

**Item 1. Introduction**

Deschutes Investment Consulting ("DIC" "we" "us" and "Advisor") is an Oregon limited liability company registered as an investment advisor under the laws of the Securities and Exchange Commission. Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs), which also provides educational materials about broker-dealers, investment advisers, and investing.

**Item 2. Relationships and Services.****What investment services and advice can you provide me?**

We provide investment management and advisory services to you for a fee based on the value of your account. Our "clients" include separate account clients and participants in our separate account client retirement plans. We also provide advice, assistance and education on topics including but not limited to: insurance, estate planning, retirement planning, college planning and wealth transfers between generations and to charitable organizations. (Our separate advisory, management, and consulting services to corporate retirement plan clients do not fall under this Client Relationship Summary. For more information about those services, fees and related disclosures, please see our contact information in Item 5 below.)

We tailor our advisory services to meet your particular needs, and work individually and with other advisers to build and protect your wealth over the long term. We invest client assets primarily in low-cost, institutional class, no-load, open-ended mutual funds; ETFs, and separately managed accounts. Our core expertise is in combining multiple fund managers in order to build a diversified portfolio matching your risk parameters. We may also provide investment advice on private investment funds to certain qualified clients, with our role limited to initial and ongoing due diligence of the fund and investment monitoring services. You may impose restrictions on investing in certain securities, industries, or sectors, and must advise us of any such restrictions in writing.

You may also choose portfolio management services through Institutional Intelligent Portfolio™ Services, an automated, online investment management platform sponsored by Schwab Wealth Investment Advisory, Inc. (SWIA), an unaffiliated form. We are solely responsible for determining the appropriateness of this service and working with you select the appropriate strategy and portfolio. The platform also includes an automated investment engine that we use to manage your portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting, if applicable.

We will offer you advice on a regular basis, discuss your investment goals, design with you a strategy to achieve your investment goals, and regularly monitor your account. Accounts are reviewed at least once per quarter by your Investment Advisory Representative to see if your asset allocation is consistent with your investment objectives and restrictions, and consider changes. Accounts utilizing alternative investments are reviewed by our Chief Compliance Officer when established and when alternate investment holdings are increased. Written reports are issued to you no less than quarterly.

You may choose an account that allows us to buy and sell investments without asking you in advance (a "discretionary account") or we may give you advice and you decide what investments to buy and sell (a "non-discretionary account"). For clients not utilizing the Institutional Intelligent Portfolios Program (see separate SWIA Disclosure Brochure), we generally require a minimum of \$250,000 to open an individually managed account (or group of accounts). We reserve the right to waive these minimum requirements at our discretion.

**Conversation Starters:** We encourage you to ask our financial professionals these key questions about our investment services and accounts:

- (i) *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- (ii) *How will you choose investments to recommend to me?*
- (iii) *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

**Item 3. Fees, Costs, Conflicts, and Standard of Conduct****What fees will I pay?**

We provide investment advisory services for a fee based on a percentage of assets we manage for you. We are compensated solely by our clients and do not receive compensation or commissions from any other parties. We believe this method of compensation minimizes the conflicts-of-interest that are prevalent in the investment management industry. Your fee is based upon a tiered schedule from .50% to 1.00%, and calculated quarterly, in advance, based on the net asset value in your account at the end of the previous quarter. Our fees are provided in your management agreement and are generally negotiable if the value of all your related accounts with us is more than \$10 million. If we do charge a minimum fee, the minimum fee is \$5,000 per year. The more assets you have in the advisory account, including cash, the more you will pay us. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our fee quarterly regardless of whether we buy or sell securities within that quarter. We may charge fees for financial planning not based on assets under management.

In addition to our fees, if you have mutual funds or ETFs in your portfolio, you may incur a commission or transaction fee when the mutual fund or ETF is purchased, an annual management fee payable to the manager of the fund. Applicable fees are described in each fund's prospectus. When considering an investment in a mutual fund or ETF, we use a no-load, open-end fund when appropriate, and evaluate the relative annual costs as a part of our decision process. All clients (whether or not they have mutual funds or ETFs in their portfolio) will also incur brokerage and other transaction costs charged by a qualified custodian like commissions or other fees on trades. Clients that are provided services under the Institutional

Intelligent Portfolios™ do not pay fees to SWIA or brokerage commissions or other fees to Schwab as part of the Program, but we charge clients a fee for our services as described above. Schwab does receive other revenues in connection with the Program (see complete SWIA Program Disclosure Brochure.)

We may also offer financial planning or insurance consulting services on an hourly and/or fixed fee basis. The exact price is determined by the complexity of the planning and project scope. On an hourly basis, our fees will be no more than \$525 per hour. For fixed fee projects, the cost may range from \$5,000 to \$10,000, depending on the nature and complexity of each client's circumstances. In certain situations, clients may be placed on a retainer system with a fee payable on an ongoing basis-- typically \$1,250 per quarter. Financial planning and consulting fees are payable in advance or upon completion of the plan/project.

***You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.***

***Conversation Starter:*** We encourage you to ask us any questions you may have regarding our fees or how cost from third parties such as custodians or mutual funds affect your account. For example, start a conversation by asking, "Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?"

**What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

*When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means:*

Example 1: Your account value goes up, and while the management fee percentage may stay the same, the total compensation you pay us goes up proportionately. Example 2: Your account value goes down (from distributions or market fluctuation) and your management fee proportionally also goes down. .

As a practical matter, nearly all of our clients' accounts are maintained in an individual account at Charles Schwab & Co., Inc. and client trades are executed at Schwab. When our client accounts are maintained at another Custodian, we will execute trades through the individual client's custodian. Perceived or actual conflicts of interest may arise due to our recommendations that clients maintain their assets in accounts with a custodian, like Schwab, that provides certain products and services to our firm.

Additionally, registered Investment Advisor Representatives (IARs) of our firm may be agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. The receipt of sales-based compensation creates a financial incentive for them to recommend insurance products that generate sales commissions paid to them. This financial incentive can create a potential conflict of interest where the interests of the IAR is not aligned with yours. You are under no obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at your discretion.

***Conversation Starter:*** If you have any questions regarding conflicts of interests, please feel free to ask us. You can begin a conversation by asking, "How might your conflicts of interest affect me, and how will you address them?"

**How do your financial professionals make money?**

DIC is a fee-based registered investment advisor which means our compensation is from investment management fees, as well as other sources of income, including insurance commissions. Our financial professionals' compensation includes a base salary, and incentive pay based on the clients they serve and goals achieved.

More detailed information, including fee schedules and conflicts and disclosures are available in our ADV Part 2A Firm Brochure, which is available at: <https://adviserinfo.sec.gov/firm/summary/155312>.

**Item 4. Disciplinary History**

**Do you or your financial professionals have legal or disciplinary history?**

Yes. We encourage you to visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research any of our financial professionals. ***Conversation Starter:*** In addition, feel free to ask: "As a financial professional, do you have any disciplinary history? For what type of conduct?"

**Item 5. Additional Information**

***You can find additional information regarding Deschutes Investment Consulting and receive a copy of this relationship summary by going on our website at [www.deschutesinvestment.com](http://www.deschutesinvestment.com) or by contacting MacGregor Hall, Chief Compliance Officer, at (503) 548-2101. We are always available to answer any of your questions. Conversation Starter:*** If you do have any concerns, please let us know by asking the following questions: "Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?"

## Summary of Material Changes

The following material changes were made to the last version dated May 27, 2020:

In situations where we charge a minimum investment management fee, that fee is \$5,000 per year.

Our fees for financial planning or insurance consulting services are \$525 on an hourly basis, \$5,000 to \$10,000 on a fixed fee basis, depending on the nature and complexity of the client's circumstances, or \$1,250 per quarter when the client is placed on a retainer system.