’ written notice. A client may terminate a Wealth Management Consulting account on written notice to Fairview. On termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. In all cases, expenses through the date of termination are charged to the account.

Fairview Capital's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which are paid by the client. Clients may incur certain additional charges imposed by custodians, brokers and other third parties such as:

- custodial fees;
- deferred sales charges;
- odd-lot differentials;
- transfer taxes;
- wire transfer and electronic fund fees; and
- other fees and taxes on brokerage accounts and securities transactions.

Mutual funds and ETFs also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Fairview Capital's fees, and Fairview Capital does not receive any portion of these commissions, fees and costs.

Item 12 further describes the factors that Fairview Capital considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (such as commissions and mark-ups).

#### **Fee Schedule:**

Fairview Capital's compensation is negotiable and varies, but typically, Fairview Capital charges discretionary accounts an annual fee based on the value of assets under management in a portfolio as set forth below:

1.00% of the value of the account up to and including \$5,000,000; plus 0.75% of the value of the account above \$5,000,000 and up to and including \$10,000,000; plus 0.50% of the value of the account above \$10,000,000.

For foundations, Fairview Capital generally provides a 20% eleemosynary discount to the above-listed fee schedules.

Fairview Capital charges an annual flat fee to Wealth Management Consulting accounts payable quarterly in advance. The amount of the fee is based on the amount of assets subject to the arrangement and the complexity of the client's financial plan, but the minimum fee is \$20,000 annually. Fairview Capital reserves the right to waive this minimum.

Fairview Capital generally requires a minimum of \$2,000,000 to open an individually managed account, but reserves the right to waive this minimum. Fairview Capital also reserves the right to assess an annual minimum account fee of \$20,000 for an individually managed account below \$2,000,000 in assets.

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

Fairview Capital currently does not manage accounts that pay performance-based compensation as described in Item 5.

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

Fairview Capital provides investment management services to high-net-worth individuals, trusts, pension and profit-sharing plans, charitable organizations, foundations, endowments, corporations and other businesses.

Fairview Capital generally requires a minimum of \$2,000,000 to open an individually managed account, but reserves the right to waive this minimum. Fairview Capital also reserves the right to assess an annual minimum account fee of \$20,000 for an individually managed account below \$2,000,000 in assets.

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

Fairview Capital believes that active management, driven by unbiased research and analysis, will yield superior investment results over the long term. Fairview Capital's investment process consists of the following stages:

**\* Idea Generation.** Fairview Capital searches for new investment ideas by: (1) using quantitative screening to identify what Fairview Capital believes are high-quality companies trading at inexpensive valuations; (2) generating ideas by reviewing independent research, investment newsletters, trade publications, company annual reports, and by communicating with a network of industry colleagues; (3) reviewing SEC filings to analyze portfolio actions taken by industry colleagues; (4) reviewing recommendations provided by third-party research providers; and (5) monitoring companies previously researched to identify any that have declined in price to a level suitable for investment.

**\* Investigative Process.** When a company generates interest, Fairview Capital's research team reviews the company's key risks and merits, utilizing a checklist of questions that help identify the company's competitive advantages, management quality, financial characteristics, valuation and risks. The research team applies a multi-stage due diligence process designed to maximize the level of understanding of the subject company in the most efficient means possible. Each stage serves as a "pass" or "no pass" checkpoint along the path toward reaching an investment conclusion, with the depth of research increasing along each stage. In the final stage of the analysis, the research team completes a research report designed to provide a comprehensive evaluation of the subject company for review by the Director of Research.

**\* Purchase Decision.** Fairview Capital's research team makes the final determination about whether to include the security in the portfolio or place it on the "watch list" for possible future consideration. The decision to initiate a portfolio investment is contingent upon a

variety of factors, most important of which is whether or not the security is deemed superior, from both a qualitative and quantitative perspective, to an existing portfolio holding. A new security deemed superior to an existing holding will be added to the portfolio in place of the existing one, unless tax considerations dictate otherwise. Stock position sizes vary based on several factors. These factors include, but are not limited to: the quality of the business, Fairview Capital's conviction in the investment idea, and the expected level of its undervaluation.

**\* Portfolio Management and Monitoring.** Once a security is part Fairview Capital's equity portfolio, it is carefully monitored by a member of Fairview Capital's research team including a thorough review of quarterly business results and the research team discusses important company news and relevant industry developments that may impact our assessment of the company.

**\* Portfolio Adjustments.** Fairview Capital adds to a stock position when new information increases the conviction in the original idea, or when a stock price declines and the investment thesis remains intact. Fairview Capital reduces a position when it constitutes an overly large portion of the portfolio, or when the stock becomes materially overvalued. Fairview Capital sells a stock position when new information suggests the investment thesis was incorrect, or when a superior opportunity is identified that would improve the risk-reward profile of the portfolio.

## **Risk Factors**

**General.** Investing in securities involves risk of loss that clients should be prepared to bear. Below are some of the risks that clients should consider before investing in any account that Fairview Capital manages. Any or all of such risks could materially and adversely affect investment performance, the value of any account or any security held in an account, and could cause clients to lose substantial amounts of money. Below is only a brief summary of some of the risks that a client may encounter. A potential client should discuss with Fairview Capital's representatives any questions that such person may have before opening an account.

\* Both the prices of and the income generated by investment securities held by Fairview Capital may decline due to general market conditions. This relates directly to the issuers of the securities held by Fairview Capital and also more to the market in general.

\* Fairview Capital and its service providers rely heavily on internal and third-party computer hardware and software, online services, data feeds, including those focused on market data, trading platforms, and other technology and equipment to conduct their investment and trading activities, and trade settlements, operations and accounting processes. Economic disruptions or malfunctions in the operation of any such technology or equipment, or the communications, power or infrastructure necessary to operate these systems, may make it difficult or impossible to implement a given investment strategy and could materially and adversely affect Fairview Capital's investment services. Examples of such circumstances

include natural disasters, terrorism, cybersecurity attacks, pandemics, public service or utility disruptions or utility problems such as those caused by fires, floods or earthquakes; market trading halts; systems failures; and other extraordinary events.

\* Client accounts may not achieve their investment objectives. A strategy may not be successful and clients may lose some or all of their investment.

\* Investor sentiment on the market, an industry or an individual stock, fixed income or other security is not predictable and can adversely affect an account's investments.

\* An account may hold stocks that disappoint earnings expectations and decline.

\* Fairview Capital may take positions in securities of small, unseasoned companies that are less actively traded and more volatile than those of larger companies.

\* Changes in economic conditions can affect Fairview Capital's investments and prospects materially and adversely. These changes may include, for example:

- interest rates;
- credit availability;
- inflation rates;
- industry conditions;
- government regulation;
- competition;
- technological developments;
- political and diplomatic events and trends;
- economic disruptions due to a cyber-attack, a natural catastrophe, a pandemic, an industrial accident, a terrorist attack or war;
- tax and other laws; and
- innumerable other factors;

None of these conditions is within Fairview Capital's control and it may not anticipate these developments. These factors affect the volatility of securities prices and the liquidity of Fairview Capital's investments. Unexpected volatility or illiquidity could impair a client portfolio's profitability or result in losses.

\* An increase in interest rates usually causes the values of bonds and other types of debt securities to decline. Conversely, lower interest rate levels may drive an issuer to redeem or refinance a debt security before the stated maturity date. In that circumstance, Fairview Capital would face reinvestment of the proceeds into securities with lower yields than the original.

\* Fairview Capital actively manages all client portfolios. As a result, client portfolios face the risk that Fairview Capital's investment processes may not deliver the expected results. Consequently, the value of client portfolios may decline or even fall short of the results

reported for benchmarks or comparable portfolios. At the same time, client portfolios depend on the skill and acumen of Fairview Capital's research and investment team. If the research and investment team should cease to participate in these activities, Fairview Capital's ability to select attractive investments and manage client portfolios could be severely impaired.

\* Fairview Capital selects portfolio investments based in part on information and data that the issuers of such securities file with various government agencies or make directly available to Fairview Capital, or that it obtains from other sources. Fairview Capital is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not readily available. This could adversely affect the outcome of our investment process. Fairview Capital also may receive material, non-public information about an issuer that prevents it from trading securities of that issuer for a client when the client could make a profit or avoid losses.

\* Fairview Capital may incorporate ETFs in client portfolios. ETFs are investment companies traded on an exchange and registered with the SEC that purchase and sell securities, such as stocks and bonds, under the direction of an investment adviser. Shareholders of an ETF generally bear all expenses of that fund, including fees of its investment adviser and custodian, brokerage commissions and legal and accounting fees. As a result, if Fairview Capital invests in ETFs, client portfolios will pay two levels of advisory compensation -- management fees to Fairview Capital, plus advisory fees charged by investment advisers of the ETFs. Such fees may result in higher costs than would be the case if a client were to invest directly in the ETFs purchased by Fairview Capital. As a result, clients' returns are less than the returns they would realize from engaging in the same activities directly.

\* Client portfolios are exposed to the credit risk of the counterparties with which, or the brokers, dealers and exchanges through which, Fairview Capital manages their accounts. Client accounts may be subject to risk of loss of assets on deposit with a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of Fairview Capital, or the bankruptcy of an exchange clearing house.

\* Fairview Capital may invest in securities of non-U.S. private and government issuers. The risks of these investments include political risks, economic conditions of the country in which the issuer is located, limitations on foreign investment in any such country, currency exchange risks, withholding taxes, limited information about the issuer, limited liquidity, and limited regulatory oversight.

\* Fairview Capital may acquire for a client a large position in an issuer's securities, but the client nevertheless is unlikely to have any control over the issuer's management. In addition, if Fairview Capital holds a large position in an issuer's securities, it could depress the market for those securities.

\* Some of an account's positions may be or become illiquid, in which case Fairview Capital may not be able to sell such positions.



\* An account may invest in restricted securities that are subject to long holding periods or that are not traded in public markets. These securities are difficult or impossible to sell at prices comparable to the market prices of similar publicly-traded securities and may never become publicly traded.

\* An account's investments may not be diversified. Therefore, a loss in any one position, industry, or sector in which the account has invested may cause significant losses.

\* Fairview Capital determines the pricing service used to value the securities held in client accounts, whether or not a public market exists for such instruments. If Fairview Capital's valuation is inaccurate, it might receive more compensation than that to which it is entitled.

\* An account may have higher portfolio turnover and transaction costs than a similar account managed by another professional adviser. These costs reduce investments and potential profit or increase loss.

\* Fairview Capital and its agents generally are not responsible to any client for losses incurred in an account unless the conduct resulting in such loss breached Fairview Capital's fiduciary duty to the client.

\* If the assets that Fairview Capital manages grow too large, it may adversely affect performance, because it is more difficult for Fairview Capital to find attractive investments as the amount of assets that it must invest increases.

\* Fairview Capital and its service providers rely on internal and third-party computer hardware and software, online services, data feeds, trading platforms and other technology. Disruptions to these systems may make it difficult or impossible to implement investment strategies, cause losses due to theft, interfere with net asset valuations, violate privacy and other laws, cause reputational damage and additional compliance costs. Such circumstances include natural disasters, terrorism, cybersecurity attacks, public service or utility disruptions such as those caused by fires, floods, earthquakes, market trading halts, systems failures and other extraordinary events. Fairview Capital's and its service providers' security measures may not fend off cybersecurity attacks from viruses, malware, hackers or other malicious corruption of their information technology systems. Fairview Capital cannot control the cybersecurity plans and systems of service providers and issuers in which clients invest.

\* Federal, state and international governments may increase regulation of investment advisers, which may increase the time and resources that Fairview Capital must devote to regulatory compliance, to the detriment of investment activities.

## **Item 9. Disciplinary Information**

Not applicable.

**Item 10. Other Financial Industry Activities and Affiliation**

Not applicable.

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

Fairview Capital has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, as amended, which establishes standards of conduct for Fairview Capital's supervised persons. The Code of Ethics includes general requirements that Fairview Capital's supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings annually to Fairview Capital's Compliance Officer, and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to Fairview Capital's Compliance Officer. Each supervised person of Fairview Capital receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during that year. Current and prospective clients may obtain a copy of Fairview Capital's Code of Ethics by contacting Fairview Capital.

Under the Code of Ethics, Fairview Capital and its members, managers, officers and employees may invest personally in securities of the same classes as are purchased for clients and may own securities of issuers whose securities subsequently are purchased for clients. This practice creates a conflict of interest in that any of such persons can use his or her knowledge about actual or proposed securities transactions and recommendations for a client account to profit personally by the market effect of such transactions and recommendations. To generally address this conflict, Fairview Capital and its members, managers, officers and employees are prohibited from trading for their own accounts any security that Fairview Capital buys or sells for client accounts on the same day that Fairview Capital purchases or sells that security for client accounts. In addition, such persons may not trade most securities for their own accounts without the prior written approval of Fairview Capital's Compliance Officer. Fairview Capital and its members, managers, officers and employees may, however, buy or sell specific securities for their own accounts based on personal investment considerations aside from company or industry fundamentals that Fairview Capital does not deem appropriate to buy or sell for clients.

In addition to the conflicts of interest described above and in Item 8, Fairview Capital has other conflicts of interest over its time devoted to managing any one account and allocating investment opportunities among all accounts that it manages. Fairview Capital selects investments for each client based solely on investment considerations for that client. Different clients may have differing investment strategies and tolerance for risk. They might also have different tax circumstances. Fairview Capital may buy or sell a security for one type of client

but not for another, or may buy (or sell) a security for one type of client while simultaneously selling (or buying) the same security for another type of client. Fairview Capital may give advice to, and take action on behalf of, any of its clients that differs from the advice that it gives or the timing or nature of action that it takes on behalf of any other client. Fairview Capital is not obligated to acquire for any account any security that Fairview Capital or its managers, members or employees may acquire for its or their own accounts or for any other client.

## **Item 12. Brokerage Practices**

Fairview Capital has complete discretion over the selection and amount of securities to be bought or sold for discretionary client accounts without obtaining specific client consent. Unless a client requests a specific broker, Fairview Capital also has complete discretion over selecting the broker that it uses for any client securities transaction and the commission rates that such broker is paid. In selecting a broker for any transaction or series of transactions, Fairview Capital may consider a number of factors, including, for example:

- special execution capabilities, clearance, settlement, reputation;
- financial strength and stability;
- efficiency of execution and error resolution;
- block trading and block positioning capabilities;
- willingness to execute related or unrelated difficult transactions in the future;
- order of call;
- offering to Fairview Capital on-line access to computerized data regarding clients' accounts;
- computer trading systems;
- the availability of stocks to borrow for short trades; and
- confidentiality.

Fairview Capital also may purchase from a broker or allow a broker to pay for the following (each, a "soft dollar" relationship):

- custody, recordkeeping and similar services;
- research reports, services and conferences, including third-party research fees;
- technical data;
- consultations;
- performance measurement data;
- on-line pricing;
- news wire and data processing charges;
- quotation services;
- proxy voting services;
- periodical subscription fees; and
- industry conference fees.

Fairview Capital also receives an economic benefit from Charles Schwab & Co., Inc. ("Schwab"), where most of Fairview Capital's clients' accounts are held in custody. This benefit is in the form of support products and services that Schwab makes available to Fairview Capital and other independent investment advisers whose clients maintain accounts at Schwab. In particular, Schwab has provided Fairview Capital a fee waiver for Schwab's annual IMPACT conference. The availability of Schwab's products and services is not based on Fairview Capital giving particular investment advice or buying particular services for its clients.

Fairview Capital may receive soft dollar credits based on principal, as well as agency, securities transactions with brokerage firms or direct a brokerage firm that executes transactions to share some of its commissions with a brokerage firm that provides soft dollar benefits to Fairview Capital. Soft dollar benefits are not limited to those clients who may have generated soft dollar credits.

Section 28(e) of the Securities Exchange Act of 1934 provides a "safe harbor" to investment advisers who use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the adviser in performing investment decision-making responsibilities. Conduct outside of the safe harbor of section 28(e) is subject to traditional standards of fiduciary duty under state and federal law. If Fairview Capital uses commission dollars to pay for products or services that provide administrative or other nonresearch assistance to itself, such payments may not fall within the section 28(e) safe harbor.

Fairview Capital may select a broker (which may be the prime broker for a client account to act as a trading broker for that account. In such case, Fairview Capital or the trading broker may select the executing broker, and the trading broker would then place or manage the order. The client compensates trading brokers (through commissions or otherwise) for this trading service, in addition to the commissions the client pays to the executing brokers. As with all soft dollar arrangements, using a trading broker in this manner may cause clients to pay brokerage commissions, mark-ups and other transaction costs that are higher than might otherwise be available if brokers were selected based solely on lowest execution cost. In addition, using a trading broker (rather than an employee of Fairview Capital) to provide those services may result in lowering Fairview Capital's personnel expenses.

Fairview Capital may pay a broker a commission in excess of that which another broker might charge for effecting the same transaction in recognition of the value of the brokerage, research, other services and soft dollar relationships provided by that broker if Fairview Capital determines in good faith that such commission is reasonable in relation to the value of such brokerage, research, other services and soft dollar relationships viewed in terms of either the specific transaction or Fairview Capital's overall responsibilities to the portfolios that it manages. A client may pay higher brokerage commissions than are otherwise available, however, or may pay more brokerage commissions based on account trading activity. In addition, the research and other benefits resulting from a brokerage relationship benefit all accounts that Fairview Capital manages or Fairview Capital's operations as a

whole, including clients who direct Fairview Capital to use a broker that does not provide soft dollar benefits. Fairview Capital does not allocate soft dollar benefits to client accounts proportionately to the soft dollar credits that the accounts generate.

Fairview Capital's relationships with brokerage firms that provide soft dollar services influence Fairview Capital's judgment and create conflicts of interest in allocating brokerage business between firms that provide soft dollar services and firms that do not. Fairview Capital has an incentive to select or recommend a broker based on Fairview Capital's interest in receiving soft dollar services rather than clients' interest in receiving the most favorable execution. These conflicts of interest are particularly influential to the extent that Fairview Capital uses soft dollars to pay expenses it would otherwise be required to pay itself.

Fairview Capital addresses these conflicts of interest by annually evaluating the trade execution services that it receives from the brokers that it uses to execute trades for clients. Such evaluation includes comparing those services to the services available from other brokers. Fairview Capital considers, among other things, alternative market makers and market centers, the quality of execution services, the value of continuing with various soft dollar services and adding brokers to or removing brokers from the list of brokers that it uses, increasing or decreasing targets for each broker and the appropriate level of commission rates.

Fairview Capital may aggregate securities sale and purchase orders for a client with similar orders being made contemporaneously for other accounts that Fairview Capital manages. In such event, a client will be charged or credited the average price of all securities purchased or sold in such transactions. As a result, however, the price may be less favorable to the client than it would be if similar transactions were not being executed concurrently for other accounts. Fairview Capital also may cause a client to buy or sell securities directly from or to another client, if such a cross transaction is in the interests of both such clients.

If a client directs Fairview Capital to use a specific broker:

- Fairview Capital has not negotiated the terms and conditions (including, but not limited to, commission rates) relating to the services provided by such broker;
- Fairview Capital is not responsible for obtaining for the client from any such broker the best prices or commission rates;
- the client may not obtain rates as low as it might obtain if Fairview Capital had discretion to select brokers other than those chosen by the client;
- the client may not be able to participate in aggregate securities transactions; and
- the client may trade after such aggregate transactions and may receive less favorable execution.

Fairview Capital may direct a certain amount of brokerage to a broker in return for the broker's referral of prospective clients. Directing brokerage to a broker in exchange for client

referrals creates a conflict of interest in that Fairview Capital has an incentive to refer its clients' brokerage business to brokers to which it might not otherwise direct brokerage transactions.

Fairview Capital formerly received client referrals from Schwab through Fairview Capital's former participation in the Schwab Adviser Network®. Although Fairview Capital no longer participates in this program, it is required to pay Schwab fees for each account referred by Schwab for so long as that account remains in custody at Schwab and is managed by Fairview Capital. Such fees are billed to Fairview Capital quarterly and may be increased, decreased, or waived by Schwab from time to time. Such fees are paid by Fairview Capital and not by the client. Fairview Capital does not charge such clients fees or costs greater than those that it charges clients with similar portfolios who were not referred by Schwab.

Most of Fairview Capital's client accounts are held at Schwab. Because Schwab's commissions may be lower than other custodians, those clients generally pay lower commissions than client accounts held at other custodians. Further, Schwab's trade-away fees may be lower than other custodians so Fairview Capital can trade Schwab accounts at other brokers even if those accounts have to pay a trade-away fee. However, some clients have directed Fairview Capital to use a particular custodian other than Schwab because of the client's relationship with that custodian or services that the client receives from that custodian. Clients whose accounts held at a custodian other than Schwab might trade through different brokers, at different times and at different (and possibly higher) prices than accounts held at Schwab. To mitigate this effect, when Fairview Capital makes aggregated trades on behalf of its separately managed accounts, it typically places one half of the order that is for clients whose accounts are held at Schwab, then trades for accounts that have directed it to use a particular broker, and then places the second half of the order for Schwab accounts.

#### **Item 13. Review of Accounts**

Each discretionary client account portfolio is regularly monitored and reviewed by the primary portfolio manager assigned to that portfolio. Fairview Capital provides a quarterly report and letter to each discretionary client or the client's designated representative stating performance and investment outlook. Each Wealth Management Consulting client receives such reports as such client and Fairview Capital agree.

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

Fairview Capital engages solicitors to whom it pays cash or a portion of the advisory fees paid by clients referred to it by those solicitors.

#### **Item 15. Custody**

Clients who hold individually managed accounts with Fairview Capital should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and

maintains client's investment assets. Fairview Capital urges clients to carefully review such statements and compare such official custodial records to the account statements that Fairview Capital may provide to clients. Fairview Capital's statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

Fairview Capital has custody of client assets in the following cases:

- Fairview Capital is authorized to debit quarterly fees for a client account;
- An employee serves as a trustee of a client account at the request of the client;
- and
- Fairview Capital has standing letters of authorization.

#### **Item 16. Investment Discretion**

Fairview Capital has discretionary authority to manage investment accounts on behalf of clients pursuant to a limited power of attorney in each client's account agreement. Such discretion is limited by the requirement that clients advise Fairview Capital of:

- the investment objectives of the account;
- any changes or modifications to those objectives; and
- any specific investment restrictions relating to the account.

A client must promptly notify Fairview Capital in writing if the client considers any investments recommended or made for the account to violate such objectives or restrictions. A client may at any time direct Fairview Capital to sell any securities or take such other lawful actions as the client may specify to cause the account to comply with the client's investment objectives. In addition, a client may notify Fairview Capital at any time not to invest any funds in the client's account in specific securities or specific categories of securities.

#### **Item 17. Voting Client Securities**

Fairview Capital votes all proxies on behalf of each account over which it has proxy voting authority based on its determination of the best interests of that account. In determining whether a proxy proposal is in an account's best interest, Fairview Capital considers a number of factors, including the economic effect the proposal would have on shareholder value, the threat posed by the proposal to existing rights of shareholders, the dilution of existing shares that would result from the proposal, the effect the proposal would have on management or director accountability to shareholders, and, if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual. Fairview Capital may engage a proxy voting service to assist it in determining how and whether to vote some proxies for client accounts. Fairview Capital abstains from voting proxies when Fairview Capital believes that it is appropriate.

If a material conflict of interest over proxy voting arises between Fairview Capital and a client, Fairview Capital will vote all proxies in accordance with the policy described above. If Fairview Capital determines that this policy does not adequately address the conflict of interest, Fairview Capital will notify the client of the conflict and request that the client consent to Fairview Capital's intended response to the proxy solicitation. If the client consents to Fairview Capital's intended response or fails to respond to the notice within a reasonable period of time specified in the notice, Fairview Capital will vote the proxy as described in the notice. If the client objects to Fairview Capital's intended response, Fairview Capital will vote the proxy as directed by the client.

By contacting Fairview Capital, (a) a client can obtain a copy of Fairview Capital's proxy voting policy, and (b) a client can obtain the record of votes cast by Fairview Capital on behalf of that client.

**Item 18. Financial Information**

This Item is not applicable, because Fairview Capital is not required to report financial information.



## Privacy Policy

### WHAT DOES FAIRVIEW CAPITAL INVESTMENT MANAGEMENT, LLC DO WITH YOUR PERSONAL INFORMATION?

Financial companies choose how they share your nonpublic personal information. Federal law gives our clients the right to limit some but not all sharing, and it requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

It is our policy not to disclose nonpublic personal information about our clients or former clients to third parties other than as described below.

***Who is providing this Privacy Notice.*** Fairview Capital Investment Management, LLC, which is referred to herein as “we,” “our” or “us”:

***Personal information we collect.*** We collect personal information about you in connection with our providing advisory services to you. This information includes your social security number, date of birth and residential address, and may include other information such as your:

- Assets and income;
- Investment experience;
- Transaction history; and
- Wire transfer instructions.

***How we collect this information.*** We collect this information from you through various means, including, but not limited to, when you give us your contact information and you complete our client questionnaire and other forms you give to us, enter into an investment advisory contract with us, tell us where to send money, or make a wire transfer.

***How we use this information.*** All financial companies need to share clients’ personal information to run their everyday business and we use the personal information we collect from you for our everyday business purposes. These purposes may include for example:

- To provide advisory services to you.
- To open an account for you.
- To process a transaction for your account.
- To market products and services to you.
- To respond to court orders and legal investigations.

***Disclosure to others.*** We may provide your personal information to firms that assist us in servicing your account and have a need for such information, such as brokers, custodians, our client relationship management (CRM) and other software vendors and data storage providers, and otherwise as required or permitted by law. We may also disclose such information to any service providers and financial institutions with whom we may have joint marketing arrangements (i.e., a formal agreement between nonaffiliated financial companies that together market financial products or services to you, such as solicitors). We require any such third-party service providers and financial institutions with which we may have joint marketing arrangements to protect the confidentiality of your information and to use the information only for the purposes for which we disclose the information to them. These sharing practices are consistent with Federal privacy and related laws, and you may not limit our use of your personal information for these purposes under such laws. Federal privacy laws only give you the right to limit the certain types of information sharing that we do not engage in (e.g., sharing with our affiliates certain information relating to your transaction history or creditworthiness for their use in marketing to you, or sharing any personal information with nonaffiliates for them to market to you).

***How we protect your personal information.*** To protect your personal information from unauthorized access and use, we use security measures that comply with Federal law. These measures include computer safeguards and secured files and premises. In addition, we restrict access to non-public personal information about clients to our employees who need to know that information to provide services to clients

***Who to contact with questions.*** If you have any questions about this Privacy Notice, please call us at (415) 464-4640.

## Fairview Capital Guide to Services and Compensation Prepared for ERISA Plans

### Required Information Location(s)

REQUIRED DISCLOSURE	SOURCE
<ul style="list-style-type: none"> <li>• Description of the services that Fairview Capital will provide to the Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Located in the Investment Management Agreement, section 1.</li> </ul>
<ul style="list-style-type: none"> <li>• Statements that Fairview Capital will be an ERISA fiduciary and is a registered investment adviser under the Investment Advisers Act of 1940.</li> </ul>	<ul style="list-style-type: none"> <li>• Located in the Investment Management Agreement, section 4(b).</li> </ul>
<ul style="list-style-type: none"> <li>• Direct compensation that Fairview Capital will receive from the Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Located in the Fee Schedule of the Investment Management Agreement.</li> </ul>
<ul style="list-style-type: none"> <li>• Indirect compensation that Fairview Capital will receive from other parties that are not related to us.</li> </ul>	<ul style="list-style-type: none"> <li>• Located in Fairview Capital's Form ADV 2A, Item 12.</li> </ul>
<ul style="list-style-type: none"> <li>• Compensation that will be paid among Fairview Capital and related parties.</li> </ul>	<ul style="list-style-type: none"> <li>• Not Applicable.</li> </ul>
<ul style="list-style-type: none"> <li>• Compensation Fairview Capital will receive if you terminate the Investment Management Agreement.</li> </ul>	<ul style="list-style-type: none"> <li>• Located in the Investment Management Agreement, section 6(c).</li> </ul>
<ul style="list-style-type: none"> <li>• Method of compensation that Fairview Capital will receive.</li> </ul>	<ul style="list-style-type: none"> <li>• Located in the Investment Management Agreement, section 9.</li> </ul>