

# Wrap Fee Program Brochure

December 26, 2017

## **Roehl & Yi Investment Advisors, LLC**

*a Registered Investment Adviser*

This brochure provides information about the qualifications and business practices of Roehl & Yi Investment Advisors, LLC (hereinafter “Roehl & Yi” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the number listed below. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Roehl & Yi is a SEC registered investment adviser. Registration does not imply any level of skill or training.

450 Country Club Road, Suite 200, Eugene, Oregon 97401 | (541) 683-2085  
[www.roehl-yi.com](http://www.roehl-yi.com)

## Item 2. Material Changes

In this Item, Roehl & Yi is required to discuss any material changes that have been made to the brochure since the last annual amendment filed on March 29, 2017. The Firm has amended various sections throughout the brochure to reflect changes to the Schwab Institutional Intelligent Portfolios® program. The Firm has also amended Item 7 to reflect revisions to its proxy voting policies.

## Item 3. Table of Contents

Item 1. Cover Page .....	i
Item 2. Material Changes .....	ii
Item 3. Table of Contents .....	iii
Item 4. Services, Fees and Compensation .....	4
Item 5. Account Requirements and Types of Clients .....	6
Item 6. Portfolio Manager Selection and Evaluation .....	7
Item 7. Client Information Provided to Portfolio Managers .....	11
Item 8. Client Contact with Portfolio Managers .....	11
Item 9. Additional Information .....	11

## Item 4. Services, Fees and Compensation

The Roehl & Yi Wrap Fee Program (the “Program”) is an investment advisory program sponsored by Roehl & Yi, a wealth management firm that has been serving its clients since 1998.

This Wrap Brochure describes the business of Roehl & Yi as it relates to clients receiving services through the Program. Certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Roehl & Yi’s behalf and is subject to the Firm’s supervision or control.

### Description of the Program

---

The Program provides clients with wealth management services and the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges in most circumstances. As described below, wealth management services generally include a broad range of financial planning services as well as discretionary and/or non-discretionary management of investment portfolios.

Prior to receiving services through the Program, clients are required to enter into a written agreement with Roehl & Yi setting forth the relevant terms and conditions of the advisory relationship (the “Agreement”). Clients must also open a new securities brokerage account and complete a new account agreement with Pershing, LLC (“Pershing”), Charles Schwab & Co., Inc. (“CS&Co”) or another broker-dealer Roehl & Yi approves under the Program (collectively “Financial Institutions”).

### Fees for Participation in the Program

---

Roehl & Yi provides wealth management services under the Program for an annual fee based on the amount of assets under the Firm’s management. The fee varies between 10 and 95 basis points (0.10% – 0.95%), depending upon the size of a client’s portfolio and the type of services rendered.

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Roehl & Yi on the last day of the previous billing period.

Prorated adjustments are made for capital flows (deposits and withdrawals) in the previous period. Any capital flows less than \$5,000 are excluded from proration. For the initial term of an engagement, the fee is calculated on a pro rata basis. In the event the Agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the unearned portion is refunded to the client, unless the client is on a fixed fee basis.

## **Legacy Clients and Fees**

---

Certain clients of the Firm may have different fee arrangements due to the fee schedules and arrangements in place when those clients engaged the Firm.

## **Fee Discretion**

---

Roehl & Yi, in its sole discretion, may negotiate to waive its fees or charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and pro bono activities.

## **Additional Fees and Expenses**

---

In addition to the Program fee paid to the Firm, clients also incur certain charges imposed by other third parties. These additional charges include mark-ups and mark-downs charged for fixed-income transactions, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), fees and commission for assets not held with Custodian (such as 401(k) or 529 plan assets), fees for trades executed away from Custodian, margin costs, reporting charges, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions.

As mentioned below, where appropriate, the Firm recommends clients allocate a portion of their assets to independent investment managers ("Independent Managers"). In addition to the investment management fees charged by those Independent Managers, certain Independent Managers do not absorb the brokerage commissions and/or transaction charges as part of their investment management fees. In those cases, the client will be responsible for any such brokerage commissions and/or transaction charges.

## **Fee Debit**

---

Clients generally provide Roehl & Yi with the authority to directly debit their accounts for payment of the Firm's fees. The Financial Institutions that act as qualified custodian for client accounts have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Roehl & Yi. Alternatively, clients may elect to have Roehl & Yi send them an invoice for direct payment.

## **Account Additions and Withdrawals**

---

Clients may make additions to and withdrawals from their account at any time, subject to Roehl & Yi's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Roehl & Yi, subject to the usual and customary securities settlement procedures. However, Roehl & Yi designs its portfolios as long-term investments and the

withdrawal of assets may impair the achievement of a client's investment objectives. Roehl & Yi consults with its clients about the options and implications of transferring securities as necessary. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

### **Fee Comparison**

---

A portion of the fees paid to Roehl & Yi are used to cover the securities brokerage commissions and transactional costs.

Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients' accounts, the commissions charged for each transaction, and other transaction costs determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

### **Compensation for Recommending the Program**

---

Roehl & Yi has no internal arrangements in place whereby persons recommending the Program are entitled to receive additional compensation as a result of clients' participation.

## **Item 5. Account Requirements and Types of Clients**

Roehl & Yi provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. Clients eligible to enroll in the Charles Schwab Institutional Intelligent Portfolios® program described below in Item 6 (the "IIP Program") include individuals, IRAs and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to ERISA are not eligible for the IIP Program.

### **Minimum Portfolio Size**

---

As a condition for starting and maintaining an investment management relationship, Roehl & Yi generally imposes a minimum portfolio size of \$2,000,000.

The Firm, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationships, account retention and pro bono activities. Roehl & Yi only accepts clients with less than the minimum portfolio size if, in the sole opinion of the Firm, the smaller portfolio size will not result in a substantial increase of investment risk.

beyond the client's identified risk tolerance. Roehl & Yi may aggregate the portfolios of family members to meet the minimum portfolio size. The minimum investment required to open an account in the IIP Program is \$5,000. The IIP Program Disclosure Brochure describes related minimum required account balances for maintenance of the account, automatic rebalancing, and tax-loss harvesting.

### Item 6. Portfolio Manager Selection and Evaluation

Roehl & Yi acts as the sponsor and sole portfolio manager under the Program; as such, wealth management services are provided directly by the Firm. Wealth management services generally include a broad range of financial planning services as well as discretionary management of investment portfolios.

#### Financial Planning Services

---

The Firm offers financial planning services, which may include any or all of the following functions:

- Investment Consulting
- Retirement Planning
- Estate Planning
- Charitable Giving
- Education Planning
- Asset Allocation
- Retirement Plan Analysis
- Distribution Planning
- Insurance Needs Analysis
- Family Legacy Planning

#### Management of Investment Portfolios

---

Roehl & Yi primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), master limited partnerships ("MLPs"), individual debt and equity securities and options, Independent Managers, as well as the securities components of variable annuities and variable life insurance contracts, in accordance with the investment objectives of its individual clients. In addition, where appropriate, Roehl & Yi also recommends that clients who qualify as accredited investors, as defined by Rule 501 of the Securities Act of 1933, invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds). Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios.

Clients may also engage Roehl & Yi to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Roehl & Yi directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Roehl & Yi tailors its advisory services to meet the needs of its individual clients and continuously seeks to ensure that client portfolios are managed in a manner consistent with their specific investment profiles. Roehl & Yi consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other qualitative factors relevant to the management of their portfolios. Clients are advised to promptly notify Roehl & Yi if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Roehl & Yi determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

### **Schwab Institutional Intelligent Portfolios® Program**

---

The Firm provides some of its portfolio management services through an automated investment program (the "IIP Program") through which clients are invested in a range of investment strategies the Firm has constructed and manage, each consisting of a portfolio of exchange-traded funds ("ETFs") and a cash allocation. The client may instruct the Firm to exclude up to three ETFs from their portfolio. The client's portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. ("CS&Co"). The Firm uses the Institutional Intelligent Portfolios® platform ("Platform"), offered by Schwab Performance Technologies ("SPT"), a software provider to Independent Investment advisors and an affiliate of CS&Co, to operate the IIP Program. The Firm is independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co, or their affiliates (together, "Schwab"). The Firm, and not Schwab, is the client's investment advisor and primary point of contact with respect to the IIP Program. The Firm is solely responsible, and Schwab is not responsible, for determining the appropriateness of the IIP Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. The Firm has contracted with SPT to provide it with the Platform, which consists of technology and related trading and account management services for the IIP Program. The Platform enables the Firm to make the IIP Program available to clients online and includes a system that automates certain key parts of the Firm's Investment process (the "System"). The System includes an online questionnaire that helps it determine the client's Investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that the Firm will recommend a portfolio via the System in response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but the Firm then makes the final decision and selects a portfolio based on all the information the Firm has about the client. The System also includes an automated investment engine through which the Firm manages the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects). The Firm charges clients a fee for its services as described below under Item 5 Fees and Compensation. The Firm's fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co as part of the IIP Program. Schwab does receive other revenues in connection with the Program. The Firm does not pay SPT fees for the Platform so long as it maintains \$100 million in client assets in accounts at CS&Co



that are not enrolled in the IIP Program. If the Firm does not meet this condition, then the Firm pays SPT an annual licensing fee of 0.10% (10 basis points) on the value of the Firm's client assets in the IIP Program. This fee arrangement gives the Firm an incentive to recommend or require that the Firm's clients with accounts not enrolled in the IIP Program be maintained with CS&Co.

### **Performance-Based Fees and Side-By-Side Management**

---

Roehl & Yi does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

### **Methods of Analysis and Investment Strategies**

---

Roehl & Yi generally analyzes investments using fundamental analysis and an asset allocation strategy based on Modern Portfolio Theory ("MPT").

The analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund. For Roehl & Yi, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations.

MPT is a mathematical based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk. The basic premise of MPT is that the risk of a particular holding is to be assessed by comparing its price variations against those of the market portfolio. However, MPT disregards certain investment considerations and is based on a series of assumptions that may not necessarily reflect actual market conditions. As such, the factors for which MPT does not account (e.g., tax implications, regulatory constraints and brokerage costs) may negate the upside or add to the actual risk of a particular allocation. Nonetheless, Roehl & Yi's investment process is structured in such a way to integrate those assumptions and real life considerations for which MPT analytics do not account.

### **Risks of Loss**

---

#### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear potential losses.

#### *Market Risks*

The profitability of a significant portion of Roehl & Yi's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Roehl & Yi will be able to predict those price movements accurately.

## *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

## *Master Limited Partnerships*

MLPs are collective investment vehicles, the partnership interests of which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation and interest rate fluctuations, among other such factors. In addition, MLPs operate as pass-through tax entities, meaning that investors are liable for their *pro rata* share of the partnership taxes, regardless of the types of accounts where the interests are held.

## **Voting Client Securities**

---

The Firm votes proxies for securities managed for clients through the IIP Program only. When the Firm accepts such responsibility, it will cast proxy votes only in a manner it believes is consistent with the best interest of its clients. At any time a client may contact the Firm at the phone number above to request information about how the Firm voted proxies for that client's securities.

A brief summary of the Firm's proxy voting policies and procedures is as follows:

The Firm's Proxy Voting Committee will be responsible for monitoring corporate actions, making proxy voting decisions, and ensuring that proxies are submitted in a timely manner. The Proxy Voting Committee may delegate the responsibility to vote client proxies to one or more other persons. When the Firm receives proxy proposals where the Proxy Voting Guidelines outline its general position as voting either "for" or "against," the proxy will be voted in accordance with the Firm's proxy voting guidelines contained in its compliance manual. When the Firm receives proxy proposals where the proxy voting guidelines do not contemplate the issue or otherwise outline its general position as voting on a case-by-case basis, the Proxy Voting Committee will determine how the proxy will be voted. It is intended that the Proxy Voting Guidelines will be applied with a measure of flexibility. Accordingly, except as otherwise provided in these policies and procedures, a proxy may be voted contrary to the Proxy Voting Guidelines if, in the sole determination of the Proxy Voting Committee, it is determined that such action is in the best interest of the Firm's clients. Clients can revoke the Firm's authority to vote proxies. In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that the Firm maintains with persons having an interest in the outcome of certain votes, the Firm will take appropriate steps to ensure that proxies are voted in a manner it believes to be in the best interest of its clients.

### **Item 7. Client Information Provided to Portfolio Managers**

In this Item, Roehl & Yi is required to describe the information about clients that the Firm communicates to the clients' portfolio managers. Roehl & Yi has no disclosures to make pursuant to this Item because the Firm acts as the sponsor and sole portfolio manager under the Program.

### **Item 8. Client Contact with Portfolio Managers**

There are no restrictions on a client's ability to contact and consult with Roehl & Yi.

### **Item 9. Additional Information**

#### **Disciplinary Information**

---

Roehl & Yi has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

## Other Financial Industry Activities and Affiliations

---

### *Receipt of Insurance Commission*

Roehl & Yi is under common control with Roehl & Yi Investment Services, LLC, a duly licensed insurance agency. Certain of Roehl & Yi's Supervised Persons, in their individual capacities, are also licensed insurance agents with Roehl & Yi Investment Services, LLC and various insurance companies and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While Roehl & Yi does not sell such insurance products to its investment advisory clients, Roehl & Yi does permit its Supervised Persons, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that Roehl & Yi recommends the purchase of insurance products where Roehl & Yi's Supervised Persons receive insurance commissions or other additional compensation.

## Code of Ethics

---

Roehl & Yi has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. Roehl & Yi's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Roehl & Yi's personnel (called "Access Persons") to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, Roehl & Yi Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a manner consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by Access Persons to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client where there may be a potential for conflict, no Access Person may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household as the Access Person) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Access Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper,

repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by open-end mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more open-end mutual funds.

Clients and prospective clients may contact Roehl & Yi to request a copy of its Code of Ethics.

### **Account Reviews**

---

Roehl & Yi monitors investment management portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by one of Roehl & Yi's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Roehl & Yi and to keep Roehl & Yi informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### **Account Statements and Reports**

---

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Roehl & Yi and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with those they receive from Roehl & Yi or an outside service provider.

### **Client Referrals**

---

Roehl & Yi does not compensate any unaffiliated third party for referring clients to the Program.

### **Receipt of Economic Benefit**

---

Roehl & Yi receives from Pershing and Schwab, without cost to Roehl & Yi, computer software and related systems support, which allow Roehl & Yi to better monitor client accounts maintained at Pershing and Schwab. Roehl & Yi receives the software and related support without cost because Roehl & Yi renders investment management services to clients that maintain assets at Pershing and Schwab. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit Roehl & Yi, but not its clients directly. In fulfilling its duties to its clients, Roehl & Yi endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Roehl & Yi's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits create an incentive for the Firm to choose one broker-dealer over another broker-dealer that does not furnish similar software, systems support or services.

Additionally, Roehl & Yi may receive the following benefits from Pershing or Schwab through its Schwab Institutional division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

### **Financial Information**

---

Roehl & Yi is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

## Roehl & Yi Investment Advisors

Prepared by:



**MARKETCOUNSEL®**  
*The Adviser's Advisor®*