

Item 1 - Cover Page



Registered Investment Advisor  
CRD # 285817

6701 Jackpin Pl  
Gainesville, VA 20155

(717) 757-6627  
[www.castlehill.capital](http://www.castlehill.capital)

Form ADV Part 2A  
Firm Brochure  
January 7, 2021

This brochure provides information about the qualifications and business practices of Castle Hill Capital LLC. Please contact Jonathan Maula at (717) 757-6627 if you have any questions about the content of this brochure.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about Castle Hill Capital is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD ("CRD") number, which is 285817.

While the firm and its associates may be registered and/or licensed within a particular jurisdiction, that registration and/or licensing in itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the firm or its associated personnel.

## **Item 2 - Material Changes**

This section provides information involving material events that have occurred involving the firm's brochure since its last annual update.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or may contact our firm at (717) 757-6627 to request a copy at any time.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

### **Updates - As of January 7, 2020**

Item 1 reflects the change of address.

Item 4 reflects the amount of assets under non-discretionary management.

Item 15 includes updated language to reflect "limited" custody when fees are directly debited from a qualified custodian.

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### **Important Information**

Throughout this document Castle Hill Capital LLC may also be referred to as “the firm,” “firm,” “our,” “we” or “us.” The client or prospective client may be also referred to as “you,” “your,” etc., and refers to a client engagement involving a single person as well as two or more persons, and may refer to natural persons and legal entities. In addition, the term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., internet address, etc.).

Our firm maintains a business continuity and succession contingency plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available under separate cover.

## **Item 4 - Advisory Business**

### **Description of the Firm**

Castle Hill Capital LLC is a Virginia domiciled limited liability company. Castle Hill Capital LLC was originally formed in September of 2016 in Pennsylvania. We may operate under the trade name Castle Hill Capital. Our firm is not a subsidiary of nor does it control another financial services industry entity. In addition to our December of 2016 registration as an investment advisor in the Commonwealth of Pennsylvania, our firm and its associates may register, become licensed or meet certain exemptions to registration and/or licensing in other jurisdictions in which investment advisory business is conducted.

Jonathan P. Maula is our firm's President and Chief Compliance Officer (supervisor). He is also Managing Member and maintains controlling interest in the firm. Additional information about Mr. Maula and his background may be found toward the end of this brochure.

### **Description of Advisory Services Offered**

Castle Hill Capital begins the process by conducting an initial interview to discuss your current situation and goals, as well as defining the scope of services being provided to you. During or prior to this meeting you will be provided with our Form ADV Part 2 firm brochure that includes a statement involving our privacy policy, as well as a brochure supplement about the representative who will be assisting you. We will also ensure that any material conflicts of interest have been disclosed to you that could be reasonably expected to impair the rendering of unbiased and objective advice, such as information found in Item 10 of this brochure.

If you choose to engage Castle Hill Capital for its services, you will first execute our client engagement agreement. Thereafter discussion and analysis will be conducted to determine your financial needs, goals, holdings, etc. Depending on the scope of the engagement, you may be asked to provide copies of the following documents early in the process:

- Wills, codicils and trusts
- Insurance policies
- Mortgage information
- Student loans
- Tax returns
- Divorce decree or separation agreement
- Current financial specifics including W-2s or 1099s
- Information on current retirement plans and benefits provided by your employer
- Statements reflecting current investments in retirement and non-retirement accounts
- Employment or other business agreements you may have in place
- Completed risk profile questionnaires or other forms provided by our firm

It is important that we are provided with an adequate level of information and supporting documentation throughout the term of the engagement including but not limited to: source of funds, income levels, and an account holder or attorney-in-fact's authority to act on behalf of the account, among other information that may be necessary for our services. The information and/or financial statements provided to us need to be accurate. Our firm may, but is not obligated to, verify the information that you have provided to us which will then be used in the advisory process.

It is essential that you inform our firm of significant issues that may call for an update to their plan. Events such as changes in employment or marital status, an unplanned windfall, etc., can have an impact on your circumstances and plans. Our firm needs to be aware of such events so that adjustments may be made as necessary.

### ***Portfolio Management***

We typically begin a portfolio management engagement by preparing investment guidelines reflecting each client's objectives, time horizon, tolerance for risk, as well as any reasonable portfolio constraints. For example, you have the right to exclude certain securities (e.g., options, stocks, etc.) at your discretion. These guidelines will be designed to be specific enough to provide future guidance while allowing flexibility to work with changing market conditions. We will then develop a customized portfolio based on your unique situation and investment guidelines. Your portfolio will employ our investment strategy, which is further discussed in Item 8 of this brochure. We manage portfolios on a discretionary basis (defined in Item 16). Note that it will remain your responsibility to promptly notify us if there is any change in your financial situation and/or investment objectives for the purpose of our reviewing, evaluating or revising previous account restrictions or firm investment recommendations.

Our firm does not sponsor or serve as a portfolio manager in an investment program involving wrapped (bundled) fees.

Our reportable assets under our management<sup>1</sup> as of the date of this brochure's publication is \$33,000,000. All assets are managed on a non-discretionary basis.

### ***Financial Planning***

We believe every client should have a basic knowledge and understanding of their goals and objectives. We will provide basic financial planning services upon request and do not charge a fee for these services. Your financial plan is customized for your situation, and may be broad-based or narrowly focused. One or more of the following components may be used.

#### **Cash Flow Analysis and Debt Management**

A review of your income and expenses will be conducted to determine your current surplus or deficit. Based upon the results, we will provide advice on prioritizing how any surplus should be used, or how to reduce expenses if they exceed your income. In addition, advice on the prioritization of which debts to repay may be provided, based upon such factors as the debt's interest rate and any income tax ramifications. Recommendations may also be made regarding the appropriate level of cash reserves for emergencies and other financial goals. These recommendations are based upon a review of cash accounts (such as money market funds) for such reserves and may include strategies to save desired reserve amounts.

#### **Risk Management**

A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").

<sup>1</sup> The term "assets under management" and rounding per the SEC's General Instructions for Part 2 of Form ADV.

### Employee Benefits

A review is conducted and analysis is made as to whether you, as an employee, are taking maximum advantage of your employee benefits. We will also offer advice on your employer-sponsored retirement plan, along with other benefits that may be available to you.

### Personal Retirement Planning

Retirement planning services typically include projections of your likelihood of achieving your financial goals, with financial independence usually the primary objective. For situations where projections show less than the desired results, a recommendation may include showing you the impact on those projections by making changes in certain variables (i.e., working longer, saving more, spending less, taking more risk with investments). If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

### College Funding

Advice involving college funding may include projecting the amount that will be needed to achieve post-secondary education funding goals, along with savings strategies and the “pros-and-cons” of various college savings vehicles that are available. We are also available to review your financial picture as it relates to eligibility for financial aid or the best way to contribute to family members, such as grandchildren, if appropriate.

### Tax Planning Strategies

Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, recommendations may be offered as to which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation. The firm may refer the client to an accountant or tax specialist in order to get a second professional opinion.

### Estate Planning

Our review typically includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. We may assess ways to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

We recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your prior approval.

### Investment Consultation

Investment consultation services often involve providing information on the types of investment vehicles available, employee retirement plans, stock options, investment analysis and strategies, asset selection and portfolio design, as well as limited assistance if your investment account is maintained at another broker/dealer or custodian. The strategies and types of investments that may be recommended are further discussed in Item 8 of this brochure.

### Broad-Based v. Modular Financial Planning

A broad-based plan is an endeavor that requires detail. Certain variables can affect the development of your plan, such as the quality of your own records, complexity and number of current investments, diversity of insurance products and employee benefits you currently hold, size of the potential estate, and special needs of the client or their dependents, among others. We will present you with a summary of our recommendations, guide you in the implementation of some or all of them per your decision, as well as offer you periodic reviews thereafter. Our clients retain full discretion over all implementation decisions and are free to accept or reject any recommendation we make.

### **Item 5 - Fees and Compensation**

The services to be provided to you and their specific fees will be detailed in your engagement agreement. Our fees are negotiable and published fees may be discounted. The final determination will be made by our firm. We strive to offer fees that are fair and reasonable in light of the experience of our firm and the services to be provided to you.

#### Types of Fees and Payment Schedule

##### **Financial Planning**

We believe every client should have a basic knowledge and understanding of their goals and objectives, as well as a foundation -- their plan. As such, we do not charge a fee for our financial planning sessions.

##### **Portfolio Management**

Portfolio management services accounts are assessed an annualized asset-based fee of 1.00% (100 basis points) that is paid quarterly, in arrears (25 basis points per quarter). The fee will be determined by the reporting account value as of the last market day of each quarter, and in consonance with the statement you will receive from your custodian of record for the purpose of verifying the computation of our advisory fee. The fee is calculated by multiplying the quotient by the applicable number of basis points (one basis point equals 1/100 of one percent). The result is then divided by four to determine the quarterly fee. In the rare absence of a reportable market value, our firm may seek a third-party opinion from a recognized industry source (e.g., unaffiliated public accounting firm), and our clients may choose to separately seek such an opinion at their own expense as to the valuation of "hard-to-price" securities if necessary.

The first billing cycle will begin once the client agreement is executed and account assets have settled into your separately identifiable account held by your custodian of record. Fees for partial quarters will be prorated based on the remaining days in the reporting period in which the firm services the account. Fee payments will generally be assessed within the first 30 calendar days of each billing cycle. Our firm will send you and your custodian of record written notice (invoice) each billing period that describes the advisory fees to be deducted from the account at our firm's request. The invoice will include the total fee assessed, covered time period, calculation formula utilized, and reference to the assets under management in which the fee had been based.

Your written authorization in our firm's engagement agreement is required in order for the custodian of record to deduct advisory fees from your account. The custodian will remit our fees directly to our firm. All fees deducted from your account will be noted on statements that you will receive directly from your custodian of record.<sup>2</sup> We encourage you to verify the accuracy of fee calculations; the custodian may not

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<sup>2</sup> Periodic account value variances between the firm's invoice and custodian statement (beyond the firm's control) may occur due to late trade settlement, dividend distribution, etc., requiring adjusted transaction reporting from the custodian of record.

verify the accuracy of advisory fee assessments for each account or on a consistent basis. Direct payment of our advisory fee via check is acceptable in lieu of having the fee withdrawn from an investment account.

#### Additional Client Fees

Any transactional or service fees (sometimes termed *brokerage fees*), individual retirement account fees, qualified retirement plan fees, account termination fees, or wire transfer fees will be borne by the account holder per the separate fee schedule of the custodian of record. We will ensure you receive a copy of our recommended custodian's fee schedule at the beginning of the engagement, and you will be notified of any future changes to these fees by the custodian of record and/or third-party administrator for certain tax-qualified plans. In addition, advisory fees paid to our firm for its services are separate from any internal fees or charges a client may pay for mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other similar investments. Additional information about our fees in relationship to our brokerage and operational practices are noted in Item 12.

Per annum interest at the current statutory rate in which the client resides may be assessed on fee balances due more than 30 days, and we may refer past due accounts to collections or legal counsel for processing. We reserve the right to suspend some or all services once an account is deemed past due.

#### External Compensation involving Securities Transactions

Our firm does not charge or receive a commission or a mark-up on securities transactions, nor will the firm or an associate be paid a commission on the purchase of a securities holding that is recommended to a client. We do not receive "trailer" or SEC Rule 12b-1 fees from an investment company that may be recommended to a client. Fees charged by such issuers are detailed in prospectuses or product descriptions and interested investors are always encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges. You retain the right to purchase recommended or similar investments through the service provider of your choice.

#### Termination of Services

Either party may terminate the agreement at any time by communicating the intent to terminate in writing. If you verbally notify our firm of the termination and following this notification we have not received your notice in writing, we will make a written notice of the termination in our records and send you our own termination notice as a substitute.

Our firm will not be responsible for investment allocation, advice or transactional services (except for limited closing transactions) upon receipt of a termination notice. It will also be necessary that we inform the custodian of record that the relationship between parties has been terminated.

If a client did not receive our Form ADV Part 2 firm brochure at least 48 hours prior to entering into our firm's agreement, then that client will have the right to terminate the engagement without fee or penalty within five business days after entering into the agreement. Portfolio management clients that terminate their agreement after the five-day period will be assessed fees on a per-day prorated basis for services incurred from either (i) as a new client, the date of the engagement to the date of the firm's receipt of the written notice of termination, or (ii) all other engagements, the last billing period to the date of the firm's physical or constructive receipt of written termination notice. If we are unable to deduct our fees from your account at your custodian of record, then our earned fees will be due upon the client's receipt of our invoice.

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

Our firm's advisory fees will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as performance-based fees. Our fees will also not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not.

## **Item 7 - Types of Clients**

We provide advisory services to individuals, high net worth individuals and small businesses. We require a \$25,000 managed asset minimum but exceptions may be made. We do not require minimum income. Our firm may waive or reduce certain fees based on unique individual circumstances, special arrangements or preexisting relationships. Castle Hill Capital reserves the right to decline services to any prospective client for any nondiscriminatory reason.

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

### ***Methods of Analysis***

We utilize what we believe to be an appropriate blend of fundamental and technical analyses. We evaluate various economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. We then study historical market patterns and trends to assist us in determining the direction of market as well as specific securities.

Our research is often drawn from sources such as financial periodicals, reports from economists and other industry professionals, in addition to company press releases, and regulatory filings, such as annual reports, prospectuses, etc.

### ***Investment Strategies & Risk of Loss***

We recognize that each client's needs and goals are different; subsequently, portfolio strategies and underlying investment vehicles may vary.

Our primary strategy is one that employs active management. A portfolio employing an active management strategy is based on the belief that it is possible to create a profit from identifying or leveraging mispriced securities, or producing similar returns with less risk, or producing returns greater than a stated benchmark, such as a well-known index (e.g., S&P 500). This strategy may vary substantially based on the prevailing risk in the market. If it is felt that risk in the market is low, we may increase exposure to equities to attempt to take advantage of growth opportunities. When risk in the market is considered high, all or a portion of the portfolio's equity exposure may be moved to more stable short-term fixed income instruments and cash equivalent alternatives in order to preserve capital.

Our firm believes its strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, there is no guarantee that an investment objective will be achieved. Investing in securities involves risk of loss that clients should be prepared to bear. While the following list is not exhaustive, we provide some examples of such risk involved with our investment strategy in the following paragraphs, and we believe it is important that our clients review and consider each prior to investing.

### Active Portfolio Management

A portfolio that employs active management strategies may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or “turnover.” This may result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, thereby potentially reducing or negating certain benefits of active asset management.

### Company Risk

When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as *unsystematic risk* and can be reduced or mitigated through diversification.

### Equity (Stock) Risk

Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in and perceptions of their issuers change. If an investor held common stock or common stock equivalents of any given issuer, they may be exposed to greater risk than if they held preferred stocks and debt obligations of the issuer.

Preferred stocks can be affected by interest rate and liquidity risks (described in adjacent paragraphs). Also note that their dividend payment is not guaranteed; some are subject to a call provision, meaning the issuer can redeem its preferred shares on demand, and usually when interest rates have fallen.

### Financial Risk

Excessive borrowing to finance a business operation increases profitability risk because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

### Fundamental Analysis

The challenge involving fundamental analyses is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value. If a security's price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

### Inflation

Also called purchasing power risk; the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.

### Liquidity Risk

The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. For example, while certain types of fixed income instruments are generally liquid (e.g., bonds), there are risks which may occur such as when an issue trading in any given period does not readily support “buys and sells” at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

### Market Risk

This is also called systematic risk. In cases where markets are under extreme duress, many securities lose their ability to provide diversification benefits. This is called systemic risk.

### Political Risk

The risk of financial and market loss because of political decisions or disruptions in a particular country or region, and may also be known as "geopolitical risk."

### Research Data

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While our firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

### Technical Analysis

The risk of investing based on technical analyses is that it may not consistently predict a future price movement; the current price of a security may reflect all known information. This may occur due to analyst bias or misinterpretation, a sector analysis error, late recognition of a trend, etc.

### **Item 9 - Disciplinary Information**

Neither the firm nor its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our offering advisory business or its integrity.

### **Item 10 - Other Financial Industry Activities and Affiliations**

Firm policies require associated persons to conduct business activities in a manner that avoids conflicts of interest between the firm and its clients, or that may be contrary to law. We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest involving its business relationships that might reasonably compromise its impartiality or independence.

Our advisory firm and its management are not registered nor has an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm, nor is the firm required to be registered with the noted regulatory bodies. Neither our firm nor its management is or has a material relationship with any of the following types of entities:

- accounting firm or accountant
- bank, credit union or thrift institution, or their separately identifiable department or division
- insurance company or insurance agency
- lawyer or law firm
- pension consultant
- real estate broker, dealer or advisor
- sponsor or syndicator of limited partnerships

- trust company
- issuer of a security, to include investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)

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

Castle Hill Capital holds itself to a *fiduciary standard*, which means the firm and its associates will act in the utmost good faith, performing in a manner believed to be in the best interest of its clients. Our firm believes that business methodologies, ethics rules, and adopted policies are designed to eliminate or at least minimize material conflicts of interest and to appropriately manage any material conflicts of interest that may remain. You should be aware that no set of rules can possibly anticipate or relieve all material conflicts of interest. Our firm will disclose to its advisory clients any material conflict of interest relating to the firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

#### ***Privacy Policy Statement***

We respect the privacy of all clients and prospective clients (collectively termed “customers” per privacy regulations), both past and present. It is recognized that our clients have entrusted our firm with non-public personal information and it is important that both access persons and customers are aware of firm policy concerning what may be done with that information. The firm collects personal information about customers from the following sources:

- Information customers provide to complete their financial plan or investment recommendation;
- Information customers provide in engagement agreements and other documents completed in connection with the opening and maintenance of an account;
- Information customers provide verbally; and
- Information received from service providers, such as custodians, about customer transactions.

The firm does not disclose non-public personal information about our customers to anyone, except in the following circumstances:

- When required to provide services our customers have requested;
- When our customers have specifically authorized us to do so;
- When required during the course of a firm assessment (i.e., independent audit); or
- When permitted or required by law (i.e., periodic regulatory examination).

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of customer information. Within the firm, access to customer information is restricted to personnel that need to know that information. All access persons and service providers understand that everything handled in firm offices are confidential and they are instructed not to discuss customer information with someone else that may request information about an account unless they are specifically authorized in writing by the customer to do so. This includes providing information about a spouse's or parent's account.

The firm will provide clients with our privacy policy statement on an annual basis and at any time, in advance, if firm privacy policies are expected to change.

### ***Firm Recommendations and Conflicts of Interest***

The firm and its associates are prohibited from recommending to a client, or effect a transaction for a client, involving any security in which the firm or a “related person” (e.g., associate, an immediate family member, etc.) has a material financial interest, such as in the capacity as a board member, underwriter or advisor to an issuer of securities, etc.

An associate is prohibited from borrowing from or lending to a client unless the client is an approved lending institution.

The firm remains focused on ensuring that its offerings are based upon the needs of its clients, not resultant fees received for such services. We want to note that you have the right to reject a recommendation from our firm, and you have the right to complete a service or transaction through our firm or a service provider of your choice.

Castle Hill Capital does not trade for its own account (e.g., proprietary trading). The firm’s related persons may buy or sell securities that are the same as, similar to, or different from, those recommended to clients for their accounts, and this poses a conflict of interest. We mitigate this conflict by ensuring that we have policies and procedures in place to ensure that the firm or a related person will not receive preferential treatment over a client. In an effort to reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of client recommendation, etc.), firm policy requires that we periodically restrict or prohibit related parties’ transactions.

### **Item 12 - Brokerage Practices**

#### **Factors Used to Select Broker/Dealers**

Your account must be separately maintained by a qualified custodian (generally a broker/dealer, bank or trust company) that is frequently reviewed for its capabilities to serve in that capacity by their respective industry regulatory authority. Our firm is not a custodian nor is there an affiliate that is a custodian.

We have entered into an agreement with Charles Schwab & Co., Inc. (“Schwab”) to serve as custodian for our clients. Schwab is a FINRA and SIPC member,<sup>3</sup> and an SEC-registered broker/dealer. Our firm is independently owned and operated, and is not legally affiliated with Schwab. While we recommend that you use Schwab as custodian, you must decide whether to do so, and you will open the account by entering into an account agreement directly with Schwab. We do not technically open the account for you, but we will assist you in doing so. If you do not wish to place your account assets with Schwab, we may be able to manage the account at your preferred custodian depending on that custodian’s account trading policies.

We seek to use a custodian who will hold client assets and execute transactions on terms that are overall advantageous when compared to other available providers and their services. We do not receive referrals from our custodian, nor are client referrals a factor in our selection of our custodian. Our firm considers a wide range of factors, including, among others, these:

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<sup>3</sup> Castle Hill Capital is not, nor required to be, a Securities Investor Protection Corporation (SIPC) member. Clients may learn more about the SIPC and how it serves member firms and the investing public by going to their website at <http://www.sipc.org>.

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for an account)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, ETFs, etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below.

When your account is maintained at Schwab, you are typically not charged separately for custody services and Schwab is compensated by charging a commission or other fees on trades that Schwab executes or that settle into a Schwab account. Schwab's commission rates applicable to our client accounts were negotiated based on our commitment to maintain a certain amount of clients' assets in accounts held at Schwab. This commitment benefits our client because overall commission rates are lower than they would be if we had not made the commitment.

Schwab Advisor Services (formerly called "Schwab Institutional") is Schwab's business serving independent investment advisory firms similar to ours. They provide our firm and its clients with access to its institutional brokerage - trading, custody, reporting and related services - many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available to us on an unsolicited basis (we don't have to request them) and at no charge to us as long as we keep a certain level of our clients' assets in accounts at Schwab. If we have less than the desired amount of client assets at Schwab, they may charge us quarterly service fees that we pay from our operating account. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in previous paragraphs generally benefit our clients.

Schwab also makes available to our advisory firm other products and services that benefit us but may not directly benefit each client's account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocates aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping and client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise, such as:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel. Some of the noted products and services made available by Schwab may benefit our advisory firm but may not directly benefit a client account, and certain research and other previously referenced services may qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934. The availability of these services from Schwab benefit our firm because we do not have to produce or purchase them as long as our clients maintain accounts at Schwab. There is a conflict of interest since our firm has an incentive to select or recommend Schwab based on our interest in receiving these benefits rather than our clients' interest in receiving favorable trade execution. As a fiduciary, Castle Hill Capital strives to place the interests of its clients first, and it is important to mention that the benefit received by the firm through participation in Schwab's advisor support program does not depend on the amount of brokerage transactions effected through them. We think the selection of Schwab is in the best interests of our clients since the selection is primarily supported by the scope, quality, and cost of services provided as a whole -- not just those services that benefit our firm. Further, we will act in the best interest of its clients regardless of the custodian selected. We periodically conduct an assessment of any recommended service provider (including Schwab) which generally involves a review of the range and quality of services, reasonableness of fees, among other items, in comparison to industry peers.

### **Best Execution**

"Best execution" means the most favorable terms for a transaction based on all relevant factors, including those listed in the paragraph titled *Factors Used to Select Broker/Dealers*. We recognize our obligation in seeking best execution for our clients; however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected custodian's transactions represent the best "qualitative execution" while taking into consideration the full range of services provided. Our firm will seek services involving competitive rates but it may not necessarily correlate into the lowest possible rate for each transaction. We have determined having our portfolio management clients' accounts trades completed through Schwab is consistent with our obligation to seek best execution of client trades.

### **Directed Brokerage**

Our internal policy and operational relationship with our custodian requires client accounts custodied with them to have trades executed per their order routing requirements. We do not direct which executing broker should be selected for client account trades; whether that is an affiliate of our preferred custodian or another executing broker of our custodian's choice. As a result, a client may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices on transactions than might otherwise be the case. In addition, since we routinely recommend a custodian for our advisory clients, and that custodian may choose to use the execution services of its broker affiliate for some or all of our client account transactions, there is an inherent conflict of interest involving our recommendation since our advisory firm receives various products or services described in this section from that custodian. Note that

we are not compensated for trade routing/order flow, nor are we paid commissions on such trades. We do not receive interest on our client accounts' cash balances.

Our portfolio management clients are unable to engage in directed brokerage via our custodian. As a result, they may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case if they had the opportunity to direct brokerage.

For those clients who maintain account assets at another custodian of record, they may choose to request that a particular broker is used to execute some or all account transactions. Under these circumstances, the client will be responsible for negotiating, in advance of each trade, the terms and/or arrangements involving their account with that broker, and whether the selected broker is affiliated with our custodian of record or not. We will not be obligated to seek better execution services or prices from these other brokers, and we are unable to aggregate the client's transactions for execution via our recommended custodian with other orders for accounts managed by our firm. The client may therefore pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case.

### ***Aggregating Securities Transactions***

Trade aggregation involves the purchase or sale of the same security for several clients/accounts at approximately the same time. This may also be termed "blocked," "bunched" or "batched" orders. Aggregated orders are effected in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among multiple client accounts should there be differences in prices, brokerage commissions or other transactional costs that might otherwise be unobtainable through separately placed orders. Our firm may, but is not obligated to, aggregate orders and we do not receive additional compensation or remuneration as a result of aggregated transactions.

Please note that when trade aggregation is not allowed or infeasible and necessitates individual transactions (e.g., withdrawal or liquidation requests, odd-lot trades, non-discretionary accounts, etc.), an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

## **Item 13 - Review of Accounts**

### **Scheduled Reviews**

Periodic reviews are encouraged for our planning services, and we recommend that they occur on at least an annual basis. Reviews will be conducted by Jonathan Maula and typically involves analysis and possible revision of your previous plan. A copy of revised plans or asset allocation reports will be provided upon request.

Investment portfolios are reviewed on a quarterly or more frequent basis by Mr. Maula. Client-level reviews are also completed by Mr. Maula, and we recommend that they occur on at least an annual basis. A copy of a revised investment guideline or asset allocation reports will be provided to the client upon request.

### **Unscheduled Reviews**

You should contact our firm for additional reviews when you anticipate or have experienced changes in your financial situation (i.e., changes in employment, an inheritance, the birth of a new child, etc.), or should you prefer to change requirements involving your investment account. Non-periodic reviews are conducted by

Jonathan Maula, and a copy of revised plans or asset allocation reports will be provided to the client upon request.

Additional portfolio reviews by Mr. Maula may be triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector. A portfolio may be reviewed for an additional holding or when an increase in a current position is under consideration. Account cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

### ***Client Reports***

Whether you have opened and maintained an investment account on your own or with our assistance, you will receive account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where your investments are held. We urge you to carefully review these account statements for accuracy and clarity, and to ask questions when something is not clear.

Our firm provides written quarterly performance reports which are calculated using a time-weighted rate of return methodology. These will be reviewed for accuracy by Jonathan Maula prior to delivery. The reports are intended to inform clients about investment performance over the current period, as well as various other time periods. Clients are urged to carefully review and compare account statements that they have received directly from their custodian of record with any report they may receive from our firm or any other source that contains investment performance information.

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

We do not engage in solicitation activities. If we receive or offer an introduction to a client, we do not pay or earn a referral fee, nor are there established *quid pro quo* arrangements. Each client has the right to accept or deny such referral or subsequent services.

### **Item 15 - Custody**

Client accounts will be maintained by an unaffiliated, qualified custodian. Our firm is considered to maintain custody if the client has a SLOA (standard letter of authorization) with the firm and the funds being dispersed are to a third party. Our firm:

- Restricts the firm or an associate from serving as trustee or having general power of attorney over a client account;
- Does not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm;
- Will not collect advance fees of \$1,200 or more for services that are to be performed six months or more into the future;
- Will not authorize an associate to have knowledge of a client's account access information (i.e., online 401(k), brokerage or bank accounts) if such access would allow physical control over account assets;
- Prohibits associates from having authority to directly withdraw securities or cash assets from a client account unless the client has a SLOA (standing letter of authorization). If the client has an SLOA with the firm the following conditions will be met:

- The client provides instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
  - The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
  - The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
  - The client has the ability to terminate or change the instruction to the client's qualified custodian.
  - The investment advisor has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
  - The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
  - The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.
- Since we may request the withdrawal of advisory fees from an account, we are deemed to have "limited" custody and we will only do so on the following terms:
- Our firm will possess written authorization from the client to deduct advisory fees from an account held by the custodian,
  - We will send the qualified custodian written notice of the amount of the fee to be deducted from the client's account, and
  - Our firm will send the client an itemized invoice including any formulae used to calculate the fee, the time period covered by the fee, and the amount of assets under management on which the fee was based.

Your custodian of record will provide you with your investment account transaction confirmations and account statements, which will include all debits and credits as well as our firm's advisory fee for that period. Statements are provided to you on at least a quarterly basis or as transactions occur within your account.

As a reminder, if you receive a report from any source that contains investment performance information, you are urged to carefully review and compare your statements that you have received from your custodian of record to determine that report's accuracy.

#### **Item 16 - Investment Discretion**

We generally conduct portfolio management on a *discretionary* basis. Via limited power of attorney signed by the client, discretionary authority allows our firm to implement investment decisions, such as the purchase or sale of a security on behalf of an account, without requiring the client's prior authorization for each transaction in order to meet stated investment objectives. This authority will be granted through your execution of both our engagement agreement and the selected custodian's account opening documents.

Note that your custodian will specifically limit our firm's authority within your account to the placement of trade orders and the request for the deduction of our advisory fees.

Our firm prefers to not manage client accounts on a *nondiscretionary basis* but we may accommodate such requests on a case-by-case basis. Such account authority requires your ongoing prior approval involving the investment and reinvestment of account assets, portfolio rebalancing, or for our firm to give instructions to the custodian maintaining your account (i.e., wire instructions, etc.). You will be required to execute our firm's client services agreement that describes our limited account authority, as well as the custodian of record's account opening document that includes their limited power of attorney form or clause. Please note that in light of the requirement for your pre-approval you must make yourself available and keep our firm updated on your contact information so that instructions can be efficiently effected on your behalf.

You may amend our account authority by providing our firm revised written instructions. As noted in Item 4, we will allow for reasonable restrictions involving the management of your account. It remains your responsibility to notify us if there is any change in your situation and/or investment objective so that we may reevaluate previous investment recommendations or portfolio holdings.

#### **Item 17 - Voting Client Securities**

You may periodically receive proxies or other similar solicitations sent directly from your selected custodian or transfer agent. If we receive a duplicate copy, please note that we do not forward these or any correspondence relating to the voting of your securities, class action litigation, or other corporate actions.

Our firm does not vote proxies on your behalf. We do not offer guidance on how to vote proxies, nor will we offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. We will answer limited questions with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or their legal representative.

You maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by you shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to your holdings. You should consider contacting the issuer or your legal counsel involving specific questions you may have with respect to a particular proxy solicitation or corporate action.

#### **Item 18 - Financial Information**

Fee withdrawals must be done through a qualified intermediary (e.g., your custodian of record), per your prior written agreement, and following your receipt of our invoice.

Engagements with our firm do not require that we collect fees from you of \$1,200 or more for our advisory services that we have agreed to perform six months or more into the future.<sup>4</sup>

Neither our firm nor its management serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

The firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients, nor has the firm and its management been the subject of a bankruptcy petition.

Due to the nature of our firm's advisory services and operational practices, an audited balance sheet is not required nor included in this brochure.

**Item 19 - Requirements for State-Registered Advisers**

For further information involving firm principal executive and management personnel, their business activities as well as material conflicts of interest, please refer to areas previously disclosed in Items 6 and 9 through 11, as well as the accompanying Form ADV Part 2B brochure supplement that immediately follows this page. Per Item 10 of this brochure, neither the firm nor a member of its management has a material relationship with the issuer of a security.

Item 1 - Cover Page

# Castle Hill Capital LLC

Registered Investment Advisor  
CRD # 285817

Castle Hill Capital LLC  
6701 Jackpin Pl  
Gainesville, VA 20155

(717) 757-6627

## Jonathan P. Maula

President/Chief Compliance Officer  
Investment Advisor Representative  
Managing Member  
CRD # 5547620

Form ADV Part 2B  
Brochure Supplement  
January 7, 2021

This brochure provides information about Jonathan P. Maula that supplements the Castle Hill Capital Form ADV Part 2A firm brochure. You should have received a copy of that brochure. Please contact Jonathan Maula at (717) 757-6627 if you did not receive the full brochure or if you have any questions about the contents of this supplement. Additional information about Jonathan P. Maula is available on the Securities and Exchange Commission's (SEC) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) under CRD # 5547620.

## **Item 2 - Educational Background and Business Experience**

Regulatory guidance requires the firm to disclose relevant post-secondary education and professional training for each principal executive and associate of the firm, as well as their business experience for at least the most recent five years.

### **Principal Executive Officers and Management Persons**

#### ***President/Chief Compliance Officer/Investment Advisor Representative/Managing Member***

Jonathan Paul Maula

Year of Birth: 1988 / CRD Number: 5547620

### **Educational Background and Business Experience**

#### ***Educational Background***

Bachelors of Science (Finance & Accounting), LaSalle University; Philadelphia, PA  
Uniform Investment Adviser Law Examination/NASAA Series 65 <sup>1</sup>

#### ***Business Experience***

Castle Hill Capital LLC (09/2016-Present)

Gainesville, VA

President/Managing Member (09/2016-Present)

Chief Compliance Officer/Investment Advisor Representative (12/2016-Present)

Smay Investments (06/2015-01/2017)

York, PA

Investment Manager

SMB Capital Management, LLC (03/2014-05/2015)

New York, NY

Contract Equity Trader

Self Employed (06/2011-03/2014)

Centreville, VA

Equity Trader

SMB Capital Management, LLC (06/2010-06/2011)

New York, NY

Contract Equity Trader

## **Item 3 - Disciplinary Information**

Registered investment advisors are required to disclose certain material facts about its associated personnel regarding any legal or disciplinary events, including criminal or civil action in a domestic, foreign or military court, or any proceeding before a state, federal or foreign regulatory agency, self-regulatory organization, or

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<sup>1</sup>North America Securities Administrators Association (NASAA) examinations are "criterion based;" candidates who pass the exam are considered to have met the minimum competency level. The completion of a securities or insurance industry examination does not constitute or imply a person is "approved" or "endorsed" by a securities regulatory organization or state agency.

suspension or sanction by a professional association for violation of its conduct rules, that would be material to your evaluation of each officer or a supervised person providing investment advice. Mr. Maula has not been the subject of any such event.

#### **Item 4 - Other Business Activities**

Investment advisor representatives are required to disclose outside business activities that account for a significant portion of their time or income, or that may present a conflict of interest with their advisory activities.

Neither Mr. Maula nor our advisory firm has a material relationship with the issuer of a security. He is not registered, nor has an application pending to register, as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. He does not receive commissions, bonuses or other compensation based on the sale of securities, including that as a registered representative of a broker/dealer or the distribution or service ("trail") fees from the sale of mutual funds.

#### **Item 5 - Additional Compensation**

Neither our advisory firm nor Mr. Maula is compensated for advisory services involving performance-based fees. In addition, firm policy does not allow associated persons to accept or receive additional economic benefit, such as sales awards or other prizes, for providing advisory services to firm clients.

#### **Item 6 - Supervision**

Mr. Maula serves as the firm's Chief Compliance Officer. Because supervising one's self poses a conflict of interest, the firm has adopted policies and procedures to mitigate this conflict, and may use the services of unaffiliated professionals to ensure the firm's oversight obligations are met. Questions relative to the firm, its services or this brochure supplement may be made to the attention of Mr. Maula at (717) 757-6627.

Additional information about the firm, other advisory firms, or an associated investment advisor representative is available on the internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). A search of this site for firms may be accomplished by firm name or a unique firm identifier, known as an IARD or CRD number. The IARD number for Castle Hill Capital is 285817. The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by calling the Pennsylvania Department of Banking and Securities at (717) 783-4211 or the state securities administrator in which the client resides.

#### **Item 7 - Requirements for State-Registered Advisers**

There have been neither awards nor sanctions or other matter where Mr. Maula or Castle Hill Capital has been found liable in an arbitration, self-regulatory or administrative proceeding. Neither Mr. Maula nor our advisory firm has been the subject of a bankruptcy petition.