



## Firm Brochure (Form ADV Part 2A)

June 30, 2015

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This Form ADV Part 2A ("Brochure") and 2B ("Brochure Supplement") is a very important document between Clients (you, your) and Trutina Financial (Trutina, us, we, our). The oral and written communications we provide to you, including this Brochure, is information you use to evaluate us (and other advisors) which are factors in your decision to hire us.

**This Brochure provides information about our qualifications and business practices. If you have any questions about the contents of this Brochure, please contact us at 425.401.1211 or 800.401.4534. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Regulatory Authority. We are a registered investment adviser with the Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training.**

Additional information about our firm (and our employees) is available to you for free, by visiting [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), a Securities and Exchange Commission website.



## Item 2—Material Changes

The following changes have occurred since our last amendment dated March 25, 2015:

1. The role of Chief Compliance Officer has been assumed by Todd Carter, one of the principal shareholders of Trutina Financial.
2. We have provided additional information on Mr. Steve Kriha, who is dually registered with Trutina Financial and Tenere, LLC, a Washington state registered investment advisor.

In the future, this section will discuss specific material changes that are made to the Brochure and provide clients with a summary of such changes. Following the SEC and state rules, we will ensure that clients receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may provide other ongoing disclosure information about material changes as necessary.

If clients or prospective clients want to learn additional information about us or our Financial Advisors, please call (425) 401-1211 or visit the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



### Item 3—Table of Contents

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## Item 4—Advisory Business

### *Overview of our Firm:*

Trutina Financial, originally called Bellevue Financial, Inc., was created in 2005 to provide ongoing wealth management services to individuals and companies. In 2009, Storehouse Partners, LLC joined Trutina Financial. In September 2010 we officially began offering our services as Trutina (which means “balance” in Latin) Financial from Bellevue Financial, Inc. Our principal shareholders are Rich Budke, Matt Myers, Steve Herman and Todd Carter. We provide comprehensive financial planning and wealth management services (Portfolio Management Services) as well as Retirement Plan Advisory Services.

### ***Portfolio Management Services***

We provide portfolio management services with discretionary investment authority. Discretion means determining the securities to buy or sell and the amount of those securities without obtaining your consent. Your consent and our investment authority, as well as the fees for our services are documented in the written advisory agreement (“Agreement”) we enter with you.

We determine the securities to purchase or sell for you by assessing your needs as a Client. This may be accomplished through a variety of means including, but not limited to, personal interviews or through Trutina’s TruPath™ process. TruPath™ is accomplished over four steps:

1. The Briefing – where you talk and we listen; ask clarifying questions to make sure we understand every aspect of your current situation and future Plans.
2. The Roundtable – once we assimilate your input, our team of investment professionals weigh in on the best strategy and investment portfolio that reflect you.
3. Results, delivered – we sit down with you to review a range of options, defined with you in mind that are summarized, clearly explained and ranked to incorporate your needs and objectives.
4. Regular reviews – we keep in touch with you to make sure we are on track you’re your goals and objectives. We monitor and adjust your life plans and goals that are consistent with markets, your needs and changes to both.

Through our Portfolio Management Services we provide a portfolio solution that makes sense for you today and tomorrow. We will ensure you are provided with investment management services to meet your specific needs and circumstances. We will follow investment restrictions you provide to us in writing or on the Agreement you sign with Trutina. However, if we are unable to accommodate your restrictions we will notify you accordingly.

It is important to keep us apprised of any changes in your financial situation that may impact your investment goals or objectives. If we do not have current information it could adversely impact the success of your financial plan.

### ***Retirement Plan Advisory Services***

We deliver investment advisory, investment management and consulting solutions to employer-sponsored retirement Plans (“Plan”) through our Retirement Plan Advisory Services (“Services”). Specifically, our Services include: (1) Discretionary Investment Management Services, (2) Nondiscretionary Investment Advisory Services, and/or (3) Consulting Services (together, the “Retirement Plan Services”). Depending on the type of the Plan and the specific arrangement with the sponsor, we may provide one or more of these services.

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In some cases, we provide investment advisory or management services remotely to Plan sponsors ("Sponsor") in connection with arrangements we have with other retirement Plan service providers. Upon being engaged by the Plan Sponsor, we will provide a copy of this Form ADV Part 2A and the Retirement Plan Services Agreement ("Retirement Agreement") for review.

### **Discretionary Investment Management Services:**

These services are designed to allow the Plan fiduciary to delegate responsibility for managing, acquiring and disposing of Plan assets that meet ERISA requirements. We will perform these investment management services and will charge a fee as described in this Form ADV and the Retirement Agreement. We will perform these services to the Plan as a fiduciary defined under ERISA Section 3(21) and will act with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. We also may provide investment management services with discretionary authority or control over assets of the Plan. These services are typically referred to as 3(38) investment services. Specifically, the Sponsor may determine that we should perform the following services:

- a. Preparation and Delivery of the Plan's Investment Policy Statement ("IPS"): We will review with the Sponsor the investment objectives, risk tolerance and goals of the Plan. We will prepare and deliver an IPS to the Sponsor that aligns with the objectives and goals previously identified by the Sponsor.
- b. Selection and Monitoring of the Plan's Designated Investment Alternatives ("DIAs"): Once the IPS is approved by the Sponsor, we will review the investment options available to the Plan and will select the Plan's DIAs to be offered to Plan participants that meet the criteria set forth in the IPS. On an ongoing basis, we will monitor and evaluate the DIAs to be offered to the Plan participants and replace DIAs, when necessary, to meet the criteria of the Plan's IPS.
- c. Qualified Default Investment Alternative(s) ("QDIAs") Management: We will develop model portfolios using a prudent process for each Plan if a QDIAs are required.

### **Nondiscretionary Investment Advisory Services:**

These services are designed to allow the Sponsor to retain full discretionary authority or control over assets of the Plan with us making investment recommendations to the Sponsor. We will perform these nondiscretionary investment advisory services through our Financial Advisors ("FA"), and may charge a fee for the Services, as described in this Form ADV and the Retirement Agreement. We will perform these investment advisory services to the Plan as a fiduciary defined under ERISA Section 3(21) and will act with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. Specifically, the Sponsor may engage us to perform one or more of the following nondiscretionary investment advisory services:

- 1) Recommendations to Establish or Revise the Plan's IPS: We will review with the Sponsor the investment objectives, risk tolerance and goals of the Plan. If the Plan does not have an IPS, we will recommend investment policies to assist the Sponsor to establish an appropriate IPS. If the Plan has an existing IPS, we will review it for consistency with the Plan's objectives.
- 2) Recommendations to Select and Monitor the DIAs: Based on the Plan's IPS or other guidelines established by the Plan, we will review the investment options available to the Plan and will make recommendations to assist the Sponsor to select the DIAs to be offered to Plan participants. Once the Sponsor selects the DIAs, we will, on a periodic basis and/or upon reasonable request, provide reports, information and recommendations to assist the Sponsor in monitoring the DIAs. If the IPS criteria require a DIA to be removed, we will provide information, analysis and recommendations to the Sponsor to help evaluate replacing DIAs.

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- 3) Recommendations to Select and Monitor the QDIAs: Based on the Plan's IPS or other guidelines established by the Plan, we will review the investment options available to the Plan and will make recommendations to assist the Sponsor to select the Plan's QDIA(s) for Plan participants that fail to direct the QDIA(s) of their accounts. Once the Sponsor selects the QDIA(s), we will provide reports, information and recommendations, on a periodic basis and/or upon reasonable request, to assist the Sponsor in monitoring the QDIA(s). If the IPS criteria require a QDIA to be removed, we will provide information and analysis to assist the Sponsor to evaluate the replacement QDIA(s).

### **Consulting Services:**

Consulting Services are designed to allow our FAs to assist the Sponsor in meeting his/her fiduciary duties. Consulting Services may only be performed so that they would not be considered fiduciary services under ERISA. The Sponsor may elect for our FAs to assist with any of the following services:

- 1) Assistance with Plan governance, including:
  - (a) Determining Plan objectives and options available through the Plan;
  - (b) Reviewing retirement Plan committee structure and requirements;
  - (c) Reviewing participant education and communication strategy, including ERISA 404(c) requirements;
  - (d) Coordinating and reconciling participant disclosures under ERISA 404(a);
  - (e) Developing requirements for responding to participant requests for additional information;
  - (f) Developing and maintaining a fiduciary audit file; and
  - (g) Attending periodic meetings with Plan committee (upon request by Sponsor).
- 2) Assistance with Sponsor's vendor management (service provider selection/review), including:
  - (a) Reviewing fees and services and identifying procedures to track the receipt and evaluation of ERISA 408(b)(2) disclosures;
  - (b) Providing periodic benchmarking of fees and services to assist review for reasonableness;
  - (c) Reviewing ERISA spending accounts or Plan Expense Recapture Accounts (PERAs);
  - (d) Generating and evaluating service provider requests for proposals (RFPs) and or requests for information (RFIs);
  - (e) Support with contract negotiations; and
  - (f) Service provider transition and/or Plan conversion.
- 3) Financial consulting for Sponsor concerning:
  - (a) Assessment of overall investment structure of Plan (i.e., types and number of asset classes, model portfolios, etc.); and
  - (b) Review of the Plan's investment options.
- 4) Personalized Employee Retirement Planning and Consulting: An option for you is to utilize our FAs to consult with Plan participants on an individual basis. While the FAs cannot direct the Plan participant's investments, they can assist Plan participants in evaluating retirement goals and provide valuable information to help maximize the benefits of the Plan participant's retirement Plan. The scope of the employee retirement Planning will include only that which is considered to be investment education under the DOL's Interpretive Bulletin 96-1.

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## Potential Additional Services Provided Outside of the Agreement

In providing Retirement Plan Services, we may establish a client relationship with one or more Plan participants or beneficiaries. Such client relationships develop in various ways, including, without limitation:

- 1) as a result of a decision by the participant or beneficiary to purchase services from us not involving the use of Plan assets;
- 2) as part of an individual or family financial Plan for which any specific recommendations concerning the allocation of assets or investment recommendations relate exclusively to assets held outside of the Plan; or
- 3) through an Individual Retirement Account rollover ("IRA Rollover").

If we are providing Retirement Plan Services to the Plan, FAs may, when requested by a Plan participant or beneficiary, arrange to provide services to that participant or beneficiary through a separate agreement that excludes any investment advice on Plan assets (but may consider the participant's or beneficiary's interest in the Plan in providing that service). If a former Plan participant or beneficiary desires to affect an IRA Rollover, FA will obtain positive written consent from the former Plan participant. Any decision to affect the rollover or about what to do with the rollover assets remain that of the participant or beneficiary alone.

In providing these optional services, we may offer Employers and Employees information on other financial and retirement products or services offered by Trutina and our employees.

## Assets under Management

Our assets under management ("AUM") for Portfolio Management and Retirement Plan Services as of December 31, 2014 are as follows:

| Program                       | Type              | AUM                  |
|-------------------------------|-------------------|----------------------|
| Portfolio Management Services | Discretionary     | \$225,023,611        |
| Retirement Plan Services      | Non-Discretionary | \$227,125,719        |
|                               | <b>Total</b>      | <b>\$452,149,330</b> |

## Item 5—Fees and Compensation

### Portfolio Management Services:

In most situations our Portfolio Management Services fees ("Fee") will be based on the amount of assets you have entrusted us to manage. You will be provided an Agreement that will outline the investment management services to be provided as well as a description of the fees charged. Your advisory fees will be automatically deducted from your accounts on a quarterly basis, unless you request that we send you an invoice each quarter. The fee is typically charged in advance as described on our Agreement, which means your quarterly fee will be collected at the beginning of the quarter.

Fees to be charged are shown on the Agreement and can range from 0.50% to 1.50%, based on the total value of your account(s) at the end of the quarter, including all positions, cash, paid and declared dividends, accrued income and interest payments. Our fee for services depends on a number of variables, including current or expected assets under management, scope and breadth of services (such as customized reporting or services), the use of third party managers (if any), investment restrictions, or other compliance requirements or issues. Fees may be discounted or waived for family and friends. The investments selected for you by Trutina are not exclusive and may be obtained through other firms at a lower cost.

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In most cases, Trutina will recommend Charles Schwab & Co., Inc. ("Schwab") as the firm that holds your assets ("Custodian"). You are responsible for all transaction charges, fees and other expenses charged by Custodian. Additionally, all Fees charged by us for Portfolio Management Services are separate and distinct from the fees and expenses charged investments like mutual funds and exchange traded funds (ETFs), etc. In these cases, the fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, marketing and a possible distribution fee. You should review both the fees charged by the funds/ETFs, Custodian and the fees charged by Trutina to fully understand the total amount of fees to be paid.

When beneficial to you, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom we and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a "tradeaway" fee charged by the account Custodian.)

In the event you or Trutina terminates the investment advisory agreement during a quarter, the Fee is prorated for the portion of the quarter where services were provided. The termination date used is the date you or Trutina notifies the other party in writing (to address of record) of the termination. Any advance charged Fee will be rebated for the remainder of the unused portion of that quarter's Fee.

### **Retirement Plan Advisory Services:**

Our Retirement Plan Advisory Services ("Services") fees ("Service Fees") are typically based on the assets of the Plan or fixed annually and are clearly disclosed in Retirement Agreement you sign with Trutina. For asset based fees we charge between 0.10% to 1.50% annually on the assets in the Plan. We can also charge a fixed annual rate for new, start-up Plans ranging from \$1,000 to \$15,000 annually. Service Fees may be lowered or waived for clients (depending on the bargaining power or investment sophistication level), or family and friends of the FA. It is important to note that you may be able to obtain comparable services from other providers for lower fees.

In cases where the Retirement Agreement is either established or terminated during a calendar quarter, the Service Fees negotiated is pro-rated for the time period that the Services are provided. Service Fees are charged in advance or arrears of the Services provided; in the case of fees in advance you will be rebated the unused portion of the Service Fees by us or the plan administrator upon termination by either party.

Upon presentation of an invoice, Service Fees may be paid by check, on a quarterly basis by the Sponsor; or Service Fees may be deducted from each participant's account. Service Fees are payable to us per the Retirement Agreement.

Sponsors receiving Services may pay more or less than sponsors might otherwise pay if purchasing the Services separately or through another service provider. There are several factors that determine whether the costs would be more or less, including, but not limited to, the size of the Plan, the specific investments made by the Plan, the number of locations of participants, the Services offered by another service provider, and the actual costs of Services purchased elsewhere. In light of the specific Services we offer, the Service Fees charged may be more or less than those of other similar service providers.

All Service Fees we receive for Services are separate and distinct from the fees and expenses charged by mutual funds and exchange traded funds to their shareholders. These fees and expenses are described in each investment's prospectus. These fees will generally include a management fee, other expenses, marketing and possible distribution fees. If the investment also imposes sales charges, Sponsor may pay an initial fee or deferred sales charge. Accordingly, the Sponsor should review both the fees charged by the funds, the fund manager, the Plan's other service providers and the Service Fees we charge to fully understand the total amount of fees to be paid by the Sponsor and to evaluate the Retirement Plan Services being provided. It is also possible that you or your Plan participants will be subject to short-term redemption fees if the funds are not held for a time period determined by the fund company.

No increase in the Service Fees will be effective without prior written Notice.



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## Fees and Compensation Continued

There are some FAs who are also Registered Representatives ("RR") of Private Client Services ("PCS"), a FINRA member broker/dealer. PCS is not an affiliated firm with Trutina Financial. The FA, acting in their capacity of RR may recommend or take an order from a client to sell or purchase securities or insurance products. This may produce additional compensation or commissions for the FA/RR. Commissions could include, but are not limited to, 12(b)-1's, brokerage commissions, mark-ups/mark-downs, sub-agent transfer fees, transaction fees, etc. This can create a conflict of interest in that there may be a financial incentive to recommend one product over another based on the amount of commissions paid. This compensation may be in addition to the fees you pay Trutina, and such additional compensation is not "credited" against the Fees or Service Fees paid by you. The investments, products, accounts, and services offered by PCS are separate and distinctly different from the investment advisory services offered by Trutina Financial, even though the values of these investments may be shown on your advisory custodian statement.

Additionally, some FAs are licensed insurance agents ("Agents") with separate and unaffiliated insurance companies. The Agents are able to purchase or sell insurance products or services (including fixed annuities) for separate and additional compensation. This compensation is not credited against the advisory fees you pay us.

It is important to know that there is no obligation for you to purchase any investment products or services through the RR/FA or Agent and that you may use the professional service provider of your choice. If you determine that you would like to have your brokerage investment(s) moved to an advisory account it is possible that we will receive an advisory fee on investments that previously paid a commission.

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

Not applicable to Trutina. We do not charge performance based or incentive fees.

## Item 7—Types of Clients

We provide services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations (non-profits), corporations, associations, or other business entities (such as limited liability companies, networks or limited partnerships) and employer-sponsored retirement plans. We may impose a flat annual fee as noted in Item 5 but we do not have a minimum account size.

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

### Methods of Analysis

We employ numerous philosophies and tools in our investment analysis and due diligence process. We may utilize any or all of the following:

**Fundamental Analysis** is security analysis grounded in basic factors such as company earnings, balance sheet variables and management quality. These factors are used to predict the future value of an investment. Information such as interest rates, GNP, inflation and unemployment may be used to forecast the direction of the economy and therefore the stock market. Close attention is paid to fundamentals in order to determine the fair value of various sectors.

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## Methods of Analysis (continued)

**Technical Analysis** is employed in various formats in order to gauge market sentiment. It is the practice of using statistics to determine trends in security prices and make or recommend investment decisions based on those trends. Technical analysis focuses on matters such as trade volume, volatility, supply and demand to help determine the market forces at work on a certain security or on the securities market as a whole.

We utilize **Quantitative Analysis** to easily combine and quantify various characteristics of a large number of investments in order to determine which of the group require further analysis. **Qualitative Analysis** is also used to weigh the unique characteristics of an individual investment and the risk and return expectations of various capital markets. Third party money managers will have their own methods of analysis, investment strategies and unique investment risks that you should review and consider before investing.

We utilize numerous sources of information to provide advice, including but not limited to: Financial newspapers and magazines, websites, research materials and software prepared by third parties, annual reports, prospectus and filings with the SEC, company press reports, as well as our proprietary analysis of data and information.

## Investment Strategies

We may utilize *long term purchases* (securities held at least a year) and *short term purchases* (securities sold within a year) when implementing investment advice. Short term purchases may increase costs and may also increase the tax obligation of the portfolio. Investments may also be made on *margin*, which may increase the costs due to the interest payments on the margin loan balance. *Option strategies* may also be implemented, which carries the risk of expiration with no value, as well as called equity positions, which could create a risk of taxation.

The types of securities include, but are not limited to the following: equities, fixed income (corporate debt, municipal bonds, certificates of deposit, etc.), mutual funds, unit investment trusts, options, exchange traded funds, U.S. Government issues securities, real estate investment trusts, limited partnerships, direct participation programs, variable annuities, variable life insurance and fixed annuities.

Retirement Plans may make available to Plan participants a number of different types of securities, including mutual funds, collective investment funds, GICs, ETFs, annuity subaccounts or other securities. Each different type of security carries with it risks that are inherent in that specific type of security. Mutual funds, collective investment funds, ETFs and subaccounts may also invest in varying types of securities which carry these risks.

We may use or provide to Sponsor data or information provided by third parties when providing investment management services. While we reasonably believe that the information or data is reliable, we do not promise that it is accurate, current or consistently available.

Sponsor is responsible for all the tax liabilities arising from any transactions, including any liabilities arising from the failure to maintain the qualified status of a Plan receiving the services.

## Risk of Loss

It is important to know that investing in securities involves numerous risks which you need to be willing to accept. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Trutina) will be profitable or equal any specific performance level.

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### **Risk of Loss (continued)**

Our methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis we must have access to current/new market information. We have no control over the dissemination rate of market information; therefore, unbeknownst to the us, certain analyses may be compiled with outdated market information, limiting the value of our analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values with no assurances that the forecast will materialize into actionable and/or profitable investment opportunities.

Our primary investment strategies - *long term purchases* and *short term purchases*, are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs or tax implications when compared to a longer term investment strategy. Additionally, higher allocations to cash positions may incur an opportunity cost of earning lower returns on cash while other investments experience higher returns.

**All investments have a risk that they will decrease in value and you should not invest without the ability to handle capital loss.**

### **Item 9—Disciplinary Information**

We do not have any disciplinary events or history to disclose.

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

The following FAs are also RRs of PCS: Rich Budke, Matt Myers, Todd Carter and Kyle Hauge. It is possible that other FAs will join us in the future who are also licensed as RR, but not named here. As mentioned earlier, these FA/RRs may receive commissions for products sold through the BD or unaffiliated insurance companies.

Rich Budke, Matt Myers and Todd Carter are also licensed to sell insurance. It is possible that these individuals, among others, may have non-advisory income producing activities like the sales of insurance products such as life, medical, group medical, fixed and variable annuities. Should an investment advisory client wish to purchase insurance from the Representatives with assets that are not advisory assets, the client will pay the premium or commission on those assets that are separate and distinct from any advisory fees paid on advisory assets. This could create a conflict for the Representative to sell a product to make a commission but in all cases your interests must be placed before ours or the FA. In addition, client must be aware that annuities have surrender fees, as well as upfront commissions paid. FAs may also receive trailers from the sale of insurance products. Currently, the listed individuals spend less than 5% of their time on non-advisory activities.

Steve Kriha, an FA, is also a investment advisor representative registered with Tenere, LLC, a Washington State registered investment advisor. In this dually registered capacity Mr. Kriha can provide investment advice on behalf of both firms.

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## Item 11—Code of Ethics

We have implemented policies and procedures to govern our employees and to mitigate the conflicts of interest we encounter when providing our advisory services to you. These include:

- A Code Of Ethics that each employee is required to review and sign an acknowledgement of receipt and understanding (upon hire, and annually);
- Prohibitions on the misuse of material non-public information;
- Personal securities trading policies and procedures (governing not only our employee but also the members of their household and any other securities or brokerage accounts where they have beneficial ownership of with a spouse, family member or other person).

We strive to the highest ethical and fiduciary standards (in dealing with Clients, the public, vendors, prospective clients and each other. As a fiduciary, we have an affirmative duty to act with integrity, competence and care; this includes disclosing all potential and actual conflicts of interest.

It is important to note that Plan Sponsors are under no obligation to grant us investment discretion. Sponsors should understand that the services you may select as part of the Retirement Plan Services are available to be purchased through other broker-dealers, investment advisors or other investment firms.

We perform services for various other clients and we may give advice or take actions for those other clients that differ from the advice given to you. The timing or nature of any action taken for you or other sponsors may also vary.

For more information or to request a copy of our Code of Ethics, please contact us at 425.401.1211 or 800.401.4534.

## Item 12—Brokerage Practices

### **Recommendation of a Broker for Portfolio Management Services:**

We will likely recommend Schwab as the Custodian for your assets, although you are ultimately responsible for selecting the Custodian. We participate in the Schwab Advisor Solutions program where Schwab will refer clients to us at their discretion. To be eligible for the program we completed a due diligence review and we are required to keep a minimum of our Client assets in custody at Schwab. For more details on this arrangement please review Item 14. Additional factors used to determine which Custodian to recommend include trading costs, electronic access to trading and client accounts, discounts on software, historical relationship with Trutina, execution capabilities, reputation, financial strength, products and services, compliance, research and technology and other operational support that may benefit Trutina and the FA, but not you. This could create a conflict that the recommendation of Schwab is based on the referrals, research and products or services and not based on the Custodian providing the best execution for transactions in your accounts.

All transactions enacted by the Advisor are made through the Custodian you select. The only exception to this would be the "tradeaway" program available at Schwab, which is described in Item 5 above. For utilizing the "tradeaway" service we may receive non-monetary benefits such as research, bond selection or fixed income advice, however any transactions effected through this program are done in an effort to benefit our clients.

Trutina will accept clients who have their assets held at brokers or custodians (third party, qualified custodians) if we can receive the information or support services necessary to service your account (electronic trading, electronic access / downloads of your account information and data, among others). If the services are not appropriate in support of the services we provide, we may request you evaluate and select Schwab (or another broker).

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### **Recommendation of a Plan Platform for Retirement Plan Advisory Services:**

In most cases we are not engaged in trading or brokerage activity for 401(k), 403(b) or Profit Sharing Plan assets. Based on our understanding of the industry and in an effort to assist employers or associations we may provide recommendations on Plan Platforms for the Employer. While there are no formal agreements or arrangements where we are paid for these recommendations there is a potential that we may receive referrals from these same Plan Platforms. This could create a conflict of interests that we are recommending these Plan Platforms for potential referrals. Our Code of Ethics requires that we always place your interests in front of our own.

### **Block Trading & Directed Brokerage:**

In some cases, the we may aggregate or block trade multiple client accounts. Doing so allows some efficiency in the transactions, although it does not ensure the client will receive a reduction in trading costs or a better execution price than if the trade was enacted separately. It is important for you to know that we may randomly enact trades at different times in accounts which may result in your receiving higher or lower prices than other accounts with similar investment objectives. Neither Trutina nor FAs receive any soft-dollar benefits.

It is unlikely that we would have a client request that we direct brokerage to specific broker-dealer. However, if such an arrangement was allowed we would not be able to ensure best execution or fair commissions for your transactions. It may be possible for the FAs to buy or sell securities in their personal accounts that were also purchased in your account. We have a strict policy against using the trade flow of clients to economically benefit us or the FA.

## **Item 13—Review of Accounts**

### **Portfolio Management Services:**

Trutina and/or the FA review client accounts on a regular basis. However, clients may request more frequent reviews. There are many factors that might bring about a review of accounts, including regular review dates, economic changes, political disruptions or other market activity.

We encourage you to carefully review the reports we provide to the statements provided by your Custodian and that you rely on the statement for the actual value of your account. Trutina may also provide you with reports which may have a different value than statements provided by the Custodian. This difference could be due to trade date versus settlement date reconciliations, accrued interest, or the exclusion/inclusion of a private security that we may have recommended to you (or, that you have invested in). We also request that if you do not receive, directly from your Custodian, your monthly account statement, to contact your Custodian immediately. If you need assistance, please contact your FA.

Client supervision reviews are also conducted on a regular basis and may be completed by the Chief Compliance Officer, assignees or administrative associates. The review includes the performance of the accounts and positions. It is critical that you report any changes in your financial situations to us or your FA because we use the same to ensure you are invested properly.

### **Retirement Plan Services:**

It is important that you discuss any changes in the Plan's demographic information, investment goals, and objectives with your FA. Plans may receive written reports directly from their FA based on the services being provided, including any reports evaluating the performance of Plan investment manager(s) or investments.

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We do not typically provide reports to participants. Employers and participants receive periodic reports / statements from the third party custodians of the Plan's assets, or by the trustee or third party administrator. These are presented on a quarterly basis; Trutina may receive copies or have electronic access to these materials.

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

### **Portfolio Management Services:**

Trutina entered into a Solicitor Agreement with Private Client Services, LLC. ("PCS") of Louisville, KY. As a result of this Agreement, PCS and their RRs are permitted by Trutina to solicit prospective and introduced clients to Trutina for Trutina's Portfolio Management services. For the services provided by the Solicitor to Trutina, the Solicitor will receive a percentage of the total advisor fee (Solicitation Fee) from each introduced client. The arrangement is according to a documented schedule in the Separate Solicitor Disclosure Brochure. This fee remains in place for as long as the introduced client remains a client of Trutina. Compensation arrangements between PCS and the RR are set separately. Trutina can receive up to 0.50% on the assets managed annually. The remainder of the advisory fees charged for these accounts are paid to PCS and the RR who referred the client to Trutina. It is possible that clients could obtain similar or the same services at a lower cost. At the time of solicitation, the RR will provide each prospective and introduced client with PCS' ADV Part 2A; Trutina's ADV Part 2A/2B and a separate Solicitor Disclosure Brochure.

In July 2012, Trutina joined the Schwab Advisor Network. Trutina receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through Trutina's participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Trutina. Schwab does not supervise Trutina and has no responsibility for Trutina's management of clients' portfolios or Trutina's other advice or services. Trutina pays Schwab fees to receive client referrals through the Service. Trutina's participation in the Service may raise potential conflicts of interest described below.

Trutina pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Trutina is a percentage of the fees the client owes to Trutina or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Trutina pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab.

The Participation Fee is billed to Trutina quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by Trutina and not by the client. Trutina generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. 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 Trutina generally would pay in a single year. Thus, Trutina will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Trutina's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Trutina will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Trutina's fees directly from the accounts.



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For accounts of Trutina's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Trutina's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Trutina may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Trutina nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Trutina's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers. We receive an economic benefit from Schwab in the form of the support products and services it makes available to use and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

### **Retirement Plan Services:**

We may compensate other persons or organizations for client referrals. In each of those cases, we enter into an agreement with the referral agent and pay the agent a portion of the Fees. Many states require that any referral agent also be registered as an Investment Advisor Representative. At the time that the agent refers Sponsor to us, the referral agent discloses to Sponsor both the arrangement with us and the compensation to be received by the referral agent.

In addition, we may, from time to time, contract with others who are not our supervised persons to assist us in delivering our services to the Plan. This assistance will be provided by a separate and unaffiliated third party entity, ("Sub-Advisor") that may assist us with providing you the following advisory Consulting Services, including but not limited to: (a) plan governance and educating the Plan's retirement plan committee, (b) vendor management process (for example, selecting and reviewing service providers), and (c) plan enrollment and investment education meetings. Any fees charged by the Sub-Advisor for the services noted above will be covered by Trutina.

We may receive additional compensation from various vendors, product providers, distributors and others. These providers may provide non-monetary compensation by paying some expenses related to training and education, including travel expenses, and attaining professional designations. We might receive payments to subsidize our own training programs. Certain vendors may invite us to participate in conferences, on-line training or receive publications that may further our skills and knowledge. Some may occasionally provide us with gifts, meals and entertainment of reasonable value consistent with industry rules and regulations.

## **Item 15—Custody**

We do not have physical possession of your funds or securities. All account assets are held at Schwab. The only exception to this is our ability to directly debit our advisory fees from your account. It is important for you to rely on the statement you receive from Schwab to obtain the value of your account.

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We will not serve as a Custodian for Plan assets in connection with the Retirement Plan Services. Sponsor is responsible for selecting the Custodian for Plan assets. We may be listed as the contact for the Plan account held at an investment sponsor or Custodian. Sponsor for the Plan will complete account paperwork with the outside Custodian that will provide the name and address of the Custodian. The Custodian for Plan assets is responsible for providing the Plan with periodic confirmations and statements. We recommend that Sponsors review the statements and reports received directly from the Custodian or investment sponsor.

## **Item 16—Investment Discretion**

### **Portfolio Management Services:**

You grant us investment discretionary authority in the Agreement you sign with Trutina. You must submit any investment restrictions (i.e. no tobacco or alcohol purchases, limits on sectors, etc.) that you want for your account(s) in writing and the same must be approved by Trutina. If we are unable to accommodate your restrictions we will notify you that we are unable to provide you Portfolio Management Services.

### **Retirement Plan Services:**

When providing any Discretionary Investment Management Services described herein, we exercise discretionary authority or control over the investments specified in the Retirement Agreement. We perform these services to the Plan as a fiduciary under ERISA Section 3(21) and investment manager under ERISA Section 3(38). We are legally required to act with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. This discretionary authority is specifically granted to us by Sponsor, as specified in the Retirement Agreement.

## **Item 17—Proxy Voting**

Trutina does not vote client proxies. Clients, Trustees of the Retirement Plan and Plan Sponsors maintain exclusive responsibility for voting all proxies generated from the securities held by the client.

## **Item 18—Financial Information**

We do not have any financial issue or situation that would impair our ability to deliver services to our Clients. Neither Trutina or any Principal Shareholder has filed bankruptcy.





## Form ADV Part 2B

Brochure Supplement

June 30, 2015

**Rich Budke, AIF<sup>®</sup>**

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[www.TrutinaFinancial.com](http://www.TrutinaFinancial.com)

This brochure supplement provides information about Rich Budke that supplements the Trutina Financial brochure. You should have received a copy of that brochure. Please contact us if you did not receive the Trutina Financial brochure or if you have any questions about the contents of this supplement.

**Additional information about Rich Budke is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**



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

Rich Budke, born 1951, graduated from Pacific Lutheran University with a BA in Business in 1973. He has been in the financial services industry since 2001. Since 2005 he has been a Financial Advisor and Partner/Member with Trutina Financial (and its predecessor companies). From 2001 to 2009 he was a Registered Representative and Investment Advisor Representative ("RR/IAR") with Linsco Private Ledger ("LPL"). From 2009 to 2013 he was a RR with Symetra Investment Services, Inc. Currently, he is an RR with Private Client Services, LLC ("PCS"). Rich stepped down from the role of Chief Compliance Officer in March 2015. Prior to entering the financial services industry Rich was in the manufacturing business.

### **Disciplinary Information**

None

### **Other Business Activities**

As a RR with PCS and an Insurance Agent licensed with various insurance companies, Rich is licensed to receive typical and customary commission compensation for the purchase or sale of securities, financial products or insurance products / services. This compensation is in addition to and not credited against advisory fees earned by Trutina. There is a potential conflict of interest from the commission that is fully disclosed in Item 5 and Item 10 of the attached Form ADV Part 2A.

### **Additional Compensation**

None

### **Supervision**

Todd Carter is the Chief Compliance Officer of Trutina and is responsible for the supervision of all Financial Advisors. All advisory accounts opened are supervised in accordance with the Policies and Procedures established by Trutina. If you have any question on the supervision or have any questions, you may reach Todd Carter at 425.401.1211 or 800.401.4534.



## Form ADV Part 2B

Brochure Supplement

June 30, 2015

**Matt Myers, CFP®**

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This brochure supplement provides information about Matt Myers that supplements the Trutina Financial brochure. You should have received a copy of that brochure. Please contact us if you did not receive the Trutina Financial brochure or if you have any questions about the contents of this supplement.

**Additional information about Matt Myers is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**



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

Matt Myers, born 1971, obtained a Business Degree from the University of Washington in 1994. In 2005 Matt completed the comprehensive education program offered through The College for Financial Planning and has been awarded the prestigious Certified Financial Planner (CFP) designation. The CFP Certification is administered by the CFP Board. An applicant must have 3 years of work experience to earn a CFP Certificate. After completing an approved educational process, the examination is scheduled for 10 hours over a day and a half. Thirty hours of continuing education is required every two years to maintain the designation. From 2000 to 2009 Matt was a Registered Representative ("RR") with Linsco Private Ledger. From 2009 to 2013 Matt was an RR with Symetra Investment Services, Inc. He is currently a RR with Private Client Services, LLC.

### **Disciplinary Information**

None

### **Other Business Activities**

As a RR with PCS and an Insurance Agent licensed with various insurance companies, Matt is licensed to receive typical and customary commission compensation for the purchase or sale of securities, financial products or insurance products / services. This compensation is in addition to and not credited against advisory fees earned by Trutina. There is a potential conflict of interest from the commission that is fully disclosed in Item 5 and Item 10 of the attached Form ADV Part 2A.

### **Additional Compensation**

None

### **Supervision**

Todd Carter is the Chief Compliance Officer of Trutina and is responsible for the supervision of all Financial Advisors. All advisory accounts opened are supervised in accordance with the Policies and Procedures established by Trutina. If you have any question on the supervision or have any questions, you may reach Todd Carter at 425.401.1211 or 800.401.4534.



## Form ADV Part 2B

Brochure Supplement

June 30, 2015

**Todd Carter**

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This brochure supplement provides information about Todd Carter that supplements the Trutina Financial brochure. You should have received a copy of that brochure. Please contact us if you did not receive the Trutina Financial brochure or if you have any questions about the contents of this supplement.

**Additional information about Todd Carter is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**



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

Todd Carter, born 1956, obtained his BBA in Industrial Relations in 1982 from the University of Iowa and an MBA in Financial Management in 1985 from City University. He is a principal shareholder of Trutina. He has been with Trutina since 2012 and prior to that was a Principal/Owner of Carter Capital Management from 1998 until 2012. He was an Registered Representative and Investment Advisor Representative of Pacific West Securities from 2005 to 2012 and with Symetra Investment Services, Inc from 2012 to 2013. He has been a licensed insurance agent with various insurance companies since 1983.

### **Disciplinary Information**

None

### **Other Business Activities**

As a RR with PCS and an Insurance Agent licensed with various insurance companies, Todd is licensed to receive typical and customary commission compensation for the purchase or sale of securities, financial products or insurance products / services. This compensation is in addition to and not credited against advisory fees earned by Trutina. There is a potential conflict of interest from the commission that is fully disclosed in Item 5 and Item 10 of the attached Form ADV Part 2A.

### **Additional Compensation**

None

### **Supervision**

Todd Carter is the Chief Compliance Officer of Trutina and is responsible for the supervision of all Financial Advisors. All advisory accounts opened are supervised in accordance with the Policies and Procedures established by Trutina. If you have any question on the supervision or have any questions, you may reach Todd Carter at 425.401.1211 or 800.401.4534.



## Form ADV Part 2B

Brochure Supplement

June 30, 2015

**Paul Acker**

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This brochure supplement provides information about Paul Acker that supplements the Trutina Financial brochure. You should have received a copy of that brochure. Please contact us if you did not receive the Trutina Financial brochure or if you have any questions about the contents of this supplement.

**Additional information about Paul Acker is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**



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**Educational Background and Business Experience**

Paul Acker, born 1956, obtained his BA in Music in 1988 from the University of Southern California. He has been with Trutina since 2010 and prior to that was a Principal/Owner of NetWorth Consulting from 2008 to 2010. He was a Financial Consultant from 2006 to 2007 at D.A. Davidson and has been licensed insurance agent with various insurance companies since 2006.

**Disciplinary Information**

None

**Other Business Activities**

As a RR with PCS and an Insurance Agent licensed with various insurance companies, Paul is licensed to receive typical and customary commission compensation for the purchase or sale of securities, financial products or insurance products / services. This compensation is in addition to and not credited against advisory fees earned by Trutina. There is a potential conflict of interest from the commission that is fully disclosed in Item 5 and Item 10 of the attached Form ADV Part 2A.

**Additional Compensation**

None

**Supervision**

Todd Carter is the Chief Compliance Officer of Trutina and is responsible for the supervision of all Financial Advisors. All advisory accounts opened are supervised in accordance with the Policies and Procedures established by Trutina. If you have any question on the supervision or have any questions, you may reach Todd Carter at 425.401.1211 or 800.401.4534.





## Form ADV Part 2B

Brochure Supplement

June 30, 2015

**Stephen Kriha**

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This brochure supplement provides information about Stephen Kriha that supplements the Trutina Financial brochure. You should have received a copy of that brochure. Please contact us if you did not receive the Trutina Financial brochure or if you have any questions about the contents of this supplement.

**Additional information about Stephen Kriha is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**



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**Educational Background and Business Experience**

Stephen Kriha, born 1972, obtained his BA in Political Science in 1996 from the University of Washington. Stephen has been with Trutina since 2012. Prior to joining Trutina he was an Investment Counselor/Portfolio Manager with Halbert Hargrove from 2008 to 2011. He was the Principal/Owner of Wellspring Financial Advisors, LLC from 2005 to 2008.

**Disciplinary Information**

None

**Other Business Activities**

Steve Kriha is also a investment advisor representative registered with Tenere, LLC, a Washington State registered investment advisor. In this dually registered capacity Mr. Kriha can provide investment advice on behalf of both firms.

**Additional Compensation**

None

**Supervision**

Todd Carter is the Chief Compliance Officer of Trutina and is responsible for the supervision of all Financial Advisors. All advisory accounts opened are supervised in accordance with the Policies and Procedures established by Trutina. If you have any question on the supervision or have any questions, you may reach Todd Carter at 425.401.1211 or 800.401.4534.