

Chesapeake Asset Management, LLC
Client Relationship Summary
November 23, 2022

Introduction

Chesapeake Asset Management, LLC is registered with the Securities and Exchange Commission as an investment adviser. Fees for brokerage and investment advisory services differ among broker-dealers and investment advisers and it is important that you understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](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 investment advisory services to retail investors. The principal investment advisory services that we offer to retail investors are through separately managed accounts ("accounts"), private funds ("funds"), registered investment companies, mutual funds and pooled investment vehicles. We offer services on a discretionary or non-discretionary basis according to the authority you provide in an investment advisory agreement with us. When you grant us discretionary authority, you provide us with authority to determine the investments to buy and sell in your account on an ongoing basis. You may impose reasonable restrictions on our discretionary authority, which must be provided to us in writing and accepted by us. If you do not provide us with discretionary authority over your account, then we will make recommendations and you will have the final decision regarding whether we purchase or sell investments on your behalf. As part of portfolio management services, we continuously monitor your investments and provide advice. Our services also include the recommendation or selection of other investment advisers. Our investment advice is not limited to certain types of products or investments. We generally require a minimum account size of \$2,000,000 to open an account with us, although we reserve the right to make exceptions.

Please refer to our Form ADV, Part 2A Brochure for more detailed information about our services.

You are encouraged to ask us questions including the following to help you better understand our services: 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?

You will pay us a fee ranging from 0.50% per annum to 1.25% per annum of the net assets in your account for portfolio management services. These fees are assessed on a quarterly basis, in advance. Because we charge an asset-based fee, you should be aware that the more assets there are in your account, the more you will pay in fees. This means we have an incentive to encourage you to increase the assets in your account. We also charge a fixed fee for certain services, also assessed quarterly, in advance.

For clients with a qualified net worth or qualifying income in the Firm's internal hedge funds, we also charge a performance-based fee of 15% of the capital gains on your account each year (subject to your account meeting specified return minimums also sometimes referred to as "hurdles"). We assess this fee annually based on the performance of your investments. These performance-based fees arrangements create an incentive for us to recommend investments that may be riskier or more speculative than those investments that would be recommended under a different fee arrangement.

In addition to our fees, you may incur additional fees and costs related to the investments in your account, such as custodian fees, account maintenance fees, transaction costs, surrender charges, wire transfer and electronic fund fees, internal management fees of mutual funds and variable annuities, and other product related fees such as redemption 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.

Please refer to our Form ADV, Part 2A Brochure, particularly Item 5, for more detailed information about our fees and your investment costs.

You are encouraged to ask us questions including the following to help you better understand the impact of fees and costs on investments: *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, or our affiliates, receive additional compensation when you purchase investments that we or our affiliates issue or sponsor. This is a conflict of interest because we have an incentive to recommend these investments to you rather than investments that we, or our affiliates, do not issue or sponsor.
- We purchase research and execution services with commission dollars generated by investment transactions in your accounts. This is a conflict of interest because we have an incentive to use broker dealers who allow us to use your commission dollars to purchase research and execution services rather than other broker dealers who do not allow us to commission dollars. We also have an incentive to arrange more transactions in your accounts because the more frequently your accounts are traded the more commissions we generate to use for our purchase of research and execution services.

Please refer to our Form ADV, Part 2A Brochure, particularly Items 10, 11, and 12, for more detailed information about our conflicts of interest.

You are encouraged to ask us questions including the following to help you better understand our conflicts of interest: *How might your conflicts of interest affect me, and how will you address them?*

How do your financial professionals make money?

Our financial professionals receive a salary and a discretionary bonus based on their individual performance and the success of the firm. This is a conflict of interest because our financial professionals have an incentive to encourage a retail investor to increase the assets in a retail investor's accounts and to make riskier investments in the accounts of clients who pay a performance-based fee.

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

No. Please visit Investor.gov/CRS for a free and simple search tool to research our firm and your financial professional.

You are encouraged to ask us questions including the following to help you better understand our disciplinary history: *As a financial professional, do you have any disciplinary history? For what type of conduct?*

Additional Information

You can find additional information about our investment advisory services on the SEC's website and on our website www.chesman.com. You can request up to date information and a copy of our relationship summary by contacting us at 212-218-4040.

You are encouraged to ask us questions including the following to help you better understand our firm: *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?*