ITEM 1: INTRODUCTION

Chandler Asset Management, Inc. (Chandler) is an employee-owned, SEC-registered investment adviser headquartered in San Diego, California. Since 1988, Chandler has provided fixed income investment management services to the public sector, as well as other institutional clients and individual investors. Brokerage and investment advisory services and fees differ, and it is important for the retail investor to understand the differences. Free and simple tools are available to research firms and financial professionals at www.investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers and investing.

ITEM 2: RELATIONSHIPS AND SERVICES

What investment services and advice can you provide me?

We offer investment advisory services to retail investors. Chandler specializes in fixed income portfolio management utilizing a variety of investments, such as US government, US Agency and corporate bonds. Chandler provides discretionary portfolio management (i.e., investment decisions are made at the portfolio manager’s discretion) to retail investors both directly and through sub-advisory arrangements offered through wrap fee programs or dual contract arrangements. Discretionary authority is granted in the client agreement and is effective until terminated or withdrawn by the client.

Direct retail clients must meet an account minimum of $1 million. For wrap and dual contract programs, minimums vary depending on the program and selected strategy and range from $150,000 to $500,000. Underlying securities within client accounts are continually monitored and reviewed to ensure adherence to each client's stated investment objectives and guidelines as part of our standard services.

For a full description of our products, services, and monitoring processes, please refer to our Form ADV Part 2A, Items 4, 7 and 13 or call us at 800.317.4747 to receive a copy.

- Given my financial situation, should I choose an investment advisory service? Why / 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?

ITEM 3: FEES, COSTS, CONFLICTS AND STANDARD OF CONDUCT

What fees will I pay?

The only fee we charge our clients is our advisory fee. Our fees are calculated as an annual percentage of assets under management and will vary with a maximum of 0.35 of 1% depending upon the program and strategy in which the client is participating. Chandler groups certain related accounts for the purposes of achieving minimums and calculating fees. Because the firm calculates fees based on the average balance of assets under our direct management (market value including accrued interest, cash and cash equivalents), fees will fluctuate based on portfolio value meaning that client’s with larger portfolio balances will pay higher fees.

For clients participating in Wrap Programs (e.g., Schwab or Envestnet), Chandler is compensated through a portion of the total wrap fee charged by the program sponsor. Chandler does not control the fees or the billing arrangements in any Wrap or UMA program. Wrap fee programs include most transaction costs and fees to the broker-dealer or bank that maintains custody and thus are higher than typical asset-based advisory fees. For a complete description of the fee arrangement, including billing practices, clients should review the respective sponsors' Wrap Fee Program Brochure.

Our retail clients typically pay fees monthly, in arrears and the fee is debited directly from the client’s investment account. However, this can vary based on the terms of the governing agreements. Fees for clients participating through the Envestnet SMA or UMA programs are paid quarterly in arrears. Our advisory fee is all-inclusive for the services that Chandler provides. Fees paid for Merrill Lynch’s Managed Account Services Program are paid quarterly in advance. Our fees do not include services for third-party custody or safekeeping as we are not a provider of such services. Other common fees and costs applicable to retail investors include but are not limited
to fees related to mutual funds or ETFs and transactional fees. Chandler does not participate or receive any portion of these fees.

**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. For more information regarding our fees, please refer to our Form ADV Part 2A, Items 5A, B, C, and D or call us at 800.317.4747 to receive a copy.**

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 are your fiduciary and we have a duty 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 of interest. 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:

- The more assets there are in your account, the more fees you will pay, and we may therefore have an incentive to encourage you to increase the assets in your account.
- We receive certain products and services from broker-dealers we may recommend as custodians at no cost, which benefit us but does not benefit you. This gives us an incentive to recommend these broker-dealers to you for custody of your assets.

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

How do your financial professionals make money?

Our financial professionals are compensated by a combination of a base salary and a discretionary bonus determined by the firm’s Executive Management Team. Our portfolio managers’ compensation is not based on client account performance to avoid conflicts inherent in those types of compensation arrangements.

For additional information on how Chandler makes money as a registered investment adviser, please refer to our Form ADV Part 2A, Items 5A, B, C, and D or call us at 800.317.4747 to receive a copy.

**ITEM 4: LEGAL AND DISCIPLINARY HISTORY**

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

No. Retail investors can visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research Chandler and our financial professionals.

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

**ITEM 5: ADDITIONAL INFORMATION**

Retail investors can obtain additional information on our firm, our products and services, or obtain a copy of our Form CRS or additional information and disclosures by referring to our website ([www.chandlerasset.com](http://www.chandlerasset.com)), the SEC’s website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) or contacting us directly at [info@chandlerasset.com](mailto:info@chandlerasset.com) or (800) 317-4747.

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