

## Introduction

Chesley, Taft & Associates, LLC is registered with the Securities and Exchange Commission as an Investment Adviser.

Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisers, and investing.

## What investment services and advice can you provide me?

We offer customized investment advisory services to investors on both a discretionary and non-discretionary basis, as well as financial planning services. For discretionary clients, we implement transactions without first acquiring client approval. For non-discretionary clients, we make recommendations and only implement transactions with client approval. Client accounts are separately managed, and Portfolio Managers monitor client portfolios on an on-going basis. Each client has an individual portfolio plan based on their goals, risk tolerance and constraints. Portfolio Managers invest client assets based on the portfolio plan, individual security assessment, and financial market conditions. We invest in publicly traded investments including but not limited to domestic and international equities, bonds, mutual funds and exchange traded funds. Our account minimum is \$1 million but in certain circumstances we will accept relationships below that level.

Risks and constraints: We may misjudge security valuations and financial market conditions. Trades for non-discretionary accounts trades will not be executed at the same time as discretionary accounts. We are reliant on clients to keep us informed of changes in their goals and objectives.

More detailed information can be found on our Form ADV Part 2 at <http://www.chesleytaft.com/disclosures>

### Conversation Starters:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

## What fees will I pay?

We are compensated by the fees our clients pay us. Fees are based on the value of the assets under our management. Fees are paid in the mid part of the quarter based on the account value on the last day of the previous quarter. Clients will incur additional expenses charged by third parties. These expenses include, but are not limited to, transaction fees paid directly to the brokers, custodial fees paid to the client's custodian, and mutual fund and exchange traded fund fees and expenses charged within the funds.

Risks and Constraints: Clients should be aware that we have an incentive to increase client assets to increase our fee revenue.

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.**

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### Conversation Starter:

- Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

## What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

***When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.***

We use brokerage commissions generated by client trades to pay for research and other services in addition to trade execution. This is a potential conflict of interest. We use research and other services for all the clients, not just the clients who paid the commissions. Absent the availability of commissions to compensate brokers, some of these services would need purchased out of our resources. However, currently, many research services are not available for direct purchase.

Risks and Constraints: Some clients with more trades may bear a disproportionate share of the costs. When we select brokers that provide these services, our clients may pay higher commissions and expenses than those charged by brokers who only provide execution services.

Our employees may invest in securities which are owned by clients.

Risks and Constraints: We may have an incentive to give ourselves priority when trading.

With respect to certain accounts, we pay a portion of our investment management fee to a solicitor as a referral fee. In those instances, the fees are fully disclosed to the client.

**More detailed information can be found on our Form ADV Part 2 at <http://www.chesleytaft.com/disclosures>.**

#### **Conversation Starter:**

- How might your conflicts of interest affect me, and how will you address them?

### **How do your financial professionals make money?**

Portfolio Managers are compensated based on a percentage of the fees paid by their clients.

Risks and Constraints: Portfolio Managers have an incentive to increase their assets under management by recommending actions such as rolling over retirement assets even if the existing arrangement is more cost effective.

### **Do you or your financial professionals have legal or disciplinary history?**

No. Neither we, nor any of our financial professionals, have been involved in any legal or disciplinary events.

Please go to <https://www.investor.org/CRS> for free and simple search tool to research our firm and financial professionals.

#### **Conversation Starter:**

- As a financial professional, do you have any disciplinary history? For what type of conduct?

### **Additional Information**

**Additional information about our services is available by visiting <http://www.chesleytaft.com>. To request up-to-date information or a copy of Form CRS, please call us at 312-873-1260.**

#### **Conversation Starter:**

- Who is my primary contact person? Is he or she a representative of an investment advisor or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?