



Vision Capital Management, Inc.
Form ADV Part 2A – Disclosure Brochure for Institutional Clients
March 31, 2015

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This brochure provides information about the qualifications and business practices of Vision Capital Management, Inc. If you have any questions about the contents of this brochure, please contact Clifford M. Yount, our Chief Compliance Officer at (503) 731-7309. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

You can find more information about us at the SEC's website www.adviserinfo.sec.gov.

Item 2 – Material Changes

This item identifies and discusses only those material changes that have occurred since the last update of our firm brochure, which was dated March 26, 2013. Since that date:

- Vision changed vendors for all proxy voting services, including adopting new proxy voting guidelines.
- Vision hired Equity Portfolio Manager John LaBarca
- Vision hired Client Relationship Manager Courtney Mersereau.
- Vision discontinued offering a Mutual Fund Strategy.
- Vision initiated the offering of a global dynamic ETF Strategy.
- Vision added a Potential Conflicts of Interest policy to its Code of Ethics.
- Clifford Yount earned his Investment Adviser Certified Compliance Professional (IACCP®) designation in December, 2014.

Item 3 – Table of Contents

Item 2 – Material Changes	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	5
Item 6 – Performance-Based Fees and Side-By-Side Management	7
Item 7 – Types of Clients.....	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 9 – Disciplinary Information	14
Item 10 – Other Financial Industry Activities and Affiliations	14
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	15
Item 12 – Brokerage Practices	16
Item 13 – Review of Accounts.....	19
Item 14 – Client Referrals and Other Compensation.....	20
Item 15 – Custody	22
Item 16 – Investment Discretion.....	22
Item 17 – Voting Client Securities.....	23
Item 18 – Financial Information	23

Item 4 – Advisory Business

The Company

Vision Capital Management, Inc. ("we," "us" or "Vision") has offered professional asset management services since we were formed in 1999. We have been registered with the SEC since 1999.¹

We are owned entirely by our employees. Our principal owners are:

Suzanne P. McGrath, President

Marina L. Johnson, Chief Investment Officer

Sarah Quist, Client Relationship Manager & Director of Individual Marketing

Todd Jessup, Director of Institutional Marketing & Client Service

Advisory Services

We provide traditional discretionary portfolio management for individual clients and institutional clients through separately managed accounts. Because certain aspects of our services depend on the type of client (such as our fee schedule or brokerage practices), there are two versions of our firm brochure – one for institutional clients and one for individual clients. This version is for institutional clients.

We generally invest our clients' assets in individual equity securities in our U.S. large-capitalization ("large-cap") growth strategy, U.S. small-capitalization ("small-cap") growth strategy and in individual fixed-income securities (including corporate bonds, government bonds and municipal bonds). We also invest client assets in strategies utilizing mutual funds and/or exchange-traded funds ("ETFs"). These strategies are described below in Item 8.

Tailored Advisory Services

Institutional clients generally provide us with an investment policy to follow, which we regularly review. We invest your assets in accordance with your investment policy.

All of our clients may impose restrictions on investing in certain securities, industries or sectors. You must advise us of any such restrictions in writing.

Subadvisory Relationships; Wrap Fee Programs

We serve as subadviser to other unaffiliated advisers who appoint us to manage a portion of their clients' assets.

In addition, we are approved to serve as portfolio manager for several "wrap fee programs" sponsored by unaffiliated broker-dealers. In these programs, unaffiliated investment advisers may invest their clients' assets in a portfolio we manage. We will manage the assets in

¹ Registration as an investment adviser does not imply a certain level of skill or training.

our wrap fee portfolios in accordance with our strategies described below in Item 8. Unlike with our other accounts, we have no relationship with the unaffiliated advisers' clients, and those advisers will be responsible for all client-related communications. The fees we receive for managing a wrap fee portfolio are discussed below in Item 5.

Assets Under Management

On March 30, 2015, we had \$927,985,351 in assets under management. We manage all assets on a discretionary basis.

Item 5 – Fees and Compensation

Amount of Our Fees

Your custodian does not calculate our quarterly fee amount. We calculate our fees as a percentage of the assets we manage for you. Fees are generally negotiable if the value of all your related accounts with us is more than \$10 million. We reserve the right to negotiate your fees in other situations. Some clients pay more or less than others depending on certain factors, including the type and size of the account, the range of additional services provided to the client, and the total amount of assets managed for a group of related clients. Your fee is specified in your agreement with us.

Institutional client fee schedules depend on (a) whether you are invested in our U.S. large-cap growth strategy, U.S. small-cap growth strategy or in short-term fixed-income securities; and (b) the amount of assets we manage for you. Our standard fee schedules for institutional clients are stated below (fees are on an annual basis):

U.S. Large-Cap Growth Securities	Short-Term Fixed-Income Securities
<ul style="list-style-type: none"> • 0.75% on the first \$15 million • 0.60% on the second \$15 million • 0.50% on the next \$20 million • 0.45% on the next \$50 million • 0.35% on the balance 	<ul style="list-style-type: none"> • 0.16% on the first \$5 million • 0.14% on the next \$5 million • 0.12% on the next \$5 million • 0.10% on the balance
U.S. Small-Cap Growth Securities	
<ul style="list-style-type: none"> • 1.00% on the first \$25 million • 0.80% on the next \$75 million • 0.70% on the balance 	

Payment of Our Fees

We deduct our fees directly from your account at the beginning of each quarter, unless we both agree otherwise. If your agreement begins during a quarter, we will prorate the fee you pay for the initial partial quarter, based on the number of days from the beginning of your agreement until the end of the initial quarter.

On your request, we will deduct our entire fee from one or more related accounts rather than proportionally from all your related accounts. If you do not have enough cash in your account to pay our fee, we may sell some of your account assets to pay the fee.

Institutional clients typically pay our fees in arrears. Whether you pay in advance or arrears, your payment terms will be specified in your agreement with us. Our client agreement may be terminated on 30 days' written notice by either you or us. If you pay fees in advance and if your agreement with us terminates during a quarter, we will refund a pro rata portion of the fee you paid for that quarter, based on the number of days between the end of the 30-day notice period and the end of the quarter.

Other than at the beginning and termination of a client relationship, we do not make adjustments to your quarterly fee due to assets you add or withdraw during a quarter.

Fees for Wrap Fee Programs

As indicated above in Item 4, we are approved to serve as portfolio manager for certain "wrap fee programs." Broker-dealers who sponsor such programs generally charge clients a single fee, which covers the investment management fee and the costs of executing trades. Our fee will be a portion of the wrap fee. We will negotiate our fee with each unaffiliated adviser that invests its clients' assets in a portfolio we manage. Our fee will be based on the value of the assets we manage for that adviser's clients.

Depending on the amount of the wrap fee charged by the broker, the portfolio activity in the account, the value of other services provided under the arrangement, and other factors, the wrap fee may or may not exceed the aggregate cost of such services, if they were to be provided separately and if we were free to negotiate commissions and seek the best price and execution of transactions for the client's account. See "Wrap Fee Programs" in Item 12 below for additional information about brokerage for these programs.

Other Fees

All clients will also incur brokerage and transaction costs, as discussed below in Item 12.

No Compensation from Sales of Securities

Vision and its employees do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6 – Performance-Based Fees and Side-By-Side Management

Vision and its employees do not accept "performance-based fees" (fees based on a share of capital gains on or capital appreciation of your assets).

Item 7 – Types of Clients

We generally provide advice to the following types of clients:

- individuals, including their trusts, estates, individual retirement accounts (IRAs) and self-directed 401(k) accounts
- corporate pension and profit sharing plans
- endowments and other charitable organizations
- corporations and other businesses
- municipalities

Minimum Account Size

Institutional clients require at least \$5 million in related accounts, but we reserve the right to waive this minimum requirement at our discretion.

Item 8– Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies We Use to Manage Your Assets

General

We are an entrepreneurial organization, and our investment process is team driven. Our approach allows for effective vetting of ideas and timely decision making. Our investment committee meets at least weekly to review general market conditions, as well as events and disclosures relevant to individual securities in client portfolios. At our meetings, we follow a decision process that starts with a traditional top-down assessment of the overall economy, followed by allocation strategy discussions based on our overall economic assessment. Based on the processes discussed below in this Item 8, one or more members of the committee then make specific investment decisions on individual securities, mutual funds and ETFs. In some cases, clients may wish to invest in one investment strategy as a portion of a larger portfolio. For others, Vision will use multiple asset types and classes to build a portfolio that seeks to optimize the risk/return tradeoff in the forecasted economic environment based on each client's investment objective.

Constructing Your Portfolio – U.S. Large-Cap Growth Strategy

We strive to deliver superior long-term results by holding a concentrated portfolio of equity securities issued by firms that we believe have outstanding business models, when we are able to purchase them at reasonable prices. We seek to invest in exceptional companies that have the ability to generate long-term sustainable growth in their intrinsic value, when available at attractive prices. We invest with a long-term perspective and anticipate that only 20-50% of your U.S. large-cap growth securities will be turned over (replaced) annually.

For clients invested in our U.S. large-cap growth strategy, we typically hold 35-40 stocks, and we may occasionally invest some assets in ETFs. Our search for growth companies spans to the economy and generates a portfolio diversified on a sector basis. Our initial screening process to identify potential opportunities includes:

- Screening a broad database of over 10,000 stocks to find growth stocks that have a market capitalization greater than \$3.0 billion.
- Sorting those results, using our proprietary multi-factor model that emphasizes fundamental business characteristics, growth prospects and current valuation.

This process results in an investable list of stocks with a score above the median within each sector, and ranks the individual stocks on a relative basis. The investable list is narrowed to a watch-list of around 100 stocks. Securities are then analyzed from a "fundamental" perspective. This means that we study many different factors that can affect a security's risks and rewards. Considering the state of the overall economy and applicable industry conditions, we seek to identify firms that:

- have compelling business franchises and competitive advantages that allow their intrinsic value to increase.
- have solid existing business fundamentals (balance sheet strength, cash flow growth, etc.) as well as opportunities for enhancement over the long term.
- operate in industries that not only offer growth opportunities, but also allow the firm to operate profitably.
- are run by high-quality managers focused on delivering returns to shareholders.
- have attractive valuations. We appreciate the difference between a great company and a great stock. We are growth investors that require our investments to have both a margin of safety and the opportunity for meaningful price appreciation.

After our evaluation process is complete, we construct your portfolio on a stock-by-stock basis with attention to maintaining a balance between types of growth stocks within the portfolio. It is an iterative process with a high bar set for entry into the portfolio.

Constructing Your Portfolio – U.S. Small-Cap Growth Strategy

We strive to deliver superior long-term results by holding a concentrated portfolio of equity securities issued by firms that we believe have outstanding business models, when we are able to purchase them at reasonable prices. We seek to invest in exceptional companies that have the ability to generate long-term sustainable growth in their intrinsic value, when available at attractive prices. We invest with a long-term perspective and anticipate that 50-100% of your U.S. small-cap growth securities will be turned over (replaced) annually.

For clients invested in our U.S. small-cap growth strategy, we typically hold 50-60 stocks. Our search for growth companies spans to the economy and generates a portfolio diversified on a sector basis. Our initial screening process to identify potential opportunities includes:

- Screening a broad database of over 10,000 stocks to find growth stocks that have a market capitalization between \$200 million and \$4 billion.
- Sorting those results, using our proprietary multi-factor model that emphasizes fundamental business characteristics, growth prospects and current valuation.

This process results in an investable list of stocks with a score above the median within each sector, and ranks the individual stocks on a relative basis. The investable list is narrowed to a smaller group of stocks for further review. Securities are then analyzed from a "fundamental" perspective. This means that we study many different factors that can affect a security's risks and rewards. Considering the state of the overall economy and applicable industry conditions, we seek to identify firms that:

- have compelling business franchises and competitive advantages that allow their intrinsic value to increase.
- have solid existing business fundamentals (balance sheet strength, cash flow growth, etc.) as well as opportunities for enhancement over the long term.
- operate in industries that not only offer growth opportunities, but also allow the firm to operate profitably.
- are run by high-quality managers focused on delivering returns to shareholders.
- have attractive valuations. We appreciate the difference between a great company and a great stock. We are growth investors that require our investments to have both a margin of safety and the opportunity for meaningful price appreciation.

After our evaluation process is complete, we construct your portfolio on a stock-by-stock basis, with attention to maintaining a balance between types of growth stocks within the portfolio.

Constructing Your Portfolio – Fixed-Income Instruments

We manage clients' fixed-income portfolios with the same fundamental, intrinsic value investment philosophy used to manage our equity portfolios. Fixed income securities are evaluated on a total return basis, considering income and capital appreciation potential. They may be used as a portion of multi asset, risk managed portfolios.

Our primary objective is to generate a yield greater than the current inflation rate, without bearing undue credit or interest rate risk. We balance our income objective with a focus on total return. We invest for capital appreciation in addition to income when we believe the market offers an attractive valuation opportunity. When we believe the market is overvalued, we invest for a fair income return and preservation of capital.

We select fixed-income instruments for clients through a three-step process.

First, we consider the specific objectives, risk tolerance, tax bracket implications and financial condition of the particular client or account for whom we are building the portfolio. This step helps indicate which type of fixed income securities will be optimal for the individual client or account.

Second, we consider the potential instrument's credit quality. We select fixed-income securities that have a rating of at least "investment grade," which indicates that the instrument is of high credit quality and has a very low risk of default. We may select other securities that are considered even safer than investment grade (for example, U.S. Treasury instruments and instruments backed by government agencies, such as Fannie Mae).

Third, we consider where the potential instrument falls in the applicable "yield curve." A yield curve is a line graph that plots the interest rates, at a set point in time, of instruments having equal credit quality, but differing maturity dates. We scrutinize the shape of the curve because it helps us determine where the best value is on the curve, and where the best trading opportunities exist:

- A normal yield curve is one in which longer-term instruments have a higher yield compared to shorter-term instruments due to the risks associated with time. If the yield curve is normal, we tend to buy an instrument whose yield falls where the slope of the curve is steepest.
- A flat yield curve is one in which longer-term instruments have a similar yield compared to shorter-term instruments. If the yield curve is flat, then we tend to buy an instrument with a shorter-term maturity, as the risks associated with longer-term maturity are not compensated by higher yield.
- An inverted yield curve is one in which longer-term instruments have a lesser yield compared to shorter-term instruments. An inverted yield curve is viewed as a precursor to an economic recession. During these times, we tend to invest in short- to intermediate-term maturities.

For individual clients, the maturities of the fixed-income instruments we select will vary depending upon the market conditions and individual client needs.

Constructing & Enhancing Your Portfolio – Mutual Funds and ETFs

Due to account size or client preference, some of our individual clients have historically been invested primarily or exclusively in mutual funds and/or ETFs. Clients participating in our U.S. Large-Cap Growth Strategy may have enhanced their portfolio by utilizing ETFs and mutual funds to efficiently allocate to other asset classes. We have discontinued our mutual fund research and have transitioned to researching and recommending ETFs as a more cost effective investment to access a broader range of globally dynamic asset classes.

Constructing Your Portfolio – ETF Global Dynamic Strategies

Our ETF strategy utilizes asset class optimization that seeks to include broad global exposure to the capital markets while keeping expenses as low as possible and providing the highest level of advisory service to our clients.

Asset class optimization takes into account expected returns, variances and co-variances of returns of individual assets and the large number of weighted investment combinations of those. We seek to offer portfolio choices that achieve the maximum amount of expected return for each unit of accepted risk. There are several steps to the process of accomplishing this task.

First, we select the global asset classes that will be utilized and screen for funds that most appropriately mimic these asset classes.

Second, our investment professionals forecast the expected returns of each of the fund asset classes.

Third, we use a portfolio optimizer to consider our return forecasts in conjunction with statistical relationships and compute portfolio choices that maximize the risk/return ratio.

These strategies operate off of our forecast of expected returns over a 12-month time horizon. Forecasts are revisited on at least a 6-month basis or sooner if required by capital market undercurrents. Mid-term changes in forecasts are re-optimized to determine if meaningful differences in risk/return characteristics have evolved. Asset weight changes are implemented based on meaningful changes in the currently predicted efficient frontier.

Monitoring and Selling Equity Securities

We regularly monitor your existing holdings. We prefer to "let winners run" as long as the original reasoning for selecting the security remains sound. However, there are times when we believe it best to sell all or a portion of your current position in a given security. We consider (but do not necessarily require) selling:

- if there is a change in the original reasoning for selecting the security, such as a deterioration or change in the firm's fundamentals

- if we need to make room for a more compelling opportunity
- if our target price has been met and the security is no longer attractive from a valuation perspective
- to reduce a position that significantly exceeds 5% of the client's total portfolio
- if a price declines significantly
- if the market cap of a security exceeds \$7 billion in our small-cap growth strategy

Equity Trading Strategies

In trading equity securities, we generally purchase for long-term investment (at least one year). However, for the reasons outlined above, we will sell a security within a year. We rarely, if ever, sell a security in less than 30 days. We also may occasionally buy or sell options or warrants.

Risks Associated with Our Methods of Analysis and Investment Strategies

General

All investments in securities include a risk of losing your principal (invested amount) and any profits that you have not realized. You should be prepared to bear that risk. As you know, stock markets and fixed-income markets fluctuate substantially over time. In addition, as recent global and domestic economic events have shown, the performance of any investment is not guaranteed.

Our judgment about the attractiveness, value and potential appreciation of a particular asset class or individual security may be incorrect, and there is no guarantee that the securities we select will perform as anticipated. The value of an individual security can be more volatile than the market as a whole, or our intrinsic value approach may fail to produce the intended results. Our estimate of a security's intrinsic value may be wrong or, even if our estimate of intrinsic value is correct, it may take a long time before the price and intrinsic value converge. As a result, there is a risk of loss of the assets we manage that is out of our control. We seek to reduce your risk through diversification. Although we will do our best in managing your assets, we cannot guarantee any level of performance or that you will not experience a loss in your assets.

Our agreement with you states that we are not liable to you for:

- any loss you suffer because of any investment decision we make or other action we take or do not take in accordance with our agreement with you
- any loss you suffer because we follow your oral or written instructions
- any act or failure to act by any custodian or broker

Nevertheless, nothing in our agreement with you constitutes your waiver of any legal right under applicable federal or state securities laws or any other law whose applicability may not be waived through contract. If there is a discrepancy between the information in this brochure and your agreement with us, your agreement will control.

Risks Associated with Our Primary Client Investments

We primarily invest client assets in U.S. growth securities and in fixed-income securities. The principal risks of these investments are specified below.

U.S. Growth Equity Securities. These securities face risks such as:

- *General Equity Market Risk* – Overall stock market risks may affect the value of investments in equity strategies. Factors such as U.S. economic growth and market conditions, interest rates, and political events affect the equity markets.
- *Large-Cap Company Risk* – There is a risk that returns from large-cap growth stocks will trail returns from the overall stock market. Large-cap stocks go through cycles of doing better, or worse, than the stock market in general.
- *Small-Cap Company Risk* – There is a higher risk that returns from small-cap growth stocks will be volatile and trail returns from the overall stock market. Small-cap stocks go through cycles of doing better, or worse, than the stock market in general.

Fixed-Income Securities. Even though we invest only in fixed-income securities that are investment grade or better, these securities face risks, such as:

- *Interest Rate Risk* – Fixed-income securities increase or decrease in value based on changes in interest rates. If rates increase, the value of fixed-income securities generally declines. On the other hand, if rates fall, the value of the fixed-income securities generally increases.
- *Credit Risk* – There is a risk that issuers and counterparties will not make interest and/or principal payments on the securities they issue or that their payments will not be made when due. In addition, the credit quality of securities may be lowered if an issuer's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security, and that may affect liquidity and our ability to sell the security.
- *Call Risk* – There is a risk that falling interest rates will cause an issuer of fixed-income securities to redeem (call) its high-yielding fixed-income securities before their maturity date.

Mutual Funds and ETFs. We sometimes invest client assets in mutual funds and ETFs. These funds face risks based on the investments they hold. For example:

- *Sector Stock Fund Risks.* A sector stock fund (which invests in a single industry, such as telecommunications) is at risk that its price will decline due to developments in its industry.
- *Small- and Mid-Cap Company Risks* – Investments in small and mid-cap companies may be riskier than investments in larger, more established companies. The securities of these companies may trade less frequently and in smaller volumes than securities of larger companies. In addition, small- and mid-cap companies may be more vulnerable to economic, market and industry changes. Because smaller companies may have limited product lines, markets or financial resources, or may depend on a few key employees, they may be more susceptible to particular economic events or competitive factors than larger-capitalization companies.
- *Foreign Securities and Emerging Market Risks* – Foreign securities face risks due to political, social and economic developments abroad, as well as due to differences between U.S. and foreign currency and regulatory practices. These risks are greater in emerging markets.

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 us or the integrity of our management.

Vision has no legal or disciplinary events to report.²

Item 10 – Other Financial Industry Activities and Affiliations

We are obligated to disclose if we, any of our "supervised persons" (meaning our employees and independent contractors), or any of our affiliates are involved in other financial industry activities, such as those of a broker-dealer, commodity pool operator or a futures commission merchant. We are also obligated to disclose if we receive compensation from other advisers for recommending or selecting those advisers for you.

We do not have any other financial industry activities or affiliations to report to you. In fact, we are not affiliated with any other company. Furthermore, we do not receive compensation from other advisers for recommending or selecting them.

² We note that registered advisers are required to report, in Part 1A of Form ADV, all disciplinary events regardless of whether they are material. Vision has no disciplinary events of any kind to report.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

We have adopted a code of ethics that applies to all our supervised persons. Each of them must comply with our code of ethics as a condition to working with us. Our Chief Compliance Officer (our "CCO") administers and enforces our code of ethics.

Our code of ethics requires our supervised persons to:

- comply with applicable federal and state securities laws
- conduct themselves with integrity and act ethically in their dealings with the public, clients and professional associates
- fulfill their duty of loyalty by acting solely in our clients' best interests
- strive to provide long-term client satisfaction
- disclose any conflict of interest
- adhere to our policies limiting the giving or receiving of gifts and business entertainment
- adhere to our policies limiting the giving of political contributions
- report any violation of our compliance manual to our CCO as soon as possible
- submit reports of securities beneficially owned by them and their related persons, and submit reports of securities transactions by them and their related persons, subject to certain permitted exceptions. No reports are required for accounts held at Vision.

We prohibit our supervised persons from investing in initial public offerings, and they must receive the approval of our CCO before they invest in any private placement.

Our clients or prospective clients may request a copy of our code of ethics by contacting our CCO, Clifford M. Yount, at (503) 731-7309 or the address on the cover page of this brochure.

Participation or Interest in Client Transactions and Personal Trading

We and/or our supervised persons may: (a) buy or sell the same securities we buy or sell for your account; or (b) buy or sell the same securities we buy or sell for your account and engage in the transaction at the same time. As a result, there may be a conflict of interest that arises between you and us (or one of our supervised persons) in the allocation of profitable

trades. To address that potential conflict, we always allocate trades to you before we allocate them to our supervised persons or to us.

We do not buy or sell securities for your account if we and/or one of our supervised persons have a material financial interest in the issuer or the securities. However, if we have a client whose securities are traded publicly, we and/or our supervised persons may invest client assets in that company's securities during periods when we do not have any material nonpublic information about that company. Transactions in any such securities must be preapproved by our CCO.

Item 12 – Brokerage Practices

Broker Selection

Our management discretion for our institutional clients generally includes the selection of the security, the amount to be purchased or sold, the broker or dealer to be used to effect the transaction, and the commission rate to be paid.

Our best execution committee maintains a list of approved institutional brokers. The committee is responsible for the list and reviews it at least annually. They may make additions or deletions to the list at any time. When approving institutional brokers, the committee considers many factors related to the overall quality of execution services received. Those considerations can include one or more of the following factors:

- price and opportunity for price improvement
- anonymity
- liquidity
- access to research
- expertise with difficult securities transactions
- number of errors committed by the broker
- access to new issues
- frequency of management and/or analyst visits

In addition, the committee considers other trading mechanisms, like electronic communications networks, to determine whether non-traditional markets and brokers may offer best execution and lower costs.

When practicable, we trade fixed-income securities through a bidding process that considers similar factors, as they apply, in agents we use to facilitate trades in those securities.

Restricted Brokerage Accounts

Our individual clients generally utilize Charles Schwab, Fidelity and TD Ameritrade as custodians, and we consider these accounts to be "restricted brokerage" accounts. Restricted brokerage accounts tend to utilize a custodian that applies minimum fees or "ticket charges" to each trade, and that practice often makes that custodian's owned broker-dealer the most economically responsible location for us to execute a trade in accordance with our duty of best execution. Such fees generally make executing trades with a variety of other broker-dealers economically impractical for equity, mutual fund and exchange traded fund ("ETF") transactions.

Unrestricted Brokerage Accounts

Clients with accounts that provide us with unlimited broker-dealer discretion to trade their assets are considered to have "unrestricted brokerage" accounts. These unrestricted brokerage accounts are most often institutional accounts with a custodian that does not impose minimum charges on transactions. This allows us more freedom to select from many brokers to trade those assets.

Directed Brokerage

As explained above in this Item 12, your agreement with us generally gives us discretion to choose a broker or dealer to execute your trades. However, sometimes unrestricted brokerage clients direct us to use a specific broker or dealer to trade a certain percentage of their assets. These unrestricted accounts are considered to utilize "directed brokerage." For accounts utilizing directed brokerage, we are not responsible for negotiating the terms with the broker where the trades are being directed. Our clients are responsible for negotiating the terms and arrangements for the client's account with the broker.

In addition, for directed brokerage accounts, we are generally not able to (a) seek best execution or negotiate prices on commissions from other brokers, or (b) aggregate the client's transactions with orders for other accounts advised or managed by us. As a result, we may pay materially disparate commissions, greater spreads or other transaction costs, or receive less favorable net prices on transactions for the account than would otherwise be the case. On the other hand, you may be able, by directing brokerage, to participate in new issues offered through the broker that are not available to our other clients.

Certain institutional clients may also instruct us to direct a certain portion of brokerage associated with an institutional account to brokers that are members of a historically underrepresented minority group. This practice generally impedes our ability to seek best execution or aggregate trades with orders for other accounts.

Trade Aggregation, Execution & Allocation

Our level of discretion to select brokers differs among client accounts that have directed, restricted and unrestricted brokerage. Nevertheless, in all cases, whether trading assets in directed, unrestricted or restricted client accounts, we will aggregate all trades destined for common broker-dealers. Aggregated trades are then executed in block trades. Block trades are

placed and executed immediately following each respective portfolio manager's review and approval.

Occasionally, an aggregated order may only be partially filled. Under such circumstances, the securities are allocated, to the extent feasible, among the applicable clients sharing in the aggregated order on a pro rata basis.

Exceptions to the pro rata allocation of partially filled orders may occur for several reasons, such as the avoidance of odd lots or de minimis numbers of shares, or sensitivity to total transaction cost. If partially-filled orders cannot feasibly be allocated on a pro rata basis, we allocate trades on a random basis to the accounts participating in that aggregated trade. However, client orders are always filled before orders of supervised persons. There may be instances when partially-filled orders may adversely affect the size of the position or the price paid or received by the client, as compared with the size of the position or price that would have been paid or received had no aggregation occurred.

Note: The aggregation and allocation policies above apply to trades in equity securities only. We buy and sell fixed-income securities through a bidding process that does not require us to aggregate or allocate the transactions. Furthermore, orders for shares of mutual funds or ETFs are generally fully filled and do not present allocation issues.

Commission Sharing & Soft Dollar Benefits Provided from Institutional Clients' Transactions

In some cases, we may cause our institutional clients to pay higher commissions than those charged by other available broker-dealers through a Commission Sharing Agreement (CSA) in return for credits, commonly known as "soft dollar" benefits. A "soft dollar" transaction occurs when we execute trades through a particular broker in return for receiving research and execution from that broker. We use soft dollar transactions for research and investment data provided by the executing broker and for third-party research and investment data paid for by the executing broker. We do not agree to pay a specific amount of commissions to any executing broker, and we use soft dollar credits only for services that facilitate the investment decision-making process.

In all cases, we make a good faith determination that the commissions paid are reasonable in relation to the value of the brokerage and research services provided, either in terms of a particular transaction or our overall responsibility to our institutional clients. "Research" is defined as publications or investment-related software and data that aids in the investment decision-making process. We may have an incentive to select a broker that will provide research to us. However, we systematically evaluate the costs and benefits of using client brokerage for research, recognizing our best execution obligation and seeking the greatest possible long-term benefit to our clients. Services obtained through the use of client brokerage are for the benefit of all clients regardless of the paying entity.

We benefit from any research received in soft-dollar transactions, because we do not have to produce or pay for the research, products or services received.

Wrap Fee Programs

As indicated above in Item 4, we are approved to serve as portfolio manager for certain "wrap fee programs." Broker-dealers who sponsor such arrangements generally charge clients a single fee, which covers the investment management fee and the costs of executing trades. In those cases, transactions are effected "net" (without commission), since a portion of the wrap fee is paid instead of commissions. Because trades generally are required to be executed only by the broker receiving the wrap fee, we generally will not be free to seek the best price for transactions in wrap fee programs. We cannot assure that a particular broker will provide the most efficient execution of transactions. We will periodically evaluate the brokerage services provided by sponsors of the wrap fee programs in which we participate to verify that the brokerage services satisfy our best execution obligation.

Brokerage for Referred Clients

We participate in an adviser referral service with Charles Schwab & Co., Inc., an independent and unaffiliated broker-dealer ("Schwab"). Our participation in this service may raise potential conflicts of interest. Although none of our clients is required to use Schwab for custody, our agreement with Schwab gives us an incentive to have clients that Schwab refers to us retain Schwab as their custodian and for us to execute their transactions through Schwab. We generally execute transactions for such clients with Schwab. We acknowledge our duty of best execution for our clients, including clients referred by Schwab. For more information about the Schwab referral service, see Item 14 below.

Trade Errors

When a trade error occurs, the client will retain any net gains resulting from the error correction, and we will compensate the client wholly for any loss resulting from the error correction.

Item 13 – Review of Accounts

Your equity account holdings are reviewed on a daily basis to see if your portfolio is consistent with your investment objectives. This includes our portfolio monitoring software which will notify our compliance department if your objectives exceed internal or external client guidelines.

We issue written reports to our clients upon request which can be daily, weekly, monthly, quarterly, annually or ad-hoc. Our reports can consist of investment holdings, transactions, performance and any other requested or required investment data related to your account. We urge you to carefully review these reports and compare the statements that you receive from your custodian to the reports that we provide. The information in our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 14 – Client Referrals and Other Compensation

Compensation We Pay for Client Referrals

Schwab Advisor Network

As stated above in Item 12, we participate in the Schwab Advisor Network, an adviser referral service designed to help investors find an independent professional investment manager in their geographic area. We receive client referrals from Schwab through the referral service. Schwab is not affiliated with us. It does not supervise us and has no responsibility for our management of client portfolios or for any other advice or service we provide our clients.

We pay Schwab fees when a client Schwab refers opens an account with us. Our participation in the Schwab referral service may raise potential conflicts of interest, as described below. We pay Schwab a participation fee on all referred clients' accounts that are held in custody at Schwab and a non-Schwab custody fee on all referred accounts that are transferred to another custodian. This custody fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab.

The participation fee we pay Schwab applies to referred clients that retain Schwab as their custodian. The participation fee is a percentage of the value of the assets in the client's account. The participation fee is payable quarterly and may be increased, decreased or waived by Schwab from time to time. The participation fee is paid by us and not by you. We do not charge clients referred through the Schwab referral service fees or costs greater than the fees or costs we charge clients with similar portfolios who are not referred through the referral service.

We generally pay Schwab a non-Schwab custody fee if custody of a referred client's account is transferred from Schwab, unless the client was solely responsible for the decisions to move its assets. The non-Schwab custody fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The non-Schwab custody fee is higher than the participation fees we generally would pay Schwab in a single year. Thus, we have an incentive to recommend that custody of assets of clients referred by Schwab remain at Schwab.

The participation fee and non-Schwab custody fee are based on the value of assets in accounts of our clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, we also have an incentive to encourage household members of clients referred through the referral service to place custody of their accounts and execute transactions at Schwab.

For accounts of our clients maintained in custody at Schwab, Schwab generally does not charge the client separately for custody, but, as is typical for broker/custodians, the clients pay Schwab commissions or other transaction-related compensation on trades Schwab executes for the client's account. Clients also pay Schwab a fee (generally lower than the

applicable commission on trades Schwab executes) for clearance and settlement of trades executed through brokers other than Schwab. Schwab's fees for trades executed by other brokers are in addition to the fee charged by the other brokers. Schwab's fee arrangements are similar to those charged by other broker custodians.

As described above in Item 12, trades for accounts custodied with one broker may be executed at different times and at different prices than trades executed by other brokers. We acknowledge our duty to seek best execution of trades for all client accounts.

Referral Agreement with SigFig Wealth Management LLC

As of December 16, 2011, we entered into an Investment Advisor Referral Agreement (the "Referral Agreement") with SigFig Wealth Management LLC, a Delaware limited liability company ("SigFig"). Under the Referral Agreement, SigFig will let prospective clients know that we provide investment advisory services, introduce prospective clients to our personnel, and furnish prospective clients with written informational materials about our services (including our Form ADV). SigFig must also provide prospective clients with a written disclosure statement outlining the terms of the Referral Agreement and obtain their written acknowledgment of having received that statement and our Form ADV.

In return for these services, SigFig will receive a fee from us equal to 20 percent of the advisory fees we collect from any client that (a) SigFig refers to us and (b) becomes our client. SigFig will be entitled to these fees for as long as the referred client remains our client. SigFig's fee is paid by us, not by the client. Referred clients are not responsible for paying any fees to SigFig.

SigFig will receive its fees under the Referral Agreement for any client referred to us during the term of that agreement, as well as for the two year period after the Referral Agreement terminates.

Benefits from Custodians

General

We receive no compensation for suggesting a particular broker or bank as your custodian. However, certain custodians provide products and services that benefit us and our client accounts. Some of these other products and services assist us in managing and administering client accounts. These include software and other technology that:

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts)
- provide research, pricing information and other market data
- facilitate payment of our fees from our clients' accounts

- assist with back-office support, recordkeeping and client reporting

Many of these services may be used to service all or a substantial number of our accounts, including accounts not maintained with that particular broker. These products and services benefit us by allowing us to more quickly and accurately service our clients.

Various brokers also make available to us other services intended to help us manage and further develop our business. These services may include:

- publications and conferences on practice management
- information technology
- business succession planning
- regulatory compliance
- marketing

In addition, brokers may make available, arrange and/or pay for these types of services when provided to us by independent third parties. The brokers may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to us. As a fiduciary, we seek to act in our clients' best interests. However, our recommendation that clients maintain their accounts with these brokers may be based in part on the benefit to us of these products and services, and not solely on the nature, cost or quality of custody or brokerage services these brokers provide. Although this may create a potential conflict of interest, we believe these products and services are in the best interests of our clients.

Item 15 – Custody

We do not provide custodial services to our clients. Your assets must be held by a bank, registered broker-dealer or other "qualified custodian." You will receive statements directly from your custodian at least quarterly. We urge you to carefully review the custodial statements and compare them to the reports we send you. The information in our reports may vary from your custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities. If the information from your custodian differs from the information Vision Capital provides, we encourage you to contact our Chief Compliance Officer, Clifford Yount, immediately.

Item 16 – Investment Discretion

Our authority in managing your account includes the full discretionary power to purchase, sell and exchange securities and other instruments, exercise all rights conferred on the holder of such assets, and reinvest all proceeds.

Your agreement with us gives us the authority to exercise full discretion. In addition, we observe investment limitations and restrictions that you provide to us in writing.

Item 17– Voting Client Securities

General

Effective December 2014, Institutional Shareholder Services (“ISS”) is our proxy voting vendor. We outsource all proxy voting services to ISS and have adopted the ISS annual voting guidelines based on their research and due diligence. ISS votes the proxies, records voting decisions, keeps record of votes and reasons for voting, all on behalf of our participating clients.

You may vote your own proxies. Alternatively, we can vote proxies for you in accordance with a proxy voting policy you provide us. If you do not provide us with your own proxy voting policy and would like us to vote proxies for you, your proxies will be voted in accordance with the ISS guidelines.

We may disregard the ISS voting guidelines if we determine your best interest would be served by voting otherwise.

You may obtain a copy of the ISS proxy voting guidelines or information on how your proxies were voted by calling Clifford M. Yount, our CCO, at (503) 731-7309 or by sending Mr. Yount a written request to the address on the cover page of this brochure.

Directed Voting

All of our clients may direct our vote on specific matters, but they must do so in writing.

Item 18 – Financial Information

We must disclose any financial condition that could impair our ability to meet our contractual obligations to you. We must also disclose if we have been the subject of any bankruptcy proceeding within the last 10 years.

We have no such financial condition to disclose to you, and we have never been the subject of any bankruptcy proceeding.