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This brochure provides information about the qualifications and business practices of Hyas Group LLC (“Hyas” or “Adviser”.) If you have any questions about the contents of this brochure, please contact us at 971-634-1500 or [bloescher@hyasgroup.com](mailto:bloescher@hyasgroup.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Hyas Group, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Hyas Group is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

Changes made to this Form ADV are in regards to the total assets to which Hyas Group consults and directly manages. These items are found on page 2. Our previous annual update was as of March 29, 2011.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Brian Loescher, Chief Compliance Officer at 971-634-1500 or bloescher@hyasgroup.com.

Additional information about Hyas is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Hyas who are registered, or are required to be registered, as investment adviser representatives of Hyas.

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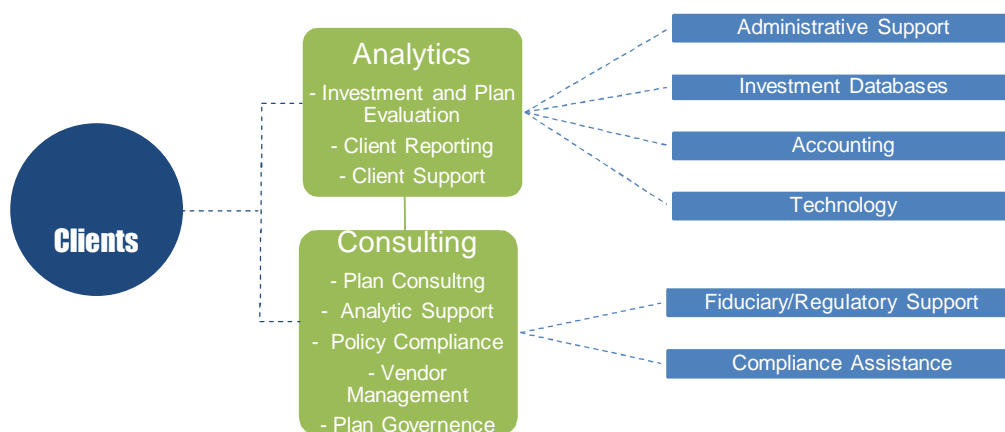
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## Item 4 – Advisory Business

The Hyas Group is an independent investment consulting firm that provides services to institutional investors including defined contribution and defined benefit retirement plan clients along with endowments and foundations. Founded in 2008, the firm is structured as a Limited Liability Company (LLC) and is wholly owned by three senior consulting partners. The firm has only one line of business, the institutional investment consulting business. The sole office location is in Portland, Oregon and there are no Hyas Group parents, subsidiaries or affiliates.

The Hyas Group partners have over 45 years of combined experience serving clients in an institutional investment consulting capacity and the firm has been providing investment consulting services since its founding. The Hyas Group offers a wealth of consulting experience to all major plan structures. Corporate, governmental and non-profit plan sponsors have all sought the analytical skills and fiduciary support services offered by the firm.

The overall organizational structure is summarized as follows:



### Advisory Services and Fees

Hyas Group, LLC. ("Hyas Group") provides two primary types of services through its Investment Advisor Representatives (IARs).

#### Investment Advisory Services

Hyas performs a broad array of investment advisory services for its clients. Not all clients choose to receive all potential services. The potential services include, but are not limited to, assistance creating an investment policy statement, asset allocation modeling, analysis of current investment options and portfolio structure, portfolio rebalancing and investment manager searches.

#### Advice and Consulting not Involving Securities

Many of the services that Hyas Group performs for clients are not investment advisory in nature. These services include, but are not limited to, consulting with investment committees, pension plan review and analysis, fiduciary education and training, plan fee and revenue analysis, vendor search projects, and reporting on investments and pension plan results. The specific services that Hyas Group performs for a client are described in a written agreement with each client.

Hyas Group currently advises approximately \$6.7 billion in client assets. Hyas Group has discretion over approximately \$8 million in client assets.

#### **Item 5 – Fees and Compensation**

Hyas Group charges some clients a fee based upon the size or value of assets under the advice relationship which may include portfolios that are a part of overall assets. Assets will be valued on the last day calendar quarter. Quarterly fees are calculated and charged in arrears, after services have been performed. The actual rate would vary depending upon the scope of services the client requests Hyas Group to perform. This fee is described in the written agreement entered into between the client and Hyas Group.

The Client acknowledges and agrees that fees payable to Hyas Group may if the client desires to do so, be automatically deducted from the client's account.

In cases when the advisory agreement does not span the full billing period, fees are prorated from the date of inception or through the date of termination. The Advisor or Client may terminate the investment advisory agreement at any time with written notice to the advisor at their main office.

#### Fixed Fees

In some cases, Hyas Group will perform services for clients where the cost is set and agreed to with the Client in advance of performing the service. The exact cost of the service would depend upon the complexity and scope of the service to be performed. Hyas Group, LLC enters into a written agreement that explains the services to be performed and an estimate of the cost to complete the service. Fees are normally paid upon delivery of the specific work product. If either party terminates the fixed fee engagement, the Client is responsible to compensate Hyas Group for work done on a prorata basis, based upon the number of days the services was provided in the quarterly billing period.

### Other Fees

The above-referenced fees charged by Hyas Group do not include brokerage commissions and other costs related to the execution of transactions on behalf of Clients. Such costs will be paid by advisory Clients in addition to the fees discussed above. Clients are also responsible for asset management fees and plan or account administration fees paid to Custodians and broker-dealers. These fees are disclosed in the disclosure document or agreements in the Custodian's account opening documents. Clients are also responsible for margin interest, wire transfer fees, safe keeping fees and other special services provided by the broker-dealer, transfer agent, or custodian and disclosed by the Custodian at the time the Client opens their account(s) or when service is requested.

### Investment Company Fees

Investment company funds that are held by Clients will bear their own internal transaction and execution costs, as well as directly compensate their investment managers along with internal administrative services. Some funds pay 12b-1 fees, Distribution Fees, and or Shareholder Service Fees to broker-dealers that offer such funds to their Clients. These charges affect the Net Asset Value of these fund shares and are thus indirectly borne by fund shareholders such as a Hyas Group Client. Some fund companies have imposed a redemption fee. A redemption fee is another type of fee that some funds charge their shareholders when shares are sold or redeemed within a short period of time from the purchase of the fund shares. Although a redemption fee is deducted from redemption proceeds just like a deferred sales load, it is not considered to be a sales load. Unlike a sales load, which is generally used to compensate brokers, a redemption fee is typically used to defray fund costs associated with a shareholder's redemption and is paid directly to the fund, not to a broker. The SEC generally limits redemption fees to 2%. In most cases, the funds will use the "first-in, first-out" (FIFO) method to determine the holding period. Under this method, the date of the redemption will be compared with the earliest purchase date of shares held in the account.

A complete explanation of these charges is contained in the prospectus and "Statement of Additional Information" for each investment company fund. You can get a prospectus from the investment company (through its website or by telephone or mail). Your financial professional or broker can also provide you with a copy.

### **Item 6 - Performance-Based Fees**

It is the Company's policy not to charge clients based upon the performance of their accounts except where the growth in an account will affect an asset based fee (size of the account).

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

The Hyas Group provides investment consulting services to municipalities, corporate pension and profit-sharing plans, charitable institutions, foundations, and endowments.

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

The investment review process at the Hyas Group is continuous and ongoing. Our team reviews mutual funds and other investment vehicles on both a predetermined and impromptu basis. We rely on a number of databases to house our investment return data as well as attribution systems. The databases include mutual funds, commingled funds, insurance products, separate accounts as well as alternative products such as hedge funds.

Our reporting capabilities, analytics resources and manager contacts generally include the following resource tools and data bases:

- Morningstar Direct – which provides extensive mutual fund data including peer group, performance and holdings information
- Evestment Alliance – which provides manager information for separate accounts
- Encorr (Ibbotson) proprietary allocation program – which provides asset allocation modeling software for the assessment of pre-mixed portfolios.
- Institutional data-base subscriptions – Barclays Capital (formerly Lehman Brothers), Standard & Poors, Russell and MSCI/Barra all provide data for the compilation of our reports.

These databases can be used for screening a multitude of investment products. The databases make more than 100 screening factors available. Statistical and regression analysis is also performed using the databases. This allows us to analyze portfolios over multiple time periods versus relative benchmarks as well as compare investments on a side-by-side basis. In this quantitative review, we also compare risk and value-add statistics such as standard deviation, alpha, beta and up/down market capture. All of these tools, when taken in concert with an assessment of underlying securities holdings and sector allocations, allow us to feel confident in the total evaluation of the products in which our clients invest.

Our research process is not limited to databases alone. We also provide qualitative assessments of the investment products we recommend to our clients by meeting with investment managers face-to-face and conducting regular conference calls with the individuals responsible for managing and servicing the specific investment vehicles we are evaluating. We feel strongly that active investment performance is driven by skilled people and, therefore, we analyze the manager's philosophy, process and personnel in order to have a firm grasp on the skill sets offered by different managers.

The conversations will typically involve

- 1) a discussion of the dynamics of the investment team,
- 2) strategy,
- 3) firm structure,
- 4) portfolio construction and
- 5) performance attributions.

Often these meetings help facilitate frank discussions with the portfolio managers which help us provide the most accurate and up-to-date information available.

While some risk is inherent in any investment, we believe that it is imperative that risk be managed appropriately. Thorough review of volatility and risk adjusted return can also add value when properly considered. For each of our client's available investment options we'll analyze risk-related measures such as beta, standard deviation, alpha, up-market capture and down-market capture. It is our expectation that all funded products provide a competitive risk adjusted return. Therefore each product is reviewed with that expectation in mind.

Risk of Loss Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

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

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Hyas Group or the integrity of Hyas Group's management. Hyas Group has no information applicable to this Item.

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

Hyas Group does not receive revenue from any money management firms, recordkeepers or other retirement plan service providers. Our only compensation is that which we receive directly from our clients.

Hyas Group and its representatives may provide services to clients that are not investment advisory in nature. These services may include reporting on investments and account or plan assets, consulting on noninvestment matters, education, vendor search projects, and performance review and evaluation.

#### **Item 11 - Code of Ethics**

Hyas Group has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business



entertainment items, and personal securities trading procedures, among other things. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our supervised persons are expected to adhere strictly to these guidelines. Persons associated with our firm are required to report any violations of our Code of Ethics.

#### Participation or Interest in Client Transaction

From time-to-time the interests of the principals and employees of Hyas Group may coincide with those of a client. Individual securities may be bought, held or sold by a principal or employee of Hyas Group that is also recommended in a model portfolio or held by a client. If potential insider information is inadvertently provided or learned by a principal or employee, it is the policy of Hyas Group to strictly prohibit its use.

It is the policy of Hyas Group to permit the firm, its employees and IARs to buy, sell and hold the same securities that the IAR also recommend to clients. It is acknowledged and understood that Hyas Group performs investment services for various clients with varying investment goals and risk profiles. As such, the investment advice may differ between clients and investments made by Hyas Group IARs. Hyas Group, has no obligation to recommend for purchase or sale a security that Hyas Group, its principals, affiliates, employees or IARs may purchase, sell, or hold. When a decision is made to change an asset allocation recommendation, priority would always be given to the client's orders before those of a related or associated person to the advisor. Hyas Group has procedures dealing with insider trading, employee related accounts, "front running" and other issues that may present a potential conflict when such purchase, sales or recommendations are made. In general, these policies and procedures that are contained in the company's Code of Ethics, are intended to eliminate, to the extent possible, the adverse effect on clients of any such potential conflicts of interest.

#### Pay to Play

In response to the SEC's rule regarding political contributions to candidates and possible pay to play scenarios, it is our policy to allow only up to \$350 per election in personal contributions to candidates within one's voting district and \$150 per election to an elected official or candidate for whom the individual is not entitled to vote. These are the exceptions for De Minimis contributions as defined by the SEC.

Hyas Group will provide a copy of its Code of Ethics to clients or prospective clients upon their request.

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

Hyas Group does not have any business interests with any brokerage firms nor do they recommend any firms to clients. Hyas Group does not receive any soft dollars or other compensation for recommending any brokerage firms, custodians, mutual funds, or investment managers.

**Item 13 - Review of Accounts**

Performance reports are produced for the client either on a quarterly or semi-annual basis with the nature and format of the review process matched to the type of plan (Defined Contribution, Defined Benefit, Endowment, etc.) and the unique needs of each client. Broadly defined, the process covers a review of the plan's asset allocation or plan construction, individual investment manager and total account performance reviews, plan utilization rates and participant account balances, and review of investment costs. Client reports are designed to clearly reflect manager and account performance relative to the client's specific investment policy. Performance reports contain a comprehensive evaluation of the plan's investment options relative to investment policy. Color graphics illustrates manager diversification, historical asset allocation and performance versus the relevant indices over differing lengths of time. A statistical section provides an analysis of manager characteristics including sector/quality exposure and market weights. Interpretive text shows how these characteristics impact risk and return and what that means to the investment program.

Our reports include global market commentaries at the end of each calendar quarter. These commentaries provide a broad economic and market overview as well as specific fixed income, equity and international risk and return insight.

Further, the Hyas Group closely monitors plan utilization rates and average participant account balances to assess each plan's investment and structural effectiveness. We provide comparative statistics for similar sized plans as well as a calculated, overall plan and asset class returns for each of our client accounts every quarter. This plan return allows for further comparison of the equity and fixed income participant investment weightings and demonstrates the offered investment options compare, on the whole, to those offered by other clients and industry averages.

The client performance reports are compiled by various analytical staff members of the firm with final reviews completed by Jayson Davidson, Managing Director of Consulting Services and Senior Consultant; Dale Parker, Director of Analytical Services; Brian Loescher, Director of Research; and Greg Settle, Senior Consultant.

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

Hyas Group does not compensate any client or person for client referrals.

**Item 15 - Custody**

Hyas Group does not maintain custody of client funds or securities. Client assets are held by mutual fund companies, banks or other custodial institutions.

**Item 16: Investment Discretion**

Hyas Group has received discretionary authority from a few clients at the outset of the advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Hyas Group observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Hyas Group's authority to trade securities may also be limited by certain federal securities and tax laws that require diversifications of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Hyas Group in writing.

**Item 17 - Voting Client Securities**

Hyas Group provides investment management services to clients that include, among others, corporate and public pension plans, foundations, and endowments. Unless otherwise stated in the client agreement, Hyas does not vote proxies for clients. For those clients over which Hyas has discretion and therefore has proxy voting authority, Hyas considers proxy voting an important part of those management services. As such, Hyas seeks to vote the proxies of mutual funds and/or securities held by clients in the best interest of those clients.

Hyas believes the best interests of clients are served by voting proxies in a way that maximizes long term shareholder value. Therefore, the investment professionals responsible for voting proxies have the discretion to make the best decision given the individual facts and circumstances of each issue. Proxy issues are evaluated on their merits and considered in the context of the professional's knowledge of a mutual fund or company, its current management, management's past record and Hyas's general position on the issue.

As the management of a portfolio company is responsible for its day-to-day operations, Hyas believes that management, subject to the oversight of the relevant board of directors, is often in the best position to make decisions that serve the interest of shareholders. However, Hyas votes against management on proposals where it perceives a conflict may exist between management and client interests, such as those that may insulate management or diminish shareholder rights. Hyas Group also votes against management in other cases where the facts and circumstances indicate that the proposal is not in its clients' best interests.

Upon client request, Hyas will provide reports of its proxy voting record as it relates to the securities held in the client's account(s) for which Hyas has proxy voting authority.

**Item 18 - Financial Information**

Hyas Group does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

**Additional Information**Privacy Statement

We, like other professionals who advise on personal financial matters are required by federal law to inform their clients of their policies regarding the privacy of client information.

In the course of providing our clients with certain advice, we may receive nonpublic personal financial information from our clients, their accountants and other representatives, such as financial statements, tax returns and other personal information. All nonpublic personal information that we receive regarding our clients or former clients is held in strict confidence in accordance with our professional obligations, and is not released to people outside the Firm, except with your consent or as required by law or to explain our actions to professional organizations that we are members of. We may share certain information with third parties who assist us in providing our services to your (such as administrative and client service functions) or marketing services, as permitted by law, subject to the obligation of these third parties not to use or disclose such information for any other purpose.

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases to comply with professional guidelines. In order to guard your nonpublic personal information from unauthorized disclosure, we maintain physical, electronic and procedural safeguards.

If your financial situation, goals or risk tolerance has changed since you last notified us in writing, please contact us immediately.