

Item 1 Cover Page

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Part 2A of Form ADV (Firm Brochure)

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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 January 2023, we have made the following material changes:

- Item 5: We updated our tiered fee schedule. The tier ranges have changed and the annual fee percentage amounts have increased.

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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 by Brad Van Aken, Dan Rutter, and Jason Kunkel.

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.

When we recommend that you rollover retirement assets or transfer existing retirement assets, such as a 401(k) or an IRA, to our management, we have a conflict of interest. This is because we will generally earn additional revenue when we manage more assets. In making the recommendation, however, we do so only after determining that the recommendation is in your best interest. Further, in making any recommendation to transfer or rollover retirement assets, we do so as a “fiduciary,” as that term is defined in ERISA or the Internal Revenue Code, or both. We also acknowledge we are a fiduciary under ERISA or the Internal Revenue Code with respect to our ongoing investment advisory recommendations and discretionary asset management services, as described in the advisory agreement we execute with you. To the extent we provide non-fiduciary services to you, those will be described in the advisory agreement.

As of December 31, 2023, Agate managed \$227,326,161 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 standard fee schedule (annually) is as follows:

Assets Under Management	Annual Fee
First \$0 to \$1,000,000	1.10%
Next \$1,000,001 to \$2,000,000	1.00%
Next \$2,000,001 to \$5,000,000	0.75%
\$5,000,001 and greater	0.50%

Our fees are tiered, meaning we charge different rates on different levels of asset tiers, not a single blended rate. We bill our advisory fees 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 our written agreement with you.

Fees are deducted directly from your account by your qualified custodian at our direction.

Our required minimum portfolio size is generally \$1,000,000, and the minimum annual fee is \$11,000. However, both portfolio size minimums and fees are negotiable and may be lowered in certain circumstances.

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 important 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 (zero or low 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 and we may be able to get more favorable pricing in executing a single, higher volume trade.

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. If applicable, 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: 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.

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.

We allow clients to provide standing written instructions to the custodian that authorize us to move money from that client's account to a third party without additional written authorization each time (standing letters of authorization, or SLOAs); Agate has custody of your assets when you have such SLOAs on file with the custodian. We adhere to seven conditions required by the Securities and Exchange Commission to help protect your assets, which means we do not need to obtain a surprise exam of those assets over which there is an SLOA on file authorization Agate to move funds to a third-party.

You will receive account statements directly from your custodian at least quarterly. These statements reflect your securities positions, current values, and all transactions in your account, including the advisory fees paid from your account and other disbursements. The statements will be sent to the email address or postal mailing address you provided to your custodian. You should carefully review those statements when you receive them. We also urge you to compare your custodial account statements with periodic statements and other portfolio reports we send you. .

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.