



## **Part 2A of Form ADV: Firm Brochure**

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**This brochure provides information about the qualifications and business practices of Sellwood Consulting LLC (hereinafter "Sellwood" or "firm" or "we"). If you have any questions about the contents of this brochure, please contact us at (503) 596-2880 or at [ashleemoehring@sellwoodconsulting.com](mailto:ashleemoehring@sellwoodconsulting.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.**

**Additional information about Sellwood is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Sellwood is 164696.**

**Registration with the SEC does not mean that the SEC or any other agency of the United States government has reviewed or approved of the registered investment adviser's abilities or qualifications nor does it imply a certain level of skill or training.**

**Item 2. Summary of Material Changes**

We have no material changes to report at the time of this required annual amendment.

Our current Form ADV, Part 2 is available to our existing and prospective clients 24 hours a day through the Investment Adviser Public Disclosure website. Additionally, we will annually and within 120 days of the end of our fiscal year, provide you either: (i) a copy of our Form ADV, Part 2 that includes or is accompanied by a summary of material changes; or (ii) a summary of material changes that includes an offer to provide a copy of the current Form ADV, Part 2. We urge you to carefully review all subsequent summaries of material changes, as they will contain important information about any significant changes to our firm, including but not limited to advisory services, fee structure, business practices, conflicts of interest, and disciplinary history.

**Item 3. Table of Contents**

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#### **Item 4. Advisory Business**

Sellwood Consulting LLC (“Sellwood”) is an independent investment consulting firm and SEC-registered investment adviser. Our principal place of business is located in Portland, Oregon. The firm’s founders and direct owners, who collectively own 100% of the firm, are:

- Charles Waibel, Managing Member, Managing Director
- Kevin Raymond, Member, Director
- Ryan Harvey, Member, Director
- Ashlee Moehring, Member, Director, Chief Compliance Officer

Sellwood was founded in 2012, and the founders have worked together since 2005.

##### Investment Consulting Services

Sellwood is an independent investment consulting firm that provides strategic investment advice to clients. We provide a wide range of consulting services to meet each client’s needs. Clients may use any or all of these services, as appropriate. Services include, but are not limited to, the following:

- Investment Policy Statement (“IPS”) Development or Review

We assist clients with preparation and ongoing review of a written IPS, including customized investment objectives and guidelines under which these goals are to be achieved. The IPS may include, among other things, the:

- Responsibilities for the Board/Committee, Staff, and various service providers;
- Asset class targets, permissible ranges and rebalancing policy;
- Guidelines for investments within each asset class;
- Types and styles of investment managers and/or funds;
- Criteria for selection of investment managers;
- Procedures and timing for monitoring investment performance; and
- Guidelines to establish risk tolerance for the separate strategies and the aggregate risk of the total portfolio.

- Asset Allocation and Manager Structure

We use asset allocation studies as a strategic planning tool, seeking to optimize the balance between a portfolio’s expected risk and return. Our analysis involves a review the following elements of an asset allocation strategy:

- Client-specific goals and objectives;

- Inputs regarding expected return and risk, time horizon, liquidity constraints, asset class preferences, and tax status (if applicable); and
- The suitability of the final allocation to a client's goals and objectives.

Once a high-level asset allocation target is determined, we also assist clients in developing appropriate manager structures, analyzing various options for selecting and weighting individual managers and strategies within each asset class.

- Investment Manager Research, Selection, and Monitoring

We perform ongoing investment manager research, evaluating the broad universe of available managers via both quantitative analysis and qualitative evaluations. We perform detailed due diligence on managers prior to recommendation and on an ongoing basis once selected. Our focus is finding investment managers, strategies and vehicles that meet each client's individual circumstances and needs. Factors considered in making this determination include not only investment performance, but also account size, assets under management, management approach, quality of investment team, risk tolerance, the investment philosophy and strategy, and associated fees.

- Investment Performance Reporting and Monitoring

We prepare a customized performance report for each client on a quarterly basis to facilitate review and ongoing monitoring of the plan. Our reports analyze total plan performance versus a policy index and compared to relevant plan sponsor peer groups, as well as individual manager performance compared to appropriate peer groups and relevant industry benchmarks.

- Education

A key aspect of our consulting services involves client education. Our consulting services generally include education for Trustees and staff, covering a wide range of topics. We seek to integrate education efforts in each deliverable we provide our clients and are also responsive to specific client requests.

We may also provide periodic educational support and investment workshops designed for plan participants of profit sharing and 401(k) plan clients. However, we offer only generalized investment education to plan participants, and not advice.

- Other Consulting Services

We have capabilities in providing clients a number of other services, as needed and applicable, including but not limited to:

- Defined Contribution Plan Evaluations
- Third Party Administrator (TPA) Searches
- Trust and Custody Evaluations
- Cash Management Reviews
- Transition Management Searches
- Spending Policy Analyses
- Special Projects

Clients may also receive investment advice on a more limited, special project basis. This may include assistance or advice on only an isolated area of concern, such as investment policy statement, asset allocation, defined contribution plan lineup review, or any other specific topic.

### Services in General

As an independent investment consulting firm that has no affiliations with broker dealers, other investment managers, solicitors or placement agents, our consulting recommendations consider only the needs of the client. Our firm is not limited to any specific product or service offered by a broker dealer or insurance company. Our services include advice regarding the following primary investment instruments:

- separate account investment management relationships
- collective investment trusts or other private commingled funds
- private placement securities (partnership interests)
- mutual funds
- exchange-traded funds (ETFs)

We tailor all of our portfolio management recommendations to the individual needs of each client. All such recommendations are formulated based on information gathered through investment policy statements, electronic communications, telephone and/or in-person discussions.

We do not have any discretionary or non-discretionary regulatory assets under management, as defined by the SEC.

### **Item 5. Fees and Compensation**

The firm's only source of revenue is fees paid to us by our clients. We generally charge a fixed annual retainer fee which covers all general consulting services for a specific client. However, we may occasionally have clients who prefer a fee structure based on the percentage of assets under advisement. Fees are typically billed quarterly, in arrears (unless otherwise agreed upon), per the schedule outlined in the client's executed advisory contract. Fees may be paid via check or electronic remittance directly from the client. We do not directly debit fees from clients' custodial accounts.

Clients may also engage our firm on a project basis for one or more of the services described above. Fees for project relationships are billed at a rate that is reflective of the nature of the assignment and may involve a fixed dollar fee or an hourly rate for our services. The entire fee may be required at the commencement of the project, or a portion of the fee may be paid upfront with the balance billed upon completion of the project.

#### Fees in General

Fees for all services are negotiable based upon relevant criteria, including such considerations as size and complexity of the client portfolio, client service demands, travel requirements, and economies of scale with related accounts.

#### Account Termination

The client may terminate the agreement at any time upon 30 days notice by providing us written notice at our principal place of business. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

#### Third-Party Manager, Mutual Fund and ETF Fees

All fees paid to our firm are for investment advisory services only, and are separate and distinct from the fees and expenses charged by investment managers we may recommend to you. Those fees and expenses are described in the applicable investment management agreement, or in the case of mutual funds and ETFs, the respective fund's prospectus. A client could invest directly in a mutual fund, ETF, collective fund, private placement, or separately managed account, without the services of our firm. In that case, the client would not receive the services provided by us which are designed to, among other things, assist the client in determining which investments are most appropriate to their financial condition and objectives. Accordingly, the client should review both the fees charged by the investment managers and the fees charged by us to fully understand the total amount of fees to be paid and thereby evaluate the advisory services provided.

#### Brokerage and Custodial Fees

In addition to advisory fees paid to our firm, clients will also be responsible for all transaction, brokerage, trade-away, and custodial fees incurred as part of their account management with the selected third-party service providers. Please see Item 12 of this Brochure for important disclosures regarding our brokerage practices.

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

We do not charge any fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7. Types of Clients**

Our firm provides investment consulting to charitable organizations, corporations or other business entities, Taft-Hartley funds, high net worth individuals, state or municipal governmental entities, healthcare organizations, and insurance companies. These clients include a variety of plan types including endowments, foundations, defined benefit, defined contribution, health and welfare, operating reserves, taxable trusts, and insurance pools. We do not impose a minimum account size or a minimum annual retainer fee.

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

### Methods of Analysis and Investment Strategies

Sellwood begins by assessing the investment goals and needs of each client individually before recommending an investment strategy to the client. For each client, we seek to assist in the construction of a portfolio that meets the unique return objectives while mitigating potential risks. We employ both qualitative and quantitative methods to construct portfolios, beginning with the appropriate mix of asset classes and then formulating the optimal manager structures to implement an allocation to each asset class.

To construct portfolios, we develop custom, forward-looking assumptions for the asset classes or distinct investment strategies that exist in client portfolios. We use modeling software to construct optimal portfolios based on those forward-looking inputs. Depending on the individual circumstances and needs of the client, the modeling approach may rely on mean-variance analysis, monte carlo simulation, thematic analysis, risk budgeting, or other methods.

We recommend that our clients' assets be well diversified and we recommend, as appropriate, allocations to cash equivalents, public market equities, fixed income, real assets, and alternative strategies as well as other suitable assets. We recommend that clients invest in these asset classes via professional investment managers utilizing a variety of strategies that best achieve the desired investment portfolio. We use qualitative and quantitative tools to assess the merits of the investment managers that we recommend. Some of the factors considered when evaluating investment managers include investment performance track record, consistency of investment performance, risk profile, assets under management, management approach, quality of investment team, risk tolerance, investment philosophy and strategy, and fees.

### Risk of Loss

Investing in securities, even within the context of a diversified portfolio of assets, involves risk of loss. Our clients should be prepared to bear that risk. We seek to educate our clients on the various risks of an investment strategy as part of our core services and recommendations we make to them.



Our consulting services are highly tailored to each client's particular needs. In developing recommendations, we discuss with clients their specific risk tolerance, including consideration of investment time horizon and liquidity needs. The primary risk associated with our services is that your portfolio, in part or in whole, does not perform as expected. As explained above, our asset allocation analysis is based upon certain assumptions, and there is a risk that capital markets or inflation move unpredictably and result in materially different performance experience than anticipated, including the risk of substantial loss. Further, there a number of risks associated with the managers or funds we recommend to clients. Despite our due diligence efforts, there is always risk that a manager selected does not meet return expectations, deviates from their stated investment strategy or volatility profile, or undergoes material changes within their management team or organization. Certain investment strategies, particularly alternative asset classes, may involve additional risks such as illiquidity risk, valuation risk, and counterparty risk.

**Item 9. Disciplinary Information**

Our firm has no reportable disciplinary events to disclose.

**Item 10. Other Financial Industry Activities and Affiliations**

Our firm has no financial industry activities or affiliations to disclose.

**Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading**

Code of Ethics

Our firm has adopted a Code of Ethics that sets forth the highest ethical standards of business conduct that all our employees must agree, in writing, to abide by. Our Code of Ethics outlines the Firm's:

- Expectations for standards of professional conduct
- Requirements for disclosure of all matters that could reasonably be expected to impair independence and objectivity or interfere with respective duties to clients, prospective clients, and the firm
- Policies limiting the receipt of gifts and business entertainment
- Policies and procedures for the reporting and review of employees' securities holdings and transactions
- Adherence to applicable federal securities laws

A copy of our Code of Ethics is available to current and prospective clients upon request. Such requests can be directed to Ashlee Moehring, Chief Compliance Officer, via e-mail at [ashleemoehring@sellwoodconsulting.com](mailto:ashleemoehring@sellwoodconsulting.com) or at the firm's principal office address.

Participation or Interest in Client Transactions and Personal Trading

Our employees may purchase publicly traded securities, mutual funds, and ETFs that are owned by our clients unless that security or fund is otherwise restricted by the Firm or the purchase would violate our trading policies or any applicable laws.

Our employees may also purchase securities that are not publicly traded; however, employees must pre-clear with the firm's Chief Compliance Officer any investment in a private placement or an initial public offering. Such investments are not generally restricted, provided the ability of our clients to invest in such securities is not impeded by the employee investment.

All employees are required to provide the Firm with an investment holdings report within ten days of initial employment and provide data on their personal securities transactions within thirty days after the end of each calendar quarter. All reports of personal securities holdings and transactions are reviewed by the Chief Compliance Officer and others as necessary, to confirm compliance with the Firm's insider trading policy and federal and state securities laws.

All employees must certify annually that they have read and understood the Firm's Code of Ethics and that they have complied with the personal securities reporting and Outside Activities reports required by the Firm.

#### **Item 12. Brokerage Practices**

We do not have any formal or informal soft-dollar arrangements and do not receive any compensation or benefits from broker-dealers.

As our firm does not implement investment recommendations for client accounts, we do not recommend or select broker dealers to execute client securities transactions. Clients and/or their selected third-party investment managers or custodians are responsible for selecting brokers and evaluating their execution capabilities. Therefore, clients should refer to third-party investment managers' disclosure documents for specific descriptions of their brokerage policies, including the ability to obtain best execution, as well as aggregation and allocation practices.

Note that as part of our consulting services, we may recommend that clients use the professional transition management or custodial services offered by certain brokers.

#### **Item 13. Review of Accounts**

The following individuals are responsible for account reviews:

- Charles Waibel
- Kevin Raymond
- Ryan Harvey
- Ashlee Moehring

These individuals will review client portfolios quarterly or as otherwise contracted at the inception of the advisory relationship. Portfolio performance evaluations are predicated on industry standard benchmarks and peer comparisons. Periodic client meetings are held to review findings from these analyses. Accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark (as outlined in each client's Investment Policy Statement). Significant political, geopolitical, and macroeconomic events as well as material changes within a client portfolio (such as the loss of key personnel by an investment manager) may also trigger reviews.

Client reports are provided on a monthly, quarterly, semi-annual, or as contracted-for basis. These reports typically include asset market values, asset allocation, portfolio and manager characteristics, and performance relative to stated goals and objectives.

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

Our firm does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

**Item 15. Custody**

Custody is defined as any legal or actual ability by our firm to access client funds or securities. We do not manage client accounts and do not take physical possession of client assets. Moreover, we have not entered into any arrangements under which our firm is deemed to have constructive custody of client funds.

**Item 16. Investment Discretion**

We do not manage client accounts and do not accept any investment discretion over client funds.

**Item 17. Voting Client Securities**

As a matter of policy, our firm does not vote proxies on behalf of clients. Clients will receive their proxies and other solicitations directly from their custodian or transfer agent and retain sole responsibility for voting or delegation of such voting responsibilities to the selected third-party investment manager(s). We may, however, provide consulting advice in connection with client proxies.

**Item 18. Financial Information**

Under no circumstances will we collect fees in excess of \$1,200 more than six months in advance of services rendered, and therefore we have no obligation to disclose our firm financials as part of this brochure. Our firm has no financial condition that impairs our

ability to meet our contractual obligations to you, and have never been the subject of a bankruptcy proceeding.