

Item 1 Cover Page

**AGATE PASS INVESTMENT MANAGEMENT, LLC
400 Winslow Way East, Suite 220
Bainbridge Island, WA 98110
206-842-5770**

Part 2A of Form ADV (Firm Brochure)

April 15, 2019

IARD #155049

This brochure provides information about the qualifications and business practices of Agate Pass Investment Management, LLC. If you have any questions about the contents of this brochure, please contact us at 206-842-5770. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. The term “registered investment adviser” does not imply a certain level of skill or training.

Additional information about Agate Pass Investment Management, LLC. also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 Material Changes

Since our last annual update in March 2018, we have made the following material changes:

- Brad Van Aken became 100% owner of the firm rather than a less than 50% owner. Mark Byl remains the CEO and Brad Van Aken remains the CCO. Please see **Item 4 Advisory Business** of this brochure.
- We have raised our minimum account size from \$500,000 to \$1 million and our minimum annual fee from \$5,000 to \$10,000. Account size minimums and fees remain negotiable. Please see **Item 5 Fees and Compensation** and **Item 7 Types of Clients** of this brochure.
- Dan Rutter, Portfolio Manager, now handles account reviews alongside Brad Van Aken. Please see **Item 13 Review of Accounts**.
- In April 2019 we transitioned to SEC registration from Washington State registration. Accordingly, we have made changes throughout our brochure to remove state-specific references. Other changes we have made during our transition to SEC registration include:
 - **Item 11 Code of Ethics** - reorganized and more clearly describes our personal trading policies.
 - **Item 12 Brokerage Practices** - provides more detail of the benefits we receive from our custodian, Schwab, and more details around our directed brokerage practices. Updates the description of our trade aggregation and allocation practices.
 - **Item 15 Custody** - explains when we are deemed to have custody.
 - **Item 17 Voting Client Securities** – updated to disclose that our general practice is to vote proxies for clients.
 - **Item 18 Financial Information** – updated to conform to requirements for SEC registered investment advisers.

Item 3 Table of Contents

Item 1 Cover Page.....	1
Item 2 Material Changes	2
Item 3 Table of Contents	3
Item 4 Advisory Business	4
Item 5 Fees and Compensation.....	4
Item 6 Performance-Based Fees and Side by Side Management	5
Item 7 Types of Clients	5
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Item 9 Disciplinary Information.....	6
Item 10 Other Financial Industry Activities and Affiliations.....	6
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	6
Item 12 Brokerage Practices	7
Item 13 Review of Accounts	8
Item 14 Client Referrals and Other Compensation.....	9
Item 15 Custody	9
Item 16 Investment Discretion	9
Item 17 Voting Client Securities.....	9
Item 18 Financial Information.....	10
<i>Brochure Supplement for Brad Van Aken</i>	<i>12</i>
<i>Brochure Supplement for Mark Byl.....</i>	<i>13</i>
<i>Brochure Supplement for David Anderson</i>	<i>14</i>
<i>Brochure Supplement for Daniel Rutter.....</i>	<i>15</i>

Item 4 Advisory Business

Agate Pass Investment Management, LLC (hereinafter “Agate”) is a registered investment advisor that provides portfolio management services to its clients. Agate opened for business November 2010. Agate is owned 100% by Brad Van Aken.

Through the use of detailed discussions and interviews Agate analyzes existing assets, including allocation among asset classes, develops an asset allocation plan for each client portfolio; and selects specific equity and fixed income securities designed to assist the Client in reaching his or her stated goals and objectives. Agate makes some limited use of mutual funds and exchange traded funds for investments; however, the majority of investments will be in shares of individual stocks and bonds. Agate develops and recommends investment strategies based on each Client's goals, investment experience, time horizon, tolerance for risk, and tax situation.

Agate constructs investment portfolios to meet individual client objectives. Portfolio management services will be made using discretionary authority given by the client.

The investment process begins with the development of an Investment Policy and Guideline statement tailored specifically for each client. Working with our clients, we analyze existing assets and asset allocation, and review the client’s objectives, time horizon, tolerance for risk, liquidity, income needs, and tax situation. From this process, we recommend and establish policies and guidelines for the management of each client’s portfolio. We select specific equity and fixed income securities in a portfolio designed to assist each client in reaching their goals and objectives. This process is ongoing, with adjustments made over time as each individual’s unique circumstances change.

Clients may impose reasonable restrictions on investing in certain securities or types of securities.

As of April 1, 2019, Agate managed \$138,403,686 of client assets on a discretionary basis. Agate manages no assets on a non-discretionary basis.

Item 5 Fees and Compensation

Agate is compensated based on the assets under management. Our fee schedule (annually) is as follows:

First \$2,000,000	1.00%
Next \$1,000,000	0.75%
Balance over \$3,000,000	0.50%

Our required minimum portfolio size is generally \$1,000,000, and the minimum annual fee is \$10,000. However, portfolio size minimums and fees are negotiable and may be lowered in certain circumstances.

Advisory fees are billed quarterly in advance, calculated based on the asset value of your account as of the last day of the previous quarter. The specific manner in which we charge fees is established in a written agreement with the client. Fees are deducted directly from the client’s account by the client’s custodian.

When we receive new assets or new accounts, fees for portfolio management services will be prorated accordingly for that quarter's billing cycle.

Other Fees and Expenses

All fees paid to Agate are separate and distinct from the fees and expenses charged by third-parties. In addition to our advisory fees, clients are responsible for other fees and expenses in their account including mutual fund fees, brokerage commissions, stock transfer fees, retirement account fees, and other similar charges incurred in connection with your custodian holding your account and executing transactions in your account. Mutual fund fees will generally include a management fee and other expenses. If the fund also imposes a sales charge, a client could pay an initial or deferred sales charge. Please refer to the section below on Brokerage Practices for further discussion on broker-dealer/custodial costs.

If we execute transactions away from your chosen broker-dealer/custodian, we will attempt to negotiate commissions equal to or less than what you would pay had we executed such transactions at your custodian. We may instead capture a cost savings in execution price rather than the transaction cost directly. We will only execute transactions at another broker-dealer/custodian if we believe it in your best interest and in-line with our best execution obligations.

Termination of Services

If a client does not receive our ADV Part 2A at least 48 hours prior to signing our Management Agreement, the client may cancel the Agreement without penalty within five business days. Clients may terminate our services at any time after that by providing written notice to us. Any paid but unearned fees will be promptly refunded to the client. The unearned portion of fees will be determined by the number of days left in the quarter as a percent of the total number of days in a quarter.

Item 6 Performance-Based Fees and Side by Side Management

Agate does not accept performance-based fees.

Item 7 Types of Clients

Agate manages portfolios for individuals, trusts, foundations and endowments. The minimum portfolio size is generally \$1,000,000 of investable assets. This minimum is negotiable in certain circumstances.

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

Our equity investment strategy focuses on quality and growth at a reasonable price. We build and manage portfolios that are diversified across economic sectors. Our fundamental research pays close attention to quality characteristics such as strong balance sheets, above average returns on shareholder's equity, and positive cash generating abilities. We search for companies that have a proven ability to grow revenues and earnings over a long-time horizon. We also pay close attention to valuation disparities to take advantage of attractive opportunities in the marketplace. Our investment style has a long-term focus resulting in reduced turnover in client portfolios, and consequently lower taxes and brokerage commissions. Equity returns can be very volatile and are subject to changes in current and future economic conditions and to changes in company fundamentals.

For fixed income investments, we diversify portfolios with investment grade bonds determined in part by tax parameters. To minimize risk, long-term maturities are avoided. By focusing on investment grade bonds with short to intermediate maturities, we believe investors are better served from a safety and income perspective. Fixed income returns are highly influenced by changes in interest rates and the credit quality of a company.

We also may invest client assets in exchange traded funds and, to a lesser extent, mutual funds. This may occur in order to expand diversification into other asset classes, such as international, smaller capitalization companies, and commodities. While these asset classes may expand diversification, they can also be very volatile due to changing economic circumstances, both domestically and internationally.

Our research process is rigorous and independent. However, investment returns are highly dependent on financial market and economic conditions. The risk of loss remains possible even with an emphasis on quality and solid fundamentals, and clients should be prepared to bear this loss.

Item 9 Disciplinary Information

Agate and its employees are not and have not been in the past subject to any legal or disciplinary events.

Item 10 Other Financial Industry Activities and Affiliations

Agate has no additional Financial Industry affiliations or activities.

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

Code of Ethics

Agate has adopted a Code of Ethics that governs various potential conflicts of interest we may have when we provide advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligations to you and to stress the importance of a culture of compliance without our firm that imposes a high standard of business conduct on us and our employees and emphasizes our fiduciary duty to our clients.

- We will act with integrity, competence, dignity and in an ethical manner when dealing with the public, clients, prospects, employers and employees.
- We will practice and encourage others to practice in a professional and ethical manner that will reflect credit on us and others in our profession.
- We will strive to maintain and improve our competence and the competence of others in our firm.
- We will use reasonable care and exercise independent professional judgment.

We will provide a copy of our Code of Ethics to current or prospective clients upon request.

Participation or Interest in Client Transactions and Personal Trading Policies

Agate associated persons may buy or sell securities for their own accounts identical to those recommended to clients. Additionally, any associated person(s) may have an existing position in a

security which we recommend to clients. Associated persons will buy or sell either at the same time as clients (if a block transaction) or after all trading in client accounts is done for the day. In some cases, associated persons buy or sell securities for their own accounts and not for client accounts, as it may not meet the objectives or plans for the client.

We have established trading restrictions in order to protect the interests of our clients. These requirements and restrictions apply to all personal securities transactions of the associated person and accounts in which he or she has a beneficial interest.

- Associated persons may not buy or sell securities for their own personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of their employment unless the information is also available to the investing public on reasonable inquiry. It is the expressed policy of the firm that no associated person may knowingly purchase (or sell) any security in advance of a transaction being implemented for its advisory accounts with the intention of benefiting from transactions placed on behalf of advisory accounts.
- Associated Persons must receive pre-approval from the CCO for personal trades in individual stocks.
- Associated persons must obtain written pre-approval from the CCO prior to acquiring any securities pursuant to a private placement or initial public offering (IPO).
- Associated persons are prohibited from short-selling any security held long by a client.

Item 12 Brokerage Practices

We recommend Charles Schwab & Co, Inc. (“Schwab”), an independent broker-dealer, member FINRA/SIPC, and SEC-registered investment adviser, to our clients. We have evaluated Schwab’s services and determined that the following items are of value to both Agate and our clients when compared to other brokers and custodians.

- Mix of brokerage execution services
- Reasonable compensation (low negotiated commissions and other charges)
- Research availability
- Variety of securities that can be purchased or sold
- Access to mutual funds or other vehicles otherwise generally available only to institutional investors, or would require a significantly higher minimum investment

We participate in a program called “Schwab Advisor Services” which is sponsored by Schwab and made available to Agate and other investment advisors. By participating in this program, and through custody of client assets with Schwab, we receive access to tools and services, including:

- Software and other technology that provides access to client account data
- Facilitation of trade execution and the allocation of blocked orders for multiple accounts
- Duplicate client confirmations and bundled statements
- Research, pricing and other market data
- The payment of our fees directly from your account, if authorized in your advisory agreement
- Assistance with back-office functions, recordkeeping, and client reporting
- Services related to the management and development of our business, such as compliance, legal, and business consulting

- Educational events and conferences, including covering travel costs and other associated expenses, or occasional business entertainment of our employees

The software, technology, and account access that Schwab provides creates an operational and compliance benefit for Agate that does not necessarily translate directly into a client benefit. While we believe that Schwab is competitive and provides good value to our clients overall, the efficiencies provided to us create an incentive for us to recommend Schwab over other custodians. In some cases, this means that clients could pay more for custody and execution through the custodian we recommend than through others. We review the capacities and costs of Schwab periodically to ensure that our clients are receiving quality executions and competitive pricing, as well as more intangible service benefits.

Directed Brokerage

Because we execute your investment transactions through the custodian holding your assets, we are effectively requiring that you “direct” your brokerage to your custodian. Because we are not typically choosing brokers on a trade-by-trade basis, we may not be able to achieve the most favorable executions for clients and this may ultimately cost clients more money. Not all investment advisors require directed brokerage.

We do not use, recommend, or direct activity to brokers in exchange for client referrals.

Aggregated Trades

We routinely aggregate client transactions with those of other client accounts at the same custodian. This results in client trades being executed and billed at the same price. Schwab’s flat commission rates will be applied to each account participating in the transaction, rather than a single ticket charge for the entire block.

We will only aggregate transactions when we believe that aggregation is consistent with our duty to seek best execution (which includes the duty to seek best price) for our clients and is consistent with the terms of our investment advisory agreement with each client for which trades are being aggregated.

No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all Agate’s transactions in a given security on a given business day. Transaction costs are shared pro rata based on each client’s participation in the transaction. We will allocate partially filled orders pro rata based on the size of the order placed by each account. If we judge that we cannot or should not allocate a partially-filled order pro rata, e.g. if the quantity of securities obtained is too small, we will document our allocation decision. We will continue to review our allocations to ensure they result to in a fair and equitable distribution of opportunities over time.

Item 13 Review of Accounts

Each portfolio manager reviews their portfolios as economic, political, or market conditions dictate. Portfolios are also reviewed upon client request or upon receipt of information material to the management of a client portfolio, such as a change in a client's individual situation. Any perceived need for change is considered for each client portfolio on an individual basis.

On an annual basis, each account is reviewed to determine if the investment guidelines have been adhered to.

Reviewers (January, 2019): Dan Rutter, Portfolio Manager; Brad Van Aken, Portfolio Manager

Agate provides a quarterly written report for each client. This report includes a summary of portfolio holdings and a performance overview, if appropriate. We also provide fee billing details on the quarterly report.

Item 14 Client Referrals and Other Compensation

Agate does not pay anyone outside of the firm for referring clients to us. Agate does not receive fees from outside the firm for referring clients to others.

Item 15 Custody

All client funds and securities are maintained with a qualified custodian; we do not take physical possession of client assets. Account custodians are responsible for providing accounts at least quarterly which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. We urge clients to carefully review these statements for accuracy, compare them to any reports we provided, and notify us promptly of any discrepancies.

Agate has the ability to deduct advisory fees directly from clients accounts based on the client's written authorization to do this. This is technically considered "custody" but doesn't require separate reporting or surprise audits by an independent CPA firm.

Item 16 Investment Discretion

Our investment advisory agreement with you gives us discretionary authority to make investment decisions for your account without obtaining your specific consent before each decision. For clients who have signed the applicable custodial paperwork, we also have discretion to decide which broker or dealer through which a buy or sell transaction will be executed and to negotiate commission rates paid to effect the transactions. Agate's authority in these areas may be subject to conditions imposed by the client, e.g., where the client restricts or prohibits transactions in certain types of securities or directs that transactions be effected through specific brokers or dealers.

Any limitations on our discretionary authority will be in writing and included in our investment advisory agreement or investment policy statement. Clients may amend these limitations by submitting requested changes in writing to the firm.

Item 17 Voting Client Securities

We generally vote client proxies, but only when authorized in writing in the client's custodian agreement to do so. Unless the parties agree in writing, Agate will have no obligation or authority to take any action with respect to the voting of proxies solicited by or with respect to issuers of securities held by clients.

Agate will vote proxies in a manner that is in the best interest of the client. Agate will consider only those factors that relate to the client's investment(s) or that are established by the client's written

instructions. Such factors will include how its vote will economically impact and affect the value of the client's investment.

Proxy votes generally will be cast in favor of proposals that:

- Maintain or strengthen the shared interests of shareholders and management;
- Increase shareholder value;
- Maintain or increase shareholder influence over the issuer's board of directors and management; and,
- Maintain or increase the rights of shareholders.

Proxy votes generally will be cast against proposals having the opposite effect.

In exercising its voting discretion, Agate and its employees will avoid any direct or indirect conflict of interest raised by such voting decision. Agate will provide adequate disclosure to client if any substantive aspect or foreseeable result of the subject matter to be voted upon raises an actual or potential conflict of interest to Agate.

Consistent with SEC Rule 206(4)-6, Agate will keep certain records in connection with its proxy voting activities for clients and will provide proxy-voting information to clients upon their written or oral request. A copy of Agate's proxy-voting policies and procedures are available to clients upon request.

Item 18 Financial Information

We are required to disclose certain financial information in response to this item, if certain conditions exist. We have nothing to disclose for this item of the brochure. Specifically, Agate does not require or solicit prepayment of more than \$1200 in fees, six months or more in advance, and is therefore not required to provide a balance sheet for our most recent fiscal year. We have no financial condition that is reasonably likely to impair our ability to meet contractual obligations to clients. Neither Agate nor any of its affiliated persons has been subject to any bankruptcy petitions in the past.

AGATE PASS INVESTMENT MANAGEMENT, LLC
400 Winslow Way East, Suite 220
Bainbridge Island, WA 98110
206-842-5770

IARD #155049

Part 2B of Form ADV: *Brochure Supplement*

April 15, 2019

The following brochure supplements provide information about our employees that supplements the Agate Pass Investment Management, LLC brochure. You should have received a copy of that brochure. Please contact Brad Van Aken, CCO at 206-842-5770 if you did not receive Agate's Brochure (ADV Part 2A), or if you have any questions related to any of the following brochure supplements.

Additional information about each of our employees is available on the SEC's website at www.adviserinfo.sec.gov. You can search for information using the CRD number listed with each employee's name on this brochure.

Follow are brochure supplements for the following employees:

Brad Van Aken, Partner, Portfolio Manager and Chief Compliance Officer
Mark Byl, Partner & Portfolio Manager
David Anderson, Partner
Daniel Rutter, Partner & Portfolio Manager

Brochure Supplement for Brad Van Aken

Brad Van Aken

CRD No. 2771974

Born: 1970

Educational Background and Business Experience

Education

University of Washington, BA, Business Administration, 1996

Business Background

Partner, Agate Pass Investment Management, L.C., 2011-present

Senior Portfolio Manager, Union Bank (Previously Frontier Bank), 2008 – 2011

Account Executive, American Marine Bank, 2005 – 2008

Principal, Sirach Capital, 1999 – 2005

Disciplinary Information

Brad does not have any legal or disciplinary actions to report under this Item.

Other Business Activities

Brad does not conduct any business activities outside of his role with Agate Pass Investment Management.

Additional Compensation

Brad does not receive any additional compensation from third parties in connection with providing investment advice to Clients.

Supervision

Mark Byl, Partner, supervises Brad's advisory services. Mark can be reached at Agate's main office at 206-842-5770.

Brochure Supplement for Mark Byl

Mark Byl, CFA

CRD No. 155049

Born: 1958

Educational Background and Business Experience

Education

Pacific Lutheran University, BBA, Finance, 1982

Arizona State University, MBA, Finance, 1984

Chartered Financial Analyst (CFA)*, 1988

Business Background

Partner, Agate Pass Investment Management, LLC., 2010-present

President, Eagle Harbor Asset Management, Inc., 1999-2010

Senior Vice President, Chief Investment Strategist, Laird Norton Trust Co., 1991 – 1999

Senior Portfolio Manager, Composite Research & Management Co., 1984 – 1991

*The Chartered Financial Analyst (CFA) designation is an international professional certification offered by the CFA Institute to financial analysts who complete a series of three examinations. To become CFA Charter holder candidates must pass each of three six-hour exams, possess a bachelor's degree (or equivalent, as assessed by CFA institute) and have 48 months of qualified, professional work experience. CFA charter holders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

Disciplinary Information

Mark does not have any legal or disciplinary actions to report under this Item.

Other Business Activities

Mark does not conduct any business activities outside of his role with Agate Pass Investment Management.

Additional Compensation

Mark does not receive any additional compensation from third parties in connection with providing investment advice to Clients.

Supervision

As a senior partner and the Chief Compliance Officer of Agate Pass Investment Management, Brad is responsible for all supervision of professional advisory services offered through the firm. Brad can be reached at Agate's main office at 206-842-5770.

Brochure Supplement for David Anderson

David Anderson, CFA

CRD No. 1478955

Born: 1946

Educational Background and Business Experience

Education:

Western Washington University, BA, Economics/Business, 1969
Chartered Financial Analyst (CFA)*, 1979.

Business Background:

Partner, Agate Pass Investment Management, LLC., 2010-present
Partner, Eagle Harbor Asset Management, Inc., 2004 – 2010
Principal, Sirach Capital Management Company, 1991 – 2003
Senior Portfolio Manager, Composite Research & Management Co., 1987 – 1991
Chief Investment Officer, Frank Russell Trust Co., 1980 – 1987

*The Chartered Financial Analyst (CFA) designation is an international professional certification offered by the CFA Institute to financial analysts who complete a series of three examinations. To become CFA Charter holder candidates must pass each of three six-hour exams, possess a bachelor's degree (or equivalent, as assessed by CFA institute) and have 48 months of qualified, professional work experience. CFA charter holders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

Disciplinary Information

David does not have any legal or disciplinary actions to report under this Item.

Other Business Activities

David does not conduct any business activities outside of his role with Agate Pass Investment Management.

Additional Compensation

David does not receive any additional compensation from third parties in connection with providing investment advice to Clients.

Supervision

As a senior partner and the Chief Compliance Officer of Agate Pass Investment Management, Brad is responsible for all supervision of professional advisory services offered through the firm. Brad can be reached at Agate's main office at 206-842-5770.

Brochure Supplement for Daniel Rutter

Daniel Rutter, CFA

CRD No. 4661088

Born: 1963

Educational Background and Business Experience

Education:

Central Washington University, BA, Business Economics, 1986

University of Washington, MBA, 1990

Chartered Financial Analyst (CFA)*, 1995

Business Background:

Partner, Agate Pass Investment Management, LLC., 2018-present

Senior Portfolio Manager / Analyst, United Capital, 2011-2018

Portfolio Manager / Analyst, Wentworth Hauser & Violich, 2003 - 2011

Senior Portfolio Manager / Analyst, Laird Norton Trust Co., 2001 - 2003

Portfolio Manager / Securities Analyst, SAFECO Asset Management, 1993 – 2001

Collateral Examination Officer, Seafirst Bank, 1991 - 1993

*The Chartered Financial Analyst (CFA) designation is an international professional certification offered by the CFA Institute to financial analysts who complete a series of three examinations. To become CFA Charter holder candidates must pass each of three six-hour exams, possess a bachelor's degree (or equivalent, as assessed by CFA institute) and have 48 months of qualified, professional work experience. CFA charter holders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

Disciplinary Information

Daniel does not have any legal or disciplinary actions to report under this Item.

Other Business Activities

Daniel does not conduct any business activities outside of his role with Agate Pass Investment Management.

Additional Compensation

Daniel does not receive any additional compensation from third parties in connection with providing investment advice to Clients.

Supervision

As a senior partner and the Chief Compliance Officer of Agate Pass Investment Management, Brad is responsible for all supervision of professional advisory services offered through the firm. Brad can be reached at Agate's main office at 206-842-5770.