

Part 2A of Form ADV: *Firm Brochure*



ObermeyerWood

INVESTMENT COUNSEL, LLLP

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This brochure provides information about the qualifications and business practices of Obermeyer Wood Investment Counsel, LLLP, (Obermeyer Wood). If you have any questions about the contents of this brochure, please contact us at (970) 925-8747 or [info@obermeyerwood.com](mailto:info@obermeyerwood.com). 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.

Obermeyer Wood Investment Counsel, LLLP, is a registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information upon which you may decide whether to retain an Adviser.

More information about Obermeyer Wood also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 110069.

## Item 2 Material Changes

We have made the following material changes to our brochure. This section identifies only *material* changes since our last annual update, which we filed on March 29, 2023.

- Effective January 1, 2024, Obermeyer Wood acquired Booth Creek Capital Management LP. Adam Savin, Booth Creek's principal, joined Obermeyer Wood as a Partner and Vice President, Investments. Please see Item 4 for more information.

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#### Item 4 Advisory Business

Obermeyer Wood Investment Counsel, LLLP, is an SEC-registered investment adviser with its principal place of business in Colorado. Obermeyer Wood began conducting business on October 1, 2014.

The firm's principal shareholders (i.e., those individuals or entities controlling 25% or more of this LLLP) are listed below:

- Walter Raymond Obermeyer, Co-Founder and President. A large portion of Mr. Obermeyer's interest is held through Walter R. Obermeyer Holdings, Inc., of which he is the Chief Executive Officer.

Obermeyer Wood was formed in 2014 through the merger of the former firms Obermeyer Asset Management Company and Wood Investment Counsel, LLC. The firms operated with similar investment philosophies, types of clients, and geographic areas, and had a mutual respect for how each conducted business and served clients. The purpose of the merger was to leverage each other's skills and to enhance the capability to serve the investment needs of both firms' clients. The merger transaction closed on September 30, 2014, and the merged entity began operations on October 1, 2014, with an Aspen office located at 501 Rio Grande Place, Suite 107, Aspen, CO 81611 and a Denver office at 55 Madison Street, Suite 680, Denver, CO 80206. The Denver office moved to 200 Columbine Street, Suite 600, Denver, CO 80206 on August 24, 2015.

On January 1, 2024, Obermeyer Wood acquired Booth Creek Capital Management, LP, an independent investment advisor based in Vail, Colorado. Booth Creek's founder and portfolio manager, Adam Savin, joined Obermeyer Wood as Partner and Vice President, Investments. Booth Creek managed investments with a dividend-oriented strategy and that will continue to be an available strategy for Obermeyer Wood clients going forward.

Obermeyer Wood offers the following advisory services to our clients:

Our firm provides continuous investment management to clients based on their individual needs. We work with each client to establish goals and objectives through discussions about that client's particular circumstances. We then develop a client's investment objective and create and manage a portfolio based on that objective. During our data-gathering process, we learn the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history as well as family composition and background. We also often collaborate with the client's other professional service providers as we work to understand clients' financial circumstances. We regularly encourage clients to promptly inform us of any changes in their financial situation or investment goals.

Account supervision is guided by the client's stated objectives (e.g., all equity, growth, growth and income, or income).

As an integrated part of our investment management services, we offer financial planning. We offer the following financial planning services depending on the client's situation: cash flow analysis, budgeting, retirement needs, asset allocation consulting, education funding, tax efficiency, charitable giving, estate considerations, wealth transfer, and other goals or special needs. With respect to our limited financial planning services, clients are free to accept or reject any of our recommendations; clients alone have authority to implement any of our recommendations; with respect to estate and tax planning, our role is limited to consulting and facilitating with clients and their other professional advisors. We do not offer legal or tax advice.

We are long-term investors focused primarily on common stocks, both domestic and foreign, and, as appropriate, various types of bonds, mutual funds, and ETFs. Because some types of investments involve additional risks, we will only

recommend and implement them when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability.

For certain eligible clients, we will offer private investment vehicles. These are generally available only to clients for whom we manage \$5 million or more. Typically, we invest client funds in a private vehicle via an access fund. This structure generally means that clients will pay fees to the private fund and the access fund as well as to us. We only use these investments for clients after specific additional discussions and disclosure.

On occasion, clients request a margin loan or other loan secured by the client's portfolio. Margin loans and secured loans typically incur additional expenses such as interest costs. When a client intends to carry a margin loan balance for an extended period of time, our policy is to open a separate account to house the margin loan separate from the managed securities portfolio.

**Both private investments and margin or secured loans are sophisticated investment strategies and carry additional costs. Obermeyer Wood's Chief Compliance Officer, Charlton Rugg, is available to address any questions that a client or prospective client has about private investments, margin loans, or secured loans.**

As of December 31, 2023, we were actively managing approximately \$2,140,000,000 of clients' assets on a discretionary basis.

***Limitations of Financial Planning and Non-Investment Consulting or Referral Services:*** To the extent requested by the client, Obermeyer Wood will generally provide limited financial planning and related consulting services regarding non-investment related matters, such as tax and estate planning, insurance, etc. **Please Also Note:** Obermeyer Wood **does not** serve as an attorney, accountant, or insurance agent, and you should not construe any part of our services as such. Accordingly, Obermeyer Wood **does not** prepare legal documents, prepare tax returns, or sell insurance products. Upon request, we can refer a client to other professionals such as attorneys, accountants, or insurance agents. The client retains absolute discretion to make any engagement decisions and has no obligation to engage any professional to whom we make a referral. The client is free to accept or reject any recommendation from Obermeyer Wood or its representatives. If the client engages any professional (i.e., attorney, accountant, insurance agent, etc.), whether or not referred by Obermeyer Wood, and a dispute later arises related to that engagement, the client agrees to seek recourse exclusively from the engaged professional. At all times, the engaged professional[s] (i.e., attorney, accountant, insurance agent, etc.), and **not** Obermeyer Wood, is responsible for the quality and competency of the services provided.

***Please Note—Retirement Rollovers and Potential for Conflict of Interest:*** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan and may choose a combination of these options: (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to a new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could result in adverse tax consequences). If Obermeyer Wood recommends that a client roll over retirement plan assets into an account to be managed by Obermeyer Wood, that recommendation creates a *conflict of interest* when Obermeyer Wood will earn new or increased compensation from the rollover. When acting in such capacity, Obermeyer Wood serves as a fiduciary under the Employee Retirement Income Security Act (ERISA), or the Internal Revenue Code, or both. **No client is under any obligation to rollover retirement plan assets to an account managed by Obermeyer Wood. Obermeyer Wood's Chief Compliance Officer, Charlton Rugg, is available to address any questions that a client or prospective client has about the potential for conflict of interest presented by such rollover recommendation.**

***Client Obligations:*** In performing our services, Obermeyer Wood shall not be required to verify any information

received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, each client is responsible for promptly notifying Obermeyer Wood of changes in the client's financial situation or investment objectives so that we can review, evaluate, and potentially revise our recommendations or services.

**Please Note—Investment Risk:** Different types of investments involve different degrees of risk. Clients should not assume that future performance of any specific investment or investment strategy (including the investments and investment strategies recommended or undertaken by Obermeyer Wood) will be profitable or achieve any specific performance level.

**Portfolio Activity:** Obermeyer Wood has a fiduciary duty to provide services consistent with the client's best interest. Obermeyer Wood will review client portfolios on an ongoing basis to determine whether any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, style drift, account additions or withdrawals, or a change in the client's investment objective. Based upon these factors, there can be extended periods of time when Obermeyer Wood determines that changes to a client's portfolio are neither necessary, nor prudent. Clients remain subject to the fees described in Item 5 below during periods of account inactivity.

**Please Note: Cash Positions:** Obermeyer Wood continues to treat cash as an asset class. As such, all cash positions (money markets, etc.) are included as assets under management for purposes of calculating Obermeyer Wood's advisory fee, unless specifically agreed otherwise by Obermeyer Wood. At any specific point in time, depending upon perceived or anticipated market conditions or events, Obermeyer Wood may keep cash positions for defensive purposes. While assets are kept in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Obermeyer Wood's advisory fee could exceed the interest paid by the client's money market fund. **Obermeyer Wood's Chief Compliance Officer, Charlton Rugg, remains available to address any questions that a client or prospective client has about the above fee billing practice.**

**Unaffiliated Private Investment Funds:** Obermeyer Wood also provides investment advice regarding private investment funds. Obermeyer Wood, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in private investment funds, the description of which (the terms, conditions, risks, conflicts, and fees, including incentive compensation) is in the fund's offering documents. Obermeyer Wood's role relative to unaffiliated private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client decides to invest in an unaffiliated private fund, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of Obermeyer Wood calculating its investment advisory fee. Obermeyer Wood's fee shall be in addition to the fund's fees. *Obermeyer Wood's clients are under absolutely no obligation to consider or make an investment in any private investment fund(s).*

**Please Note:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client owns, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he or she is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.

**Please Also Note, Valuation:** If Obermeyer Wood displays private investment funds owned by the client on any supplemental account reports prepared by Obermeyer Wood, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. However, if the fund

has not provided an updated valuation after purchase, the valuation shall reflect the initial purchase price until the fund provides an updated valuation. **Please Also Note:** As result of the valuation process, if the valuation reflects initial purchase price or an updated value subsequent to purchase price, the current value(s) of an investor's fund holding(s) could be significantly more or less than the value reflected on the report. Unless otherwise indicated, Obermeyer Wood shall calculate its fee based upon the most recent value provided by the fund sponsor.

## Item 5 Fees and Compensation

Obermeyer Wood's annual investment management fee is prorated and paid quarterly in arrears, based on the average daily value of the portfolio and the fee schedule noted below. Unless otherwise directed by the client, Obermeyer Wood's management fee shall be debited from the client's account on a quarterly basis in accordance with required SEC procedures. Obermeyer Wood prefers a \$1 million per client minimum for investment management services. Obermeyer Wood occasionally charges a lesser management fee or waives the \$1 million client minimum based on certain criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, historical relationship, related accounts, account composition, negotiations with client, accounts referred to us by another professional).

The investment management fee will be charged as a percentage of the market value of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$10 million	1.0%
Next \$10 million	0.75%
Additional amounts above \$20 million	0.5%

Obermeyer Wood's accounting and billing systems use pricing information provided by approved custodians of Obermeyer Wood's client assets, or an independent third-party pricing service. This information is used to assess management fees. Obermeyer Wood will send you a client statement quarterly. Your custodian will send you a client statement quarterly or monthly. On occasion, the statement from your custodian will reflect slightly different prices for certain securities than the statement from Obermeyer Wood. We encourage you to compare your account statements sent directly to you from your custodian with those that we provide.

Clients will incur brokerage commission charges when certain buy or sell transactions are executed; some transactions have no fee. Some of the custodians we work with also charge custodial fees for recordkeeping and safekeeping of client assets; some do not. For further information on Brokerage Practices, please see Item 12.

Because Obermeyer Wood was created as a merger of predecessor firms, certain clients have different fee schedules or calculation methods than described above.

## GENERAL INFORMATION

**Termination of the Advisory Relationship:** A client can cancel an investment advisory agreement at any time for any reason by delivering written notice. Obermeyer Wood can cancel at any time according to the terms specified in the investment advisory agreement.

**Mutual Fund and ETF Fees:** Most mutual funds and exchange traded funds are available directly to the public. Thus, a client could invest in a mutual fund directly, without engaging Obermeyer Wood. In that case, the client would not

receive our investment advisory services. In addition to Obermeyer Wood's investment management fee described above, and transaction and custodial fees discussed below at Item 15, clients will also incur, relative to all mutual fund and ETF purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).

**Private Investment Fees:** A client who chooses to invest in a private investment vehicle through Obermeyer Wood will pay additional fees. Typically, in addition to Obermeyer Wood's fee, the client will pay fees to the fund manager that include administration and management fees, incentive fees or carried interest, and an additional administration or management fee to the access fund provider. We will provide additional more specific disclosures and engage in additional discussions before investing any client funds in private investments.

**Tradeaway Fees:** Relative to its discretionary management services, when beneficial to the client, individual equity or fixed-income transactions may be effected through broker-dealers with whom Obermeyer Wood or the client have entered into arrangements for prime brokerage clearing services. In this event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a "tradeaway" fee charged by the custodian of the client account. Bank custodians do not charge tradeaway fees.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians or broker-dealers, including but not limited to, any transaction charges such as trading costs. Clients will also be responsible for any interest charges or other costs associated with margin loans or other secured loans.

We have contracted with a service provider to provide securities class action services to our clients with accounts at certain custodians. The service provider will conduct research and file claims on behalf of those clients in securities class actions in which they might be entitled to recovery. The service provider will keep 15% of any recovery as its fee for services. Clients can opt out of this service. If clients opt out, they will be solely responsible for filing claims in any class action in which they may be eligible for recovery.

**ERISA Accounts:** Obermeyer Wood is a fiduciary to advisory clients that are employee benefit plans or have individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Obermeyer Wood only charges fees for investment advice about products for which our firm and our related persons do not receive any commissions or 12b-1 fees. As a matter of practice, we do not accept 12b-1 fee compensation.

**Fee Dispersion:** Obermeyer Wood, in its discretion, will sometimes reduce its investment advisory fee, charge a flat fee, waive its fee entirely, or charge fees on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). **Please Note:** As a result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

**Margin Accounts: Risks and Conflict of Interest:** Obermeyer Wood **does not** recommend the use of margin for investment purposes. A *margin account* is a brokerage account that allows investors to borrow money to buy securities or for other non-investment borrowing purposes. The broker or custodian charges the investor interest for the right to borrow money and uses the securities as collateral. By using borrowed funds, the customer is employing leverage that will magnify both account gains and losses. Should a client specifically request to use margin, Obermeyer Wood will

consider the entire market value of the margined assets as managed; that is, Obermeyer Wood will not deduct the margin loan value from the managed asset value when computing its advisory fee. As a result, a conflict of interest arises since Obermeyer Wood may have an economic disincentive to recommend that the client terminate the use of margin. **Please Note:** The use of margin can cause significant adverse financial consequences in the event of a market correction.

**ANY QUESTIONS:** Obermeyer Wood's Chief Compliance Officer, Charlton Rugg, is available to address any questions that a client or prospective client has about advisory fees, fee dispersion, or margin loans.

## **Item 6 Performance-Based Fees and Side-by-Side Management**

Obermeyer Wood does not charge any performance-based fees (fees based on a share of capital gains or on capital appreciation of the assets of a client).

## **Item 7 Types of Clients**

Obermeyer Wood provides advisory services to the following types of clients:

- High net worth individuals
- Individuals (other than high net worth individuals)
- Trusts
- Pension and profit-sharing plans
- Charitable organizations and endowments
- Corporations or other businesses
- Government entities

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

Our investment strategy is based on the well-documented observation that long-term investments in carefully selected common stocks (equity) have provided attractive long-term returns that have exceeded general inflation and fixed income returns. In addition, we will suggest a ratio of equity investments, fixed income (bonds), and cash that seems appropriate to the client's individual circumstances and the relative long-term attractiveness of the various asset classes.

We monitor a wide variety of variables including broad economic trends and financial markets worldwide in order to identify both risks and long-term opportunities. However, economic outcomes and financial market prices are notoriously unpredictable. Thus, our equity investment decisions are based primarily on long-term, fundamental, company-specific considerations, not market timing or economic forecasts.

Our investment team meets regularly to review existing holdings and evaluate new investments. Our core investment philosophy integrates the identification of companies that have attractive fundamental prospects with a discipline of investing in them only when the company's stock appears undervalued. We believe this approach can provide attractive long-term returns while helping to mitigate risk. Investing in securities can involve a high degree of risk or loss of investment. Many factors can create a loss, including company-specific adverse developments, inaccurate or incomplete financial statements, or broad economic or financial issues. Financial markets can be volatile and unpredictable.



In its investment selection process, Obermeyer Wood conducts extensive independent research on companies for potential investment. In addition, we use a variety of other sources including industry data, economic information, and research from various brokerage firms as well as independent sources.

We regularly review the operations and long-term strategies of the companies in which we invest and, in many cases, conduct interviews with management.

We seek to identify companies that possess some or all of the following characteristics:

- Access to a growing market.
- A unique product, service, or asset that is difficult to duplicate.
- Above-average profitability that can internally finance the growth of the business.
- Able management who are themselves significant shareholders and have demonstrated that they act in the best interests of all shareholders.
- Attractive return of capital through dividends or share repurchase.

Portfolios are constructed primarily from a combination of stocks and bonds that have been thoroughly researched and meet the criteria for quality, growth, and valuation. In addition to stocks and bonds, we use mutual funds and ETFs to augment some client portfolios. In rare cases, where a portfolio is so small that it cannot be invested directly in stocks or bonds consistent with the client's investment objectives, we will invest the portfolio exclusively in mutual funds or ETFs.

In our search for attractive long-term investment opportunities, we are guided by the quality of the company and the valuation of the stock but are not confined by arbitrary definitions of investment style or company size. We believe this flexible approach is in the best interest of our clients as it considerably expands the universe of potential investments.

We pursue a long-term investment philosophy and, therefore, investments are made with a several year time horizon and turnover tends to be low. As a result, trading expenses and current period tax payments, where relevant, may be lowered.

Valuation plays a critical role in our investment process. We consider a variety of parameters including the earnings, cash flow, dividends, growth, and financial strength of a company and consistently apply this valuation discipline when making an investment decision.

In addition, we consider comparable company valuations, market transactions between industry participants, and long-term net asset value calculations.

In addition to common stocks and bonds, we invest as appropriate in mutual funds and ETFs to augment our investments. One example of this is that we may select one or more funds that track particular indices or sectors in order to provide clients exposure to the desired investment opportunities. We examine the long-term experience and investment record of the mutual fund or ETF to evaluate the fund's ability to successfully invest over the long-term and in different economic conditions. We also review the underlying assets in a mutual fund or ETF to determine whether there is significant overlap in the underlying investments held in other funds or as individual securities in the client's portfolio. We also monitor the mutual funds and ETFs to determine whether they are continuing to follow their stated investment strategy.

A risk of mutual fund and ETF analysis is that, as in all securities investments, past performance does not predict future

results. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding less suitable for the client's portfolio.

In summary, Obermeyer Wood believes our value-oriented philosophy combined with extensive independent research serves well the objectives of clients, which include both the preservation of their capital and growth of income and principal. Nevertheless, losses can and do occur.

**Private Investments.** We do not use private investments as part of our investment strategy unless specifically requested by and discussed with an eligible client in advance. Private investments generally have higher costs than publicly available mutual funds or ETFs.

**Margin Transactions.** We do not use margin purchases as part of our investment strategy unless specifically requested by and discussed with a client in advance. If a client intends to carry a margin balance as a secured loan, we recommend the client open a separate account to hold the margin balance.

**Risks for All Forms of Analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that inaccurate or misleading information will compromise our analysis. Moreover, securities are often priced on factors that cannot be predicted, such as emotional and behavioral factors of other market participants.

**Risk of Loss.** Securities investments are not guaranteed, and you may lose some or all of your money on any of your investments. We ask that you communicate with us to help us understand your tolerance for risk.

## **Item 9     Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Obermeyer Wood and our management personnel have no reportable disciplinary events to disclose.

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

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations that create any conflicts of interest or are material to our advisory business.

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

Obermeyer Wood requires its employees to comply with applicable federal securities laws as well as its Code of Ethics, which sets forth high ethical standards of business conduct.

Obermeyer Wood and our personnel owe a duty of loyalty, fairness, and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

It is our policy that all employees must receive prior approval before making a purchase or sale of certain types of securities. In addition, employees are not allowed to purchase or sell any security immediately prior to a transaction in that security being implemented for an advisory account, thereby preventing employees from benefiting from

transactions placed on behalf of advisory accounts.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's employees. Among other things, our Code of Ethics also requires prior approval for acquisition of securities in a limited offering (e.g., private placement) or an IPO (Initial Public Offering). Our code also provides for oversight, enforcement, and recordkeeping provisions.

Obermeyer Wood's Code of Ethics further includes the firm's policy prohibiting the use of material, non-public information. While we do not believe that we have any special access to non-public information, we remind all employees that such information may not be used in a personal or professional capacity.

Obermeyer Wood and individuals associated with our firm are prohibited from engaging in principal transactions and agency cross transactions. Principal transactions are those in which Obermeyer Wood would directly purchase securities from or sell securities to our clients; this practice could leave our clients in an unfair position as we would determine the security pricing.

Agency cross transactions are those in which Obermeyer Wood would arrange the purchase or sale of securities between two or more clients; this practice pits buyer versus seller in determining prices. Obermeyer Wood will not cross trades between client accounts.

Our Code of Ethics is designed to ensure that the personal securities transactions, activities, and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. A copy of our Code of Ethics is available on request.

## **Item 12 Brokerage Practices**

To fulfill our obligation to achieve best execution for our clients, Obermeyer Wood endeavors to select those brokers or dealers that will provide the best services for the best value. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services including trade execution, competitive commission rates and prices, research, trading platform, and other services that will help us in providing investment management services to clients. We sometimes recommend or use a broker that provides useful securities transaction services even though a lower commission may be charged by a broker that offers less securities transaction assistance. Not every client benefits equally from the securities transaction services a broker provides.

Obermeyer Wood no longer has any soft dollar arrangements with any of our executing brokers. This means that Obermeyer Wood now pays directly for all research instead of using client brokerage commissions to pay for research or brokerage services. We buy research and other news, information, and analysis services directly from providers such as Bloomberg, L.P., FactSet Research Systems, Inc., Morningstar, Inc., ValueLine, and Grant's. Some of these services were previously paid for with soft dollar arrangements that are no longer in place. When we used client brokerage commissions to obtain research or brokerage services, in addition to it benefiting our clients, Obermeyer Wood also received a benefit because we did not have to produce such products internally or compensate third parties with our own money for the delivery of those services. To balance this conflict of interest, we only directed brokerage where in aggregate we believed it would be best for our clients. Within our last fiscal year, we obtained no products and services on a soft-dollar basis. By eliminating our soft dollar arrangements and choosing to pay directly for research, we have reduced a source of conflicts of interest.

Brokers that we select to execute transactions from time to time refer clients to our firm. However, we do not make

commitments to any broker or dealer to compensate that broker or dealer through brokerage or dealer transactions for any client referrals.

We conduct periodic reviews of trading practices, analyzing price and commissions offered by the various brokers used and volume of client commissions directed to each broker. Our trading staff also performs a qualitative evaluation of the brokers in coordination with the Chief Compliance Officer.

Obermeyer Wood aggregates trades where possible and when we believe it will reduce costs or facilitate executions. Obermeyer Wood's block trading policy and procedures are designed to treat clients fairly and equitably.

Although we recommend certain custodial institutions, it is the client's decision as to which custodian to use. See Item 15 for more information. The financial institutions with which Obermeyer Wood does business provide us with access to their institutional trading and custody services, which are typically not available to retail investors. These services are not contingent on our firm committing to any specific amount of business (assets in custody or trading commissions). Their brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Custody, trust, and brokerage providers also make available to our firm other products and services that benefit us in servicing our clients but do not directly benefit our clients' accounts. We use many of these products and services to service all or some substantial number of our client accounts, including accounts not maintained with the service provider.

Products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- provide access to client account data (such as trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide research, pricing, and other market data;
- facilitate payment of our fees from clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

Some custody, trust, and brokerage providers also offer other services intended to help us manage and further develop our business enterprise. These services include:

- compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

Custody, trust, and brokerage providers make available, arrange, or pay third-party vendors for the types of services rendered to Obermeyer Wood. These providers discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Custody, trust, and brokerage providers also provide other benefits such as educational events or occasional business entertainment for our personnel. In evaluating whether to recommend that clients custody their assets at these providers, we consider the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely the nature, cost, or quality of custody, trust, and brokerage services they provide, which creates a potential conflict of interest.

**Our Chief Compliance Officer, Charlton Rugg, is available to address any questions that a client or prospective client has regarding the above arrangements and their associated conflicts of interest.**

**Directed Brokerage:** In certain circumstances, Obermeyer Wood can accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Obermeyer Wood will not seek better execution services or prices from other broker-dealers, and will not be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Obermeyer Wood. As a result, a client will likely pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. **Please Note:** If a client directs Obermeyer Wood to effect securities transactions for the client's accounts through a specific broker-dealer, the client must acknowledge that such direction will likely cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Obermeyer Wood. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed after the execution of portfolio transactions for non-directed accounts.

### **Item 13      Review of Accounts**

**REVIEWS:** The underlying securities within clients' accounts are continually monitored. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews are triggered by material changes in variables such as the client's individual circumstances or the market, political, or economic environment.

These accounts are reviewed by one or more of the following: Walter (Wally) Obermeyer; Roger Hennefeld, CFA; Bret Hirsh; Dana Nightingale, CFA & CFP®; Alexandra Phillips; Adam Savin; G. Tod Wood CFA; Nicholas Barnes, CFA; Brian Brady; Kim Brown; Brooke Gais, CFP®, Hayden Porter, or Patrick Yarborough, CFA.

**REPORTS:** We provide quarterly reports summarizing investment results, balances, and holdings. In addition, bank custodians provide quarterly statements and broker-dealers provide monthly statements and transaction confirmations. We encourage clients to compare the statements we provide with those their custodians provide. We encourage clients to receive their quarterly reports by electronic delivery via our client portal.

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

As discussed in Item 12 above, Obermeyer Wood receives from certain broker-dealers and custodians, at no cost or at a discount, support services and products. Obermeyer Wood's clients do not pay more for investment transactions effected or assets maintained at any such broker-dealer or custodian because of these arrangements. Obermeyer Wood makes no corresponding commitment to any such broker-dealer or custodian, or any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as a result of the above arrangements.

Obermeyer Wood receives client referrals from Schwab through participation in Schwab Advisor Network® ("SAN"). SAN is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Obermeyer Wood. Schwab does not supervise Obermeyer Wood and has no responsibility for our management of client portfolios or our other advice and services. Obermeyer Wood pays Schwab for receiving client referrals through SAN, which raises the conflicts of interest described below.

Obermeyer Wood pays Schwab a Participation Fee, based on a percentage of the client's assets at Schwab, on all

referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. Obermeyer Wood pays Schwab the Participation Fee quarterly so long as the client account is at Schwab. We do not increase the advisory fee we charge clients referred to us by Schwab through SAN.

Obermeyer Wood has agreed to pay Schwab a Non-Schwab Custody Fee, based on a percentage of the assets transferred, if custody of a referred client's account is not maintained at, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Obermeyer Wood generally would pay in a single year. Thus, Obermeyer Wood has an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees are based on assets in accounts of Obermeyer Wood clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Obermeyer Wood has an incentive to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab.

Schwab does not charge Obermeyer Wood clients who maintain accounts at Schwab for custody but receives compensation from our clients in the form of commissions or other transaction-related compensation on certain securities trades executed through Schwab. Schwab also receives a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. See Item 12 for more information about brokerage practices and Obermeyer Wood's duty to seek best execution.

Obermeyer Wood also receives client referrals from Wealthramp. Wealthramp is an investor education and lead matching service (the "Referral Platform"); Obermeyer Wood participates in the Referral Platform. As part of its service, Wealthramp conducts interviews and conversations with investors to determine whether a particular investor's needs and goals would be a good match for Obermeyer Wood's services and expertise. If Wealthramp determines an investor would be a good fit with Obermeyer Wood, Wealthramp introduces the investor to Obermeyer Wood. At that time, the investor is free to decide whether to retain Obermeyer Wood to provide investment advisory services. If the investor becomes a client of Obermeyer Wood, we pay Wealthramp a Referral Fee that is a portion of the fees we receive from each referred client. The Referral Fee is equal to 25% of gross fees we receive in the first year from the referred client, 15% in the second year, and 10% thereafter for as long as the client relationship continues. If the client's relationship with Obermeyer Wood terminates, our obligation to pay the Referral Fee for that client ceases. We do not increase the advisory fee we charge clients referred to us by Wealthramp.

Obermeyer Wood also receives client referrals from SmartAdvisor by SmartAsset. SmartAsset offers a web-based 25–30 question survey to potential investors interested in being referred to a financial advisor. After a potential investor completes the survey, the SmartAdvisor Concierge team validates leads by phone, text, and email contacts. Once validated, a survey participant's information is passed on to three financial advisors in their local geographic area. Obermeyer Wood is a verified member of SmartAsset's recommended financial advisors. When SmartAsset passes a lead to Obermeyer Wood, we receive the results of the potential investor's survey, contact information, and permission to contact the potential investor. Obermeyer Wood makes a one-time payment to SmartAsset in the range of \$200–\$240 for each referred lead. The one-time payment is Obermeyer Wood's only financial obligation to SmartAsset for each lead. We do not increase the advisory fee we charge clients referred to us by SmartAsset.

**ANY QUESTIONS:** Obermeyer Wood's Chief Compliance Officer, Charlton Rugg, remains available to address any questions that a client or prospective client has regarding the above arrangements and the corresponding conflict

of interest such arrangements may create.

## Item 15 Custody

Obermeyer Wood is independently owned and operated and not affiliated with any of the institutions that it or our clients use for custody services.

Obermeyer Wood uses two types of custodians: bank trust departments and brokerage firms. The two types of custodians offer different services and charge different fees. The discount brokerage firms with whom we work are typically less expensive than the banks because they charge only transaction fees, and many transactions have no fee, whereas the banks also charge custodial fees. However, we have found that both types of custodians serve the needs of clients well and have reasonable costs in relation to the services provided. Ultimately, the client can use a custodian of its choice with Obermeyer Wood's approval.

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian must send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there is an error in their statement. **Please Note:** The custodian does not verify the accuracy of Obermeyer Wood's fee calculations.

Our firm does not have physical custody of client accounts. Certain clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from Obermeyer Wood to transfer client funds or securities to third parties. These arrangements are disclosed in Item 9 of Part 1 of Form ADV. However, in accordance with the guidance provided in the SEC's February 21, 2017, Investment Adviser Association No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination. In addition, we have direct authority over a small number of client accounts that does require an annual surprise CPA examination. Our most recent examination began in September 2023 and concluded with no exceptions noted.

**ANY QUESTIONS: Obermeyer Wood's Chief Compliance Officer, Charlton Rugg, is available to address any questions that a client or prospective client has regarding custody-related matters.**

## Item 16 Investment Discretion

Clients generally hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and
- Determine the amount of the security to buy or sell.

Clients give us discretionary authority when they sign a discretionary agreement with our firm and may limit this authority by giving us written instructions. Clients may also change such limitations by providing us with written

instructions.

## **Item 17 Voting Client Securities**

We vote proxies for all client accounts unless otherwise directed. However, clients always have the right to vote proxies and can do so if they instruct us.

We vote proxies in the best interests of clients and in accordance with our established policies and procedures. Our firm retains all proxy voting books and records for the requisite period, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to deciding how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Upon request, we will provide clients with a copy of our proxy voting policies and procedures and a record of how we voted on their behalf. With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies.

We are available to discuss the filing of "Proofs of Claim" in class action settlements, but we cannot advise or act on behalf of the client in legal proceedings on claims involving companies whose securities are held in the client's account(s). If desired, clients may direct us to transmit copies of class action notices to the client or a third party. In addition, accounts held at certain custodians are enrolled in with class action service provider who will file claims on behalf of the client. See Item 5 above for more information.

## **Item 18 Financial Information**

Obermeyer Wood has no financial commitments that impair its ability to meet contractual and fiduciary commitments to clients and has not been the subject of bankruptcy proceedings.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

**Any questions: Obermeyer Wood's Chief Compliance Officer, Charlton A. Rugg, is available to address any questions regarding this Part 2A.**