

**Setchfield Asset Management
Part 2A of Form ADV
Firm Brochure**

**Setchfield Asset Management
6909 S Holly Circle Ste. 250
Centennial, CO 80112
303-627-1099
800-252-2925**

www.setchfieldassetmanagement.com

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Setchfield Asset Management, (we, us, our) is an investment advisor that is registered with the State of Colorado. Registration with the state or SEC does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Setchfield Asset Management (SAM). If you have any questions about the contents of this brochure, please contact us at 800-252-2925. The information in this brochure has not been approved or verified by the SEC or by any state authority.

This brochure details important disclosure information about certain programs that we offer. We do not offer other programs that are not discussed in this brochure.

Additional information about Setchfield Asset Management also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Since the annual update filed on 3/7/2017, the following are material changes:

- TD Ameritrade has been added as a custodian (Items 12 and 15)
- Steven Setchfield is no longer a Certified Wealth Strategist. (Items 19 and ADV Part 2B)

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Item 4: Advisory Business

Setchfield Asset Management (“SAM”) is an investment advisor registered with the Colorado Division of Securities. Being registered does not mean that SAM is endorsed by any regulatory authority.

Representatives of SAM are required to be registered in each state where the client resides, according to each state’s requirements.

Setchfield Asset Management was founded in 1996, and is a private company owned by Steven Setchfield.

At Setchfield Asset Management we provide a fee based platform for clients that allow us provide model portfolios, sector rotation, and asset allocation strategies. These models are selected and monitored by SAM.

We also provide portfolio management services for a fee which include:

- Assistance in selecting a portfolio manager
- Ongoing evaluation and review of managers
- Evaluation and review of portfolio composition
- Management of accounts
- Financial Planning
- Active portfolio management

Portfolio management includes designing a portfolio through buying and selling stocks, bonds, mutual funds, options, managed futures, insurance products, private placements, and other securities

At SAM we take into account your investment goals and needs when recommending any advisory product or service. Our intention is to provide you with products and services that will help you to meet your goals and needs. We will gather personal information when helping you choose a product or service. This information may include:

- Your investment experience
- How soon you need the money
- Your current financial situation including income and net worth
- Your ability to lose money, and withstand markets fluctuations
- Your personal instructions regarding your future needs

As of 3/8/2017, SAM manages \$40,000,000 in 180 accounts on a discretionary basis, and \$6,000,000 in 20 accounts on a non-discretionary basis.

Item 5: Fees and Compensation

The fees and other charges that you pay for advisory products or services that we offer will depend on several different factors. The fees for advisory products are generally based on the “Assets under Management.” This means the account is charged based on the account balance as of a certain date. Usually this is the end of the calendar quarter. The fees are deducted directly from the account. The accounts are billed in arrears. The account statements you receive from the custodian will reflect the deduction of these fees.

Some assets in your account may not be included in the calculation of your advisory fee. For example, assets that you may have recently paid a commission on may be exempt from this advisory fee. With approval from our management, we will allow you to hold an asset in your advisory account without being charged the advisory fee.

Fees and Pershing Accounts:

Management fees are negotiable, and will range from .50% to 2.00% annually. We may also charge a transaction charge for the buys and sells of stocks, bonds, mutual funds, and options. This fee is used to cover our clearing cost that Pershing charges us. Mutual fund transactions are usually \$30.00 per transaction, and \$40 for all other transactions. SAM also receives a 12b-1 fee through the underlying fund charges for mutual funds and annuities that are included in your account. Transaction fees for mutual funds and equities are paid by SAM and reimbursed to the firm by clients. Transaction fees may result in a profit for SAM.

Other Fees

Based on the activity in your account, you may pay more or less for a managed account than if you had a brokerage account or an account held directly with a mutual fund company. SAM will discuss which option is appropriate for you.

Brokerage charges/commissions

SAM may provide advice to you on other products, outside of your advisory account(s) we manage, that we are licensed to sell through our affiliate, First Allied Securities. If you purchase any of these products, SAM may earn an additional compensation. All fees, commissions, and other related costs will be disclosed prior to you investing.

Verification of fees

You are always responsible for verifying that the fee you are charged is accurate. The custodian will not determine whether the fee is properly calculated. Should you find an error please notify us immediately.

Conflicts of Interest

SAM does accept mutual funds trailers from mutual fund accounts. These fees are known as 12b-1 fees and are .25% per year; these fees are part of the annual expenses of the mutual fund company. Some mutual fund companies do not pay us 12b-1 fees. This is a conflict of interest in that SAM may have an incentive to choose funds paying us 12b-1 fees. This conflict is mitigated first, by our duty to put client interests ahead of our own, and secondly, through discussion and disclosure of mutual fund fees.

SAM buys and sells securities that we also recommend to clients. This is a conflict of interest, in that we may have the opportunity to receive a more favorable price than the client. SAM mitigates this conflict by our policy of always giving the client the lowest price, or the same price that SAM received.

Item 6: Performance-Based Fees

SAM does not charge performance-based fees.

Item 7: Types of Clients

At SAM we provide investment advice for individuals, high net worth individuals, 401k plans, profit sharing plans, corporations and businesses.

Our clients may have both advisory accounts and brokerage accounts. We offer both options depending on the client's situation to ensure the most appropriate solution for your needs.

Account minimums

SAM does not impose an investment minimum for our services, however we reserve the right to reject clients regardless of account size. Some of the institutional money managers may require an account minimum.

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

We manage client assets based on several factors. These sources include technical and fundamental analysis. Dorsey Wright & Associates provides the technical risk management, and we use Value Line, Morningstar, to determine the fundamentals of a particular security.

Types of Risk

Various types of risk are involved when investing in securities. Economic risk, market risk, currency risk, inflation risk, liquidity risk, and credit risk are examples of the types of risks your account may be subject to.

Assessing Risk

While some types of risk can be mitigated by investment strategies, many of these risks cannot be eliminated completely. We will work with you to make sure that you are comfortable with the risks associated with your account.

Risk of Loss

You should know that all types of securities investing involve risk. Your account value will fluctuate and will increase and decrease over time. You should not invest in any product if you are not prepared to bare a potential loss.

Past performance does not guarantee future results.

Item 9: Disciplinary Information

Setchfield Asset Management has no legal or disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Broker/Dealer Information

As mentioned previously, our affiliate, First Allied is our broker/dealer for securities products provided outside of investment advisory (fee-based) accounts. We are engaged in business both with our investment advisory and with First Allied Securities broker dealer. SAM spends 90% of our time devoted to our investment advisory clients.

As a broker dealer First Allied (FASI) places trades for clients for the purchase and sale of stock, bonds, mutual funds, options, variable annuities, and private placements. Since we are affiliated with FASI, these services may be available to you through SAM.

Item 11: Code of Ethics, Participation of Interest in Client Transactions and Personal Trading

Overview

We have adopted a Code of Ethics (COE) to establish rules of conduct for all employees of SAM. The COE recognizes our fiduciary responsibility to our clients. The COE instructs all employees to conduct their affairs in such a manner as to avoid:

- Serving their own interests ahead of clients' interests
- Taking inappropriate advantage of their position
- Engaging in unacceptable actual or potential conflicts of interest

We do not permit our employees to solicit or recommend transactions in a security in which that employee has a material financial interest.

Our employees may, however, invest in the same securities that clients purchase. This conflict of interest is mitigated by our COE, which states clients will receive pricing preference on all trades. Our employees will not receive a better price on trades. We have surveillance systems in place that detect trading patterns between supervised persons and clients.

A copy of our COE is available upon request by calling Steve Setchfield at 303-627-1099.

Item 12: Brokerage Practices

SAM is not a custodian of any accounts. Accounts are held at Pershing, Charles Schwab, FTJ Fundchoice, and TD Ameritrade. Custodians are selected on the basis of cost of transaction fees, trading technologies, services to clients, client preference, and quality of back-office support.

Soft dollar arrangements

At SAM we do not participate in any soft dollar arrangements. "Soft dollars" are dollars received in exchange for delivering business to another broker/dealer or other third party.

SAM does receive access to research and trading systems from our custodians, in addition to trade execution. To the best of our knowledge, our access to these does not cause our clients to pay higher costs for trade execution. The research and trade system access that we receive is the same as provided to other advisors doing business with the custodians.

Directed Brokerage

We do not permit clients to direct us to execute trades through a specified broker/dealer.

Aggregation of Client Trades

In an effort to both obtain best execution and deliver the best possible service to you, we will aggregate client trades when appropriate. Aggregating trades will not affect the transaction charges, and we will average price our aggregated trades.

Item 13: Review of Accounts

SAM reviews client accounts no less frequently than quarterly. Accounts are reviewed for ongoing suitability, asset allocation, and performance. When we are notified of changes in client circumstances, we will also review the relevant client accounts to ensure ongoing appropriateness of investments and strategies.

At SAM, we may also provide you with reports created by Albridge Wealth Reporting Solutions (“Albridge”). Albridge is a reporting vendor that we have contracted with to enable us to create reports for your accounts. Our custodians will provide account statements on a monthly or quarterly basis. We strongly urge each client to review custodian statements, and to contact us immediately with any questions.

Item 14: Client Referrals and Other Compensation

SAM does not pay anyone for referrals to us, and is not paid by anyone to refer clients to them.

Product sponsors may pay extra compensation to us and our affiliates. There may be a financial incentive to promote certain products because of this extra compensation. We believe that these relationships do not compromise the advice provided by SAM. This compensation may be in the form of training, educational meetings or conferences only. Any other forms of compensation will not be accepted by Setchfield Asset Management.

Item 15: Custody

SAM does not hold your accounts, securities or any other assets. Your accounts are held by a qualified custodian, usually Pershing, Charles Schwab, FTJ Fundchoice or TD Ameritrade, who will send you account statements.

Item 16: Investment Discretion

Depending on which advisory product you choose, you will grant us one of two levels of trading authorization:

- Limited trading authority
- No trading authority

Limited Trading Authority

If you select limited trading authority, SAM will rebalance your account based on our discretion and in line with your level of suitability. Usually this will apply to mutual funds and our quarterly rebalancing.

No Trading Authority

SAM will notify you of any transactions prior to the transactions.

Item 17: Voting Client Securities

We do not accept authority to vote client proxies. However, we may aid you in filling out the proxies.

Item 18: Financial Information

We do not require the prepayment of fees.

SAM financial Condition

There are no financial conditions that would impair our ability to meet our contractual commitments to you. Should any arise, we will notify you according to SEC guidelines.

Voluntary Arbitration

Voluntary agreement to arbitrate does not constitute a waiver of the investor's right under the Investment Advisors Act of 1940, the Colorado Securities Act, or similar statutes or rules.

Item 19: Requirements for State-Registered Advisers

Please refer to the attached ADV Part 2B for information about Steve Setchfield, CEO.

Please refer to "Other Financial Industry Activities and Affiliations" for information about our business as Broker-Dealer representatives for First Allies Securities Incorporated.

**Setchfield Asset Management
Part 2B of Form ADV
The Brochure Supplement**

Steven T. Setchfield

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Updated: October 11, 2017

This brochure supplement provides information about Steve Setchfield. Its supplements Setchfield Asset Management accompanying Form ADV brochure. Please contact Setchfield Asset Management at 303-627-1099 if you have any questions about the Form ADV brochure or this supplement, or if you would like to request additional or updated copies of either document.

Steve Setchfield's Biographical Information
President and Investment Advisor
Year of Birth: 1970

Formal Educational after High School

Metropolitan State, Finance Major, 1992

Business Background

8/1996 to Present
President, Setchfield Asset Management

8/1994 to 8/1996
Investment Advisor, Kemper Securities

8/1992 to 8/1994
Investment Advisor, RAF Financial

6/1989 to 8/1992
Investment Advisor Assistant, Shearson Lehman Brothers

Disciplinary Information

Mr. Setchfield has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Setchfield or Setchfield Asset Management.

Other Business & Personal Activities

Steve is a Colorado native and enjoys skiing and other outdoor activities. Over the past several years he has been a volunteer Big Brother for Big Brothers/Big Sisters of Colorado and an assistant wrestling coach in the Cherry Creek School System. In 2003, Steve was a living kidney donor to his uncle who was suffering from Polycystic Kidney Disease (PKD).

Additional Compensation

Mr. Setchfield receives no additional compensation from any other business activities.

Supervision

Mr. Setchfield's investment recommendations are supervised by the compliance department of First Allied Securities.