

Chandler Asset Management

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Since 1988, Chandler Asset Management has specialized in the management of fixed income portfolios.

Chandler's mission is to provide fully customizable, client-centered portfolio management, which preserves principal, manages risk, and generates income in our clients' portfolios.

The Chartered Financial Analyst® Designation and the Duties of an Investment Advisor

As an investment adviser registered with the Securities and Exchange Commission (SEC) through our Form ADV filings, we have taken on certain important duties that are not required of those who are not registered. Falling under the heading of "fiduciary duty," every registered investment adviser (RIA) must act in the best interests of their clients individually and must place the client's interests ahead of their own.

A comprehensive "laundry list" of fiduciary duties isn't available within the governing law, which is the Investment Advisers Act of 1940. However, the Chartered Financial Analyst (CFA®) Institute has created and approved The *Code of Ethics and Standards of Professional Conduct* that CFA charterholders are required to uphold. The members of our firm who hold CFA charters are bound by the *Code of Ethics and Standards of Professional Conduct*, and everyone at Chandler believes in and upholds the principles of the *Code*.

The tenets of the Institute's *Code of Ethics* include the following:

- *Act with integrity, competence, diligence, respect and in an ethical manner with the public, clients and prospective clients.*
- *Place the integrity of the investment profession and the interest of clients above personal interests.*
- *Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions and engaging in other professional activities.*
- *Practice and encourage others to practice in a professional and ethical manner.*
- *Promote the integrity of and uphold the rules governing capital markets.*
- *Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals.*

The Institute's *Standards of Professional Conduct* elaborate on the principles of the *Code of Ethics*. The following are some of the requirements of the *Standards* with regard to section III: *Duties to Clients*:

A. Loyalty, Prudence and Care. *Members and Candidates have a duty of loyalty to their clients and must act with reasonable care and exercise prudent judgment. Members and Candidates must act for the benefit of their clients and place their clients' interests before their employer's or their own interests.*

B. Fair Dealing. *Members and Candidates must deal fairly and objectively with all clients when providing investment analysis, making investment recommendations, taking investment action, or engaging in other professional activities.*

C. Suitability.

1. *When Members and Candidates are in an advisory relationship with a client, they must:*

- Make a reasonable inquiry into a client's or prospective client's investment experience, risk and return objectives, and financial constraints prior to making any investment recommendation or taking investment action and must reassess and update this information regularly.*

The CFA program is recognized worldwide as a comprehensive foundation for investment analysis and portfolio management.

Source: CFA Institute

ESTABLISHED 1988



Equally important to the CFA institute and to the public is the program's primary focus on ethics and professional conduct.

b. Determine that an investment is suitable to the client's financial situation and consistent with the client's written objectives, mandates, and constraints before making an investment recommendation or taking investment action.

c. Judge the suitability of investments in the context of the client's total portfolio.

2. When Members and Candidates are responsible for managing a portfolio to a specific mandate, strategy, or style, they must make only investment recommendations or take only investment actions that are consistent with the stated objectives and constraints of the portfolio.

D. Performance Presentation. When communicating investment performance information, Members and Candidates must make reasonable efforts to ensure that it is fair, accurate, and complete.

E. Preservation of Confidentiality. Members and Candidates must keep information about current, former, and prospective clients confidential unless:

1. The information concerns illegal activities on the part of the client or prospective client,
2. Disclosure is required by law, or
3. The client or prospective client permits disclosure of the information.

Clients Benefit from the Institute's Code of Ethics and Standards of Professional Conduct

In order to obtain the CFA designation, a candidate must gain command of a large body of knowledge focused on investment analysis, portfolio management, practical knowledge and ethics. The designation shows that its holder has completed a graduate degree level of study and has passed three sequential 6-hour examinations.

Due to its depth and comprehensiveness, the CFA program is recognized worldwide as a comprehensive foundation for investment analysis and portfolio management. Most industry professionals and many members of the public recognize

the value of the designation. Equally important to the CFA Institute and to the public is the program's primary focus on ethics and professional conduct.

When a client retains an investment adviser who holds a CFA charter, the client can reasonably expect that the adviser will approach the portfolio in a methodical way that includes:

- First, a Charterholder has the depth and breadth of knowledge to understand fully the client's investment objectives, risk constraints and investment policy.
- Next, a Charterholder has specific training in structuring an investment plan designed to fulfill the client's objectives.
- And a methodology for evaluating, researching and selecting securities for inclusion in the portfolio is an integral part of their training.

Key to the process is that CFA charterholders are bound to execute the investment program in an ethical way that places the client's interests above their own while aligning with the client's needs. They will seek best execution on securities that are suitable for the individual client, and must treat all clients fairly in all of their dealings.

We believe the CFA program combines the critical elements of knowledge and ethics to improve the quality of investment decision-making and the integrity of the investment industry. This is why we support our employees' participation in the program, and require that portfolio managers hold the CFA designation at the time they take on portfolio management responsibilities.

Kay Chandler, CFA *President*

Kay founded the firm in 1988 and is responsible for overseeing all aspects of the firm's investment process. She leads client service and is focused on the strategic direction of the firm.

The CFA designation is globally recognized and attests to a charterholder's success in a rigorous and comprehensive study program in the field of investment management and research analysis. The CFA® or Chartered Financial Analyst® marks herein are trademarks owned by CFA Institute. For more information about the CFA Institute's Code of Ethics and Standards of Conduct, please visit the CFA Institute website at www.cfainstitute.org.