

## Form ADV Part 2A (Firm Brochure)

### For Portland Financial Advisors Inc, dba Markiz Wealth Management March 21, 2024

#### Item 1: Cover Page

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**This brochure provides information about the qualifications and business practices of Portland Financial Advisors Inc, dba Markiz Wealth Management. If you have any questions about the contents of this brochure, please contact Gabriel J. Markiz, Compliance Officer at [gabe@markizwealth.com](mailto:gabe@markizwealth.com) or (503) 805-3485. 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.**

Additional information about Markiz Wealth Management 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. The CRD number for Markiz Wealth Management is 127371.

Markiz Wealth Management (MWM) is registered as an investment adviser with the Securities and Exchange Commission; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

#### Item 2: Summary of Material Changes

TD Ameritrade (TDA) was acquired by Charles Schwab & Co. Inc., (Schwab) in November 2019 but operated independently until August 2023. On September 1, 2023, all of the accounts MWM custodied at TDA were converted to Schwab accounts.

A complete Brochure may be requested by contacting Gabriel J. Markiz, Chief Compliance Officer, at [info@markizwealth.com](mailto:info@markizwealth.com) or (503) 805-3485.

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#### Item 4: Advisory Business

##### The Firm's History

Portland Financial Advisors Inc, dba Markiz Wealth Management ("MWM," "we," "us" or the "firm") was formed in October 2007 by Gabriel J. Markiz, MSFP, CPA/PFS, CFP®. The firm operated under the name of "Portland Financial Advisors Inc" through 2018. Beginning in 2019, the firm adopted a doing-business-as name of "Markiz Wealth Management" to coincide with the firm moving its principal office to the State of New York. MWM currently operates offices in both Port Washington, NY, and Lake Oswego, OR.

MWM maintains the same principle upon which it was founded: to provide clients with truly objective financial advice. The firm's goal is to construct a world-class financial planning and investment advisory firm, dedicated to the fiduciary principle that the client's best interest should remain paramount at all times.

##### Firm Ownership

On January 1, 2019, Randi Alberts-Markiz became a 10% shareholder of MWM. Gabriel J. Markiz owns 90% of MWM and together they make all major decisions of a strategic and administrative nature for the firm.

##### Amount of Assets Under Management

As of December 31, 2023, the following represents the amount of client assets under management by the Firm on a discretionary and non-discretionary basis:

Type of Account	Assets Under Management
Discretionary	\$83,714,286
Non-Discretionary	\$ 8,624,113
<b>Total:</b>	<b>\$92,338,399</b>

##### Non-Participation in Wrap Fee Programs

MWM, as a matter of policy and practice, does not sponsor any wrap fee program.

##### Advisory Programs (Types of Services) Offered

MWM offers two programs - **MWM Wealth Management Services** and **MWM Financial Planning Services**

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#### **MWM - Wealth Management Services**

MWM Wealth Management Services are available to all clients. The program combines ongoing investment advisory services and additional wealth management services to clients based upon their unique circumstances and needs. Such wealth management services may include risk management counsel, financial planning, tax planning, estate planning, cash flow planning, retirement capital needs analysis, retirement planning, college planning, business planning, and establishment of and counsel with regard to retirement plans.

MWM Wealth Management Services are outlined in the client Agreement. Generally, the services provided under MWM's Wealth Management Services include the following:

- The benefits of MWM's ongoing research and analysis regarding the taxation of investments, review of specific investment products, and other matters affecting clients' investments and financial planning in general.
- Development and implementation of an Investment Plan. This Investment Plan includes an Investment Policy Statement, which may be amended if and when the clients' circumstances change.
- Quarterly reports from MWM of the clients' investment portfolio.
- Monthly or quarterly statements from account custodians are sent to the client directly from the corresponding brokers, banks, mutual funds, partnership sponsors, and/or insurance companies which hold the clients' investments.
- Portfolio reviews and rebalancing of the portfolio, for the assets held under management, on a periodic basis. Gabriel Markiz, the firm's President, reviews portfolios at least quarterly.
- Evaluate risks for Long-Term Care, Disability, Life, Home, Liability, and Auto insurance.
- Tax return planning and preparation (through affiliation with Gabriel J. Markiz, CPA, PC).
- Education planning.
- Estate planning review and facilitation of implementation of Wills, Trusts, Powers of Attorney, Advance Directives for Healthcare, Charitable Trusts, Donor Advised Funds.

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#### **MWM - Financial Planning Services**

MWM's financial planning services range from comprehensive financial planning to more focused consultations, depending on the needs of each client. MWM evaluates the client's financial, business and investment information and makes recommendations designed with the intention of achieving the client's overall goals and objectives. Advice and recommendations may also be given on non-securities matters. Clients always have the right to accept or reject any or all recommendations made by MWM. Should clients act on such recommendations, they always have the right to decide with whom they choose to do so.

Clients should understand that a conflict of interest exists because MWM has an incentive to recommend its own investment management services as MWM receives additional compensation for such services. Financial planning recommendations are based on the client's financial situation at the time the recommendations are provided and are based on the information provided by the client. In addition, certain assumptions may be made with respect to interest and inflation rates, use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance and MWM cannot offer any guarantees or promises that the client's financial goals and objectives will be met. As a client's financial situation, goals, objectives, or needs change, the client is strongly urged to promptly notify MWM. For more information on the risks associated with investing, please refer to Item 8, on page 14.

Please refer to Item 5, on page 6, for detailed information on fees and compensation for these services.

#### **Our Services are Tailored to Meet Client Needs and Any Imposed Investment Restrictions**

In general, advisory services are tailored to meet the needs of individual clients, based on a mutually agreed upon model Investment Policy Statement. While model portfolios may be utilized in the Investment Policy Statement as a starting point, each investment portfolio is individually designed. Additionally, financial planning, estate planning, tax planning, and risk management planning services are delivered upon receipt of a signed client engagement for such services. Planning issues are prioritized and then addressed, either all at one time or over the course of several conferences. As appropriate to each program, clients meet with their advisor as often as needed to review any changes to the client's financial situation, the investment portfolio upon which advice is provided by MWM, and planning issues. After consultation with their advisor, clients may impose restrictions on investing in certain securities or types of securities. This most often occurs when clients request certain social investing needs be addressed, such as using mutual funds or ETFs which avoid

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investments in certain companies. Other restrictions may be imposed by clients with respect to the (average or longest) maturity or credit quality of fixed income investments.

#### **Our Policies on Class Actions, Bankruptcies, and Other Legal Proceedings**

Clients should note that MWM will not advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct MWM to transmit copies of class action notices to the client or a third party. Upon such direction, MWM will make commercially reasonable efforts to forward such notices in a timely manner.

#### **Item 5: Fees and Compensation**

As described in greater detail below, MWM charges different types of fees depending upon the services received by the client. The specific fees charged by MWM for its financial planning and wealth management services will be set forth in the client's Agreement. Fees may be negotiable under certain circumstances at the sole discretion of MWM.

##### **Financial Planning Fees**

Fees for financial planning services will be billed at the rate of \$350 per hour plus out-of-pocket expenses. It is estimated that the total fees for this service will be in the range of \$3,000 to \$6,000. MWM requires a \$500 retainer to commence work, although MWM will at times request a retainer of up to 50% of the estimated fee. Services will be billed monthly and will be due and payable within ten (10) days from the date of invoice. A late charge of 1½ percent per month will be charged upon any balance unpaid one month of the invoice date. The fees do not include any additional charge for analysis of clients' insurance needs and policies.

Clients may terminate their Agreement for financial planning services, without penalty, at any time upon written notice. At the time of termination, any prepaid fees will be prorated based on the amount of work completed by the Firm as of the date the notice of termination is received, and any unearned fees will be returned to the Client. It is possible that if the client seeks to terminate their Agreement with MWM, and substantial work has been done to provide services to the client, the client may not receive any return of the initial payment.

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If clients wish to engage MWM for wealth management services, within six months of completion of the financial plan, the fees paid for the financial plan will be credited toward the first year's wealth management fee (as described below).

#### **Wealth Management Fees**

MWM charges a fixed fee (the "Advisory Fee") for its Wealth Management Services. The firm's fee, agreed-upon amount and is not tied directly to the value of the client's assets managed by MWM (although it is a factor in determining the fixed fee). The exact fee for each client is set forth in the client's Agreement, and is based on the following factors:

- Total assets under management (not including residence and personal property);
- Client financial complexity;
- Anticipated or requested frequency of client interaction; and
- Whether client receives services from Gabriel J. Markiz, CPA, PC, an affiliated accounting firm (please see [Item 10](#), additional information regarding this affiliation).

Fees are typically fixed for an initial two years following the client's retention of MWM for advisory services. However, the firm may amend its fees in accordance with the terms of the client's agreement should the factors mentioned above change in a material manner (as determined at the sole discretion of MWM). Fees are to be paid quarterly, in advance, on the first trading day of the quarter.

The "Minimum Fee" for our services is \$4,000 per year paid on a quarterly basis at the beginning of each quarter.

Should a client open an account during a quarter, the firm's Advisory Fee will be prorated based on the number of days from the signing of the Agreement during the initial quarter. In the event the firm's services are terminated mid-quarter, the following shall apply:

- **Termination During First Year Following Engagement:** Due to the amount of initial planning and account setup required during the first year of a client's engagement with MWM, should the firm's services be terminated during the first year, fees upon termination will be assessed as follows:

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- Should MWM's services be terminated mid-quarter, fees for the partial quarter will be assessed at the termination date and will be prorated based on the number of days the services were provided during the quarter; and
- Should all fees paid by a client prior to termination be less than the Minimum Fee specified above, the difference between fees paid (including the pro-rated amount specified above) and the Minimum Fee will also be due and payable upon termination.
- Termination Following First Year of Engagement: After the initial one-year period, should MWM's services be terminated mid-quarter, fees for the partial quarter will be assessed at the termination date and will be prorated based on the number of days the services were provided during the quarter. Any fees that have been earned by MWM but not yet paid by the client will be immediately due and payable. Any pre-paid, but unearned fees will be immediately refunded to the client.

All fees are negotiable. Factors involved in negotiating fees include whether the client is related to another client, related to an employee or independent contractor of MWM, our desire to serve clients in need of the assistance of MWM's services who otherwise cannot afford our services, whether future additions will be undertaken to accounts upon which advice is provided, the level and type of advisory services provided and likely to be provided in the future, the presence of greater than 80% allocation to fixed income investments in the overall investment portfolio of the client, and the nature of the relationship between the advisor and the client. Our principals and employees are not charged fees on either their accounts or those of immediate family members.

#### **How Wealth Management Fees are Paid**

Advisory Fees are deducted automatically from clients' accounts by the custodian as soon as practicable following the end of each applicable period. Should a client have multiple accounts, MWM will typically choose which account will be billed individually for all fees owed MWM collectively.

As part of the client Agreement, clients acknowledge and consent to MWM billing client accounts disproportionately for fees. If requested by the client, MWM may, at its sole discretion, invoice clients directly for Advisory Fees as opposed to debiting client accounts. In such cases, invoices are due and payable upon receipt.



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#### **Other Fees or Expenses Paid in Connection with Wealth Management Services:**

All fees paid to MWM for investment advisory and financial planning services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. Mutual fund expenses are described in each fund's prospectus. These expenses will include a management fee, other fund expenses, and at times a distribution fee.

Clients may incur transaction fees or commissions in connection with trading of mutual funds, ETF, individual stock, and bonds (and/or principal mark-ups and mark-downs for principal trades), which are charged by the custodian. Mutual fund transaction fees charged by our recommended custodian, Charles Schwab & Co., Inc. vary from \$0 to \$21 for each purchase and sale transaction. The transaction costs for stock and bond trades vary. Accordingly, the client should review both the fees charged by the funds, the transaction fees charged by the custodian, as well as the fees charged by MWM to fully understand the total amount of fees and costs paid by the client, in connection with any recommended transaction. For clients with assets in cash sweep accounts, fees vary widely and are subject to each custodians' separate agreement. MWM does not have the ability to negotiate those cash sweep fees.

Clients may also incur "account termination fees" upon the transfer of an account from one brokerage firm (custodian) to another. The range for these account termination fees is believed to be \$0 to \$200 at present, but at times may be higher. Clients should contact their custodians (brokerage firms, bank, or trust company) to determine the amount of account termination fees which may be charged and deducted from their existing accounts which may be transferred.

#### **Comparable Services**

MWM believes that the charges and fees offered within its programs are competitive with alternative programs available through other firms offering a similar range of services. A client could invest in mutual funds directly without the services of MWM. In that case, the client would not receive the services provided by MWM which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives, to undertake a disciplined approach to portfolio rebalancing while taking into account the tax ramifications of same, or to avoid ad hoc emotional reactions to shorter-term market events. Also, the funds of Dimensional Fund Advisors are not available to the client directly without the use of an investment advisor granted access to such funds.

#### **Conflicts of Interest between Clients**

MWM's relationship with each client is non-exclusive; in other words, MWM provides investment advisory services and financial planning services to multiple clients. MWM seeks to avoid situations in which one client's

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interest may conflict with the interest of another of its clients. Other professionals - lawyers, accountants, and insurance agents are engaged directly by the client on an as-needed basis.

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

MWM does not accept performance-based fees, nor does it manage accounts which impose performance-based fees.

#### **Item 7: Types of Clients**

MWM provides investment advice primarily to individuals and their families, including high net worth individuals and trusts. MWM also may provide investment advice to pension and profit-sharing plans and plan participants as well as foundations and other institutions, and to business entities. MWM does not set any limits on the size of investment accounts or client net worth. However, the firm reserves the right to accept or decline a potential client for any reason at its sole discretion. Prior to engaging the firm to provide any of the investment advisory services described in this Brochure, the client will be required to enter into one or more written Agreements with MWM setting forth the terms and conditions under which the firm shall render its services.

MWM reserves the right to not accept and/or terminate management of a client's account if it feels that the client-imposed restrictions would limit or prevent it from meeting and/or maintaining its overall investment strategy.

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

##### **Generally**

MWM provides the investment strategy and its implementation for all clients, utilizing a variety of securities such as stocks, bonds, Exchange Traded Funds (ETFs) or pooled investment vehicles (such as mutual funds). Clients of MWM receive the benefit of MWM's developed investment philosophies and strategies, research and due diligence, account monitoring and personal financial planning recommendations. Expansive academic research, investment information, and certain proprietary analyses are drawn upon by MWM, to provide innovative investment advisory services. Each of MWM's clients receives a written Investment Policy Statement, which sets forth a recommended model allocation based on the clients' risk tolerance, age, and objectives. Specific no-load mutual funds and other investment products and securities are then recommended to clients. Clients' portfolios are periodically monitored, and changes to investment portfolios are suggested when appropriate. A disciplined approach to rebalancing is employed to maintain asset class exposures within desired risk tolerances, subject to variances permitted for tax reduction, tax planning or other reasons.

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#### **Methods of Analyses and Investment Strategies**

In designing investment plans for clients, MWM relies upon the information supplied by the client and the clients' other professional advisors. Such information may pertain to the clients' financial situation, estate planning, tax planning, risk management planning, short-term and long-term lifetime financial goals and objectives, investment time horizon, and perceived current tolerance for risk. This information becomes the basis for the Investment Policy Statement which MWM believes will best meet the clients' stated long-term personal financial goals. The Investment Policy Statement provides for investments in those asset classes which MWM believes (based on historical data provided by the annual SBBI Yearbook: Stocks, Bonds, Bills, and Inflation: U.S. Capital Markets Performance by Asset Class starting with 1926, published by CFA Institute Research Foundation, Dimensional Fund Advisors Inc.'s analysis, as well as prospective asset class returns from J.P. Morgan's annual Capital Market Assumptions report) will possess attractive combinations of return, risk, and correlation over the long term. A tremendous amount of academic research reveals that strategic asset allocation is determinative of most of the expected long-term gross returns of investor's portfolios. Part of our selection of asset classes is driven by research into global asset classes by such academics as Professor Eugene Fama, Sr. of the University of Chicago Booth Graduate School of Business and the Center for Research in Security Prices, Professor Kenneth French of Dartmouth College, and many other academics and researchers. The investment advice which MWM provides is based upon long-term investment strategies which incorporate the principles of Modern Portfolio Theory. The utilization of several different asset classes as part of a client's portfolio is emphasized, as this has been shown to usually effect a reduction in portfolio volatility (i.e., the standard deviation of the portfolio returns) over long periods of time. MWM allocates and diversifies the clients' assets among various asset classes and then among individual investments, following the investment policy agreed to by the client. MWM's investment approach is firmly rooted in the belief that markets are efficient (although not always rational), and that investors' gross returns are determined principally by asset allocation decisions. A focus is provided on developing and implementing globally diversified portfolios, principally using low-cost and tax-efficient passively managed stock mutual funds, many of which are available only to institutional investors and clients of advisors granted access to such funds. Investment policy and overall portfolio weightings as between equities and fixed income investments are based upon each client's needs and desires, perceived risk tolerance, the need to assume various risks, and investment time horizon. The portfolios of clients follow models designed by MWM to fit the overall weightings of equities (stocks, stock mutual funds) and fixed income investments (notes, bonds, bond funds, CDs). For other clients, the investment portfolio's asset class allocation is customized to meet the specific circumstances of a client, the presence of investments in 401(k) or other accounts, as well as a perception of the clients' understanding of the fundamental forces affecting risk and return in the capital markets. In addition, our clients' asset allocations may be influenced by a

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review of the relative valuation levels of various asset classes, demographics, technological developments, global political developments, and the investment time horizon of our clients. Based on our analysis of these factors, MWM may use tactical asset allocation strategies in connection with the management of client portfolios by overweighting or underweighting a particular asset class.

#### **Methods of Analysis; Sources of Information**

Our security analysis is based upon several factors including those derived from commercially available software technology, securities rating services, general economic, market and financial information, due diligence reviews, and specific investment analyses that clients may request. The main sources of information include commercially available investment information and evaluation services, financial publications and journals, academic white papers, and periodicals. Prospectuses, statements of additional information, other issuer-prepared information, and data aggregation services (Morningstar Advisor) are also utilized. Our advisors also attend various investment and financial planning conferences. Research is also received from consultants, including Dimensional Fund Advisors (DFA). DFA provides historical market analysis, risk/return analysis, and continuing education services.

#### **Types of Investments**

Each client typically receives an investment portfolio which consists of no-load stock and bond mutual funds and ETFs. The passively managed mutual funds offered by DFA, or no-load funds or ETFs researched by MWM directly are generally recommended.

Most of our model portfolios include individual fixed income investments (bonds, CDs) and/or bond funds). For clients with a substantial fixed income allocation, MWM sometimes recommends a combination of bond funds and individual fixed income investments, with recommended actual investments dependent upon MWM's views of the risk/return relationship for various forms of fixed income investments or bond funds.

Client portfolios may also include some individual equity securities, but these are part of clients' investment holdings prior to becoming a client of MWM. However, clients with significant amounts to devote to investing in equities (\$15 million or greater, generally) may also participate in a separate account program, which includes individual stocks using a highly diversified approach. This separate account program utilizes DFA as the separate account manager and may employ individual stocks as well as the use of DFA's mutual funds for some foreign stock or other asset class exposures.

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Publicly traded real estate investment trusts (REITS) and commodities index or passive mutual funds or ETFs may be recommended for certain clients who desire to include real estate or commodities in their asset allocation strategy, or as a tactical asset allocation strategy.

Insurance products such as annuities and several types of life insurance products may also be evaluated. Recommendations may be undertaken to advise clients to invest in low-cost, no-load (no commission), variable, or fixed deferred or immediate annuities when appropriate to the circumstances and tax situation of the client.

More often, this occurs when a client possesses an existing high-cost variable annuity, and a rollover of the annuity is indicated rather than redemption for tax planning purposes, to seek to lower the total fees and costs paid by the client and/or provide different investment choices. At times, clients may be advised to retain an existing annuity, previously purchased by the client, or undertake partial or full surrenders of same (and/or tax-free exchanges), following an evaluation of the annuity contract, riders thereto, investment alternatives within the annuity and their fees and costs, including any surrender fees which may be imposed by the insurance company.

New clients' existing investments are evaluated considering the desired investment policy objectives. MWM works with new clients to develop a plan to transition from clients' existing portfolios to the desired portfolio. Investment advice may be offered on any investments held by a client at the start of the advisory relationship. Each client's portfolio holdings and strategic asset allocation are then monitored periodically, considering the cash flow needs of the client. Review meetings with clients are held regarding their investment assets under management and other personal financial planning issues.

### **Risk of Loss**

Investing in securities involves a risk of loss that clients should be prepared to bear. The investment recommendations seek to limit risk through broad global diversification in equities (through broadly diversified stock mutual funds), and investment in fixed income securities or diversified bond funds.

However, the investment methodology will still subject the client to declines in the value of their portfolios, which can at times be dramatic. MWM believes a high probability exists in most market environments of a long-term (15-year or greater) outperformance of small cap and value stocks, relative to large cap and growth stocks, and hence the stock (equities) portion of an investor's portfolio may be "tilted" toward small cap and value

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stocks. Accordingly, the normally greater expected returns of the equity portion of the portfolio will often permit the overall allocation to equities (stocks, stock mutual funds) to be reduced, and the allocation to fixed income investments increased. MWM believes this is the best manner to temper the shorter-term volatility of the stock market, especially for clients who derive cash flow from their portfolios, such as clients who are in retirement years.

While MWM seeks to reduce non-compensated risks to which a client may be exposed, other risks (including but not limited to the risk of a general stock market decline) may be assumed in order to seek to attain the clients' longer-term financial goals and objectives. However, MWM cannot provide any guarantee that the clients' goals and objectives will be achieved.

#### **Types of Risk**

MWM seeks to educate clients of various risks and select only those risks that they can tolerate in exchange for potential return. Investors face the following investment risks:

- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. Political, economic, and social changes may trigger market events.
- **Inflation Risk:** When inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **ETF and Mutual Fund Risk:** When investing in an ETF or mutual fund, Client will bear additional expenses based on the pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

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- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or company within an industry. For example, oil-drilling companies depend on finding oil and refining it, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Small Capitalization Stock Risk:** Small companies often have narrower markets and limited financial resources, so investments in these stocks present more risk than investments in those of larger, more established companies.
- **Value Style Investing Risk:** Companies that are thought to be "under-valued" may never reach their full estimated market value and value style investing may fall out of favor and underperform growth or other style investing during given periods.

#### **Risk of Loss, Certain Higher-Risk Securities**

Certain securities recommended, such as U.S. small cap mutual funds, and similar pooled investment vehicles inside variable annuities, possess higher levels of volatility (as individual asset classes within a portfolio). MWM may employ these securities as part of an overall strategic asset allocation for a client, and when such is undertaken MWM possesses a reasonable belief that the risk-return relationship for these securities will be beneficial for the client over the long term.

Please also note that while all Certificates of Deposit (CDs) purchased for our clients are FDIC-insured, the pricing of certain of these CDs, which trade in the secondary market, can vary; accordingly, due to price declines and/or transaction costs associated with trading, these CDs could lose value if redeemed prior to maturity. When CDs are recommended to clients, it is our intent that clients hold the CDs to maturity.

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#### **Cash Balances in Client Accounts**

Cash in clients' investment accounts is typically swept into one or more FDIC insured banks affiliated with Charles Schwab & Co. Inc. MWM discusses with each client during the time of review conferences and at other times, upcoming cash flow needs and seeks to plan accordingly to meet those needs. While it is not the practice to encourage clients to maintain a large amount of cash in their accounts, such may be undertaken at the request of the client, or to facilitate billing of MWM's periodic fees, or for other reasons. Upon the request of a client, cash balances will be maintained for temporary or short-term purposes.

#### **Item 9: Disciplinary Information**

MWM has had no legal or disciplinary events which are required to be disclosed under the guidelines for such disclosure promulgated by the U.S. Securities and Exchange Commission.

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

Gabriel J. Markiz is a principal of Gabriel J. Markiz, CPA, PC, an affiliated accounting firm providing accounting, tax preparation, and tax planning to select clients. MWM's advisory clients may also be Gabriel J. Markiz, CPA, PC's accounting clients. Mr. Markiz offers MWM clients the opportunity to utilize the services of Gabriel J. Markiz, CPA, PC for their tax and accounting needs. There are no direct fees paid to MWM or Mr. Markiz for such referrals.

Should clients of MWM choose to engage Gabriel J. Markiz, CPA, PC, Mr. Markiz will receive normal compensation for his respective role as an accountant with Gabriel J. Markiz, CPA, PC. Additionally, as Mr. Markiz is the owner of Gabriel J. Markiz, CPA, PC, he shares in profits of Gabriel J. Markiz, CPA, PC. The additional receipt of compensation creates a conflict of interest in that Mr. Markiz has a financial incentive to recommend Gabriel J. Markiz, CPA, PC to MWM clients as opposed to other accounting firms. To mitigate these conflicts, they are disclosed to clients of MWM at the time of their engagement with the Firm - through the delivery of the Firm's Disclosure Brochure and applicable Brochure Supplements. Further, MWM Clients are made aware that they are under no obligation to utilize Gabriel J. Markiz, CPA, PC for their accounting needs, and are free to select any accountant of their choosing. MWM's Wealth Management Program offers accounting and tax preparation services as part of the annual fee billed to clients in the program. Consequently,

if Wealth Management clients utilize these services, an appropriate fee for the work performed, based on time and complexity, is charged to MWM by Gabriel J. Markiz, CPA, PC, and is recorded on the books of both entities.



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As a fiduciary, Gabriel J. Markiz, President and majority shareholder of MWM has the professional responsibility to avoid a disruption of service to clients in the event of an unforeseen event such as disability or death. To that end, MWM entered into a Practice Continuation Agreement with FP Transitions effective November 7, 2017. Additional information can be provided to any current or prospective client upon request.

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

##### **Code of Ethics**

MWM has adopted a Code of Ethics, to which all investment advisor representatives and employees are bound to adhere. The key component of our Code of Ethics states that MWM and its investment advisor representatives and employees shall always:

- *Act in the best interest of each and every client;*
- *Act with integrity and dignity when dealing with clients, prospects, team members, and others;*
- *Strive to maintain and continually enhance our high degree of professional education regarding investments, tax, estate, and risk management planning; and*
- *Always seek to preserve our firm's independence and to maintain our complete objectivity with respect to our advisory services and each recommendation made to our clients.*

MWM further adopted a detailed Code of Ethics expressing the firm's commitment to ethical conduct which is utilized to guide the personal conduct of our various team members. This detailed Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth our practices of supervising the personal securities transactions of employees with prior or concurrent access to client trade information.

MWM will provide a complete copy of the Code of Ethics to any client or prospective client upon request.

##### **Participation or Interest in Client Transactions and Personal Trading**

MWM does not currently participate in securities in which it has a material financial interest. MWM and its related personnel, as a matter of policy, do not recommend to clients, or buy or sell for client accounts, securities in which the firm or its related persons has a material financial interest.

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MWM's Code of Ethics stipulates that individuals associated with our firm may buy or sell securities for their personal accounts identical to or different than those recommended to clients. However, it is the expressed policy of our firm that no person employed by the firm shall prefer his or her own interest to that of an advisory client nor make personal investment decisions based on the investment decisions of advisory clients.

To supervise compliance with the Code of Ethics, MWM requires that anyone associated with this advisory practice ("access persons") to provide annual securities holding reports and quarterly transaction reports to MWM's Chief Compliance Officer or his designee. MWM also requires access persons to receive advance approval from MWM's Chief Compliance Officer or his designee prior to private placements, and with regard to trading of certain individual securities. All employees are prohibited from investing in any initial public offerings.

The Code of Ethics further includes our firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. MWM requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

## Item 12: Brokerage Practices

### Selected Brokerage Firms (Custodians)

MWM utilizes the services of Charles Schwab & Co., Inc., which provides trading services with no commission on certain trades. Schwab provides services to independent investment advisors on an unsolicited basis and at no charge to them. However, not all independent investment advisors recommend a particular custodian to their clients. The benefits provided by Charles Schwab & Co., Inc. include assistance with practice management and assistance with the management of client accounts, including but not limited to: (a) receipt of duplicate client confirmations; (b) receipt of electronic duplicate statements; (c) access to a trading desk serving investment advisor firm participants exclusively, and providing research, pricing information, and other market data; (d) access to the investment advisor portion of their websites which includes practice management articles, compliance updates, and other financial planning related information and research materials (including, for example, rating reports on individual companies from Standard and Poor's or other sources); (e) access to other vendors (such as insurance or compliance providers, or providers of research or other materials) on a discounted fee basis through discounts arranged by the custodians; (f) permitting MWM to access an electronic communication network for client order entry and to access clients' account information; (g) conferences at which advisors and employees of our firm may attend and receive education on issues such as practice

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management, marketing, investment theory, financial planning, business succession, regulatory compliance, and information technology.

Participation in the custodian's programs also provides access to certain mutual funds which are available only to institutional investors, such as the mutual funds of Dimensional Fund Advisors. The benefits received through participation in the custodian's programs may depend upon the number of transactions directed to, or the amount of assets placed in custody with Charles Schwab & Co., Inc.

Generally, many of these services may be utilized to service all or a substantial number of our clients' accounts. Educational, research, or other services provided by custodians like Charles Schwab & Co., Inc. or mutual fund companies may benefit all MWM's clients or may benefit only some clients.

#### **Our Recommendations of Brokerage Firms**

MWM may utilize the clients' broker of choice, however MWM encourages clients to use Charles Schwab & Co., Inc. If another broker is utilized, MWM may not possess access to certain mutual funds and other investments that are available only to institutional investors or funds which would require a significantly higher minimum initial investment, and commission rates paid, or transaction fees paid may be higher than the fees negotiated by MWM. While as a fiduciary, MWM endeavors to act in its clients' best interests, and the desire that clients maintain their accounts at Charles Schwab & Co., Inc. may be based in part on the benefit of the availability of products and services at no or at reduced costs, and not solely on the nature, cost, or quality of custody and brokerage services provided by the custodian, and this may create a potential conflict of interest. MWM's clients may pay higher transaction fees, commissions for stock and ETF trades, and principal mark-ups and mark-downs relating to purchases and sales on a principal, as opposed to an agency basis, than those charged by other discount brokers. MWM prefers to recommend custodians who possess significant size and financial resources for purposes of enhanced safety of clients' funds. For these reasons, the lowest cost custodian for clients may not be recommended to clients by MWM.

#### **Soft Dollars**

MWM does not receive any soft dollar benefits.

#### **Non-Aggregation of Client Trades**

MWM has chosen not to aggregate (combine) the trades of its clients. This is because all trade decisions are reviewed for near-term and long-term tax efficiency, which requires individual analysis of most trading decisions. This individual analysis of trades does not lend itself to computer software programs which could aggregate trades. Most trades are mutual funds where trade aggregation does not garner any client benefit.

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MWM's clients do not receive the benefits of reduced transaction fees that may be available by aggregating trades.

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

*Periodic Portfolio Reviews* are undertaken by MWM to ascertain if the values in any asset class have strayed beyond their target minimums or maximums, and for purposes of meeting clients' cash flow needs. Even if one or more asset classes fall outside their target minimums or maximums, the advisor may determine not to rebalance the asset class for various reasons, such as avoidance of short-term capital gains, deferring long-term capital gains realization, minimization of transaction costs, or our view on whether the asset class is undervalued or overvalued relative to historic norms and our view of the level of the macroeconomic risks to which the asset class may be exposed. Such in-house portfolio reviews are subject to additional restrictions set forth below.

*Additional Portfolio Reviews* are undertaken upon request by the client, such as when special cash needs arise or when additional cash or securities are added to the investment portfolio. MWM will respond to such requests within a reasonable period of time.

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation. MWM may also undertake sales and purchases during this time to effect tax loss harvesting, in addition to rebalancing actions.

*The account reviewer is* Gabriel J. Markiz, MSFP, CPA/PFS, CFP® who considers the clients' current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

In undertaking rebalancing actions, MWM will seek to rebalance one or more asset classes closer to the targets. MWM may decline to rebalance a specific asset class, due to tax concerns, high transaction costs relative to the trade amount, or other reasons.

#### **Portfolio Reports Provided to Clients**

*Quarterly Reports* of the clients' investment portfolio may be sent from MWM which include a performance report of the clients' portfolio. In addition, in January or February of each calendar year, the client may be provided with a realized gains and loss report for any taxable accounts which are under management to aid the clients' CPA/accountant/tax preparer in income tax preparation.

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Clients may also directly access account information at Charles Schwab & Co., Inc., each and every business day, via the secure web sites of these institutions.

*Monthly or Quarterly Statements Directly from Account Custodians* are sent to the client directly from the corresponding brokers, banks, mutual funds, partnership sponsors, and/or insurance companies which hold the clients' investments. These statements reflect the assets in the custodian's custody, together with confirmations of each transaction executed in the account(s). Most custodians allow the client to elect to receive these statements by e-mail rather than U.S. mail.

**Clients are strongly encouraged to review the monthly or quarterly statements they receive from custodians.** While MWM hopes that our clients trust our firm and advisors, and MWM has never had an instance of theft of client funds, MWM believes it is nevertheless important for clients to verify their investment holdings and to ensure that all account transactions, including deductions to pay advisory fees remain proper, and to contact us with any questions.

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

MWM *does not* provide or accept compensation from any person for client referrals. Referrals to other professionals may be undertaken where appropriate to meet the clients' needs. These situations include:

- Referral to Gabriel J. Markiz, CPA, PC for accounting and preparation of the clients' tax returns. While MWM may assist Gabriel J. Markiz, CPA, PC by providing information for purposes of accounting and tax preparation, Gabriel J. Markiz, CPA, PC will provide these services directly to the client. Gabriel J. Markiz, CPA, PC then bills MWM for such services. While MWM employs a Certified Public Accountant (CPA) as a financial planner and investment advisor, this CPA does not provide tax preparation and accounting services as an employee of MWM. However, he does provide these services as an employee of Gabriel J. Markiz, CPA, PC
- Referrals to attorneys for legal advice and document preparation may be undertaken for preparation of any recommended estate planning documents, the implementation of various strategies relating to asset protection planning, legal document preparation relating to transactions involving closely held businesses and/or professional firms, and other similar services. MWM is not a law firm and does not provide legal services.

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- Referrals to insurance agents for risk analysis, review, and purchase of insurance products may be undertaken for the implementation of various insurance strategies relating to investment, asset protection, and estate planning. MWM's advisor representatives are not licensed insurance agents or consultants.

#### **Item 15: Custody**

It is our policy not to accept custody of clients' securities. With client consent, MWM may be provided with the authority to deduct MWM's fees from clients' accounts, which the SEC considers to give MWM custody of client accounts. This process is more efficient for both the client and the investment advisor, and there may be tax benefits for the client to this method when fees can be paid from certain tax-deferred accounts of clients.

#### **Item 16: Investment Discretion**

MWM accepts limited forms of discretion over clients' accounts, as follows, with the consent of the client. Each client's grant of discretion is evidenced in the client services agreement (or addendums thereto) signed by the client and is further evidenced to the custodians through a limited power of attorney contained in the account establishment form signed by the client or a separate limited power of attorney document signed by the client.

All clients appoint MWM as the clients' agent and attorney-in-fact with respect to undertaking trades in client accounts. MWM's ability to enter trades electronically for clients often provides reduced transaction fees and other benefits to the client.

MWM prefers to contact clients in advance of trades, but the limited form of discretion we believe better enables our firm to serve our clients. MWM seeks to undertake a minimal amount of trading in client accounts, in order to keep transaction fees, other expenses, and tax consequences associated with trading to minimal levels.

*Limited discretion to rebalance in accordance with investment policy – for some client accounts.* With client consent, MWM will deploy cash additions (or cash arising from the redemption of maturity of securities) in clients' portfolio in accordance with the clients' investment policy statement. In addition, MWM will accept from such clients the discretion to rebalance the clients' portfolio back closer to its desired targets. Clients typically grant such authority to MWM for rebalancing purposes when the clients' business affairs or travels are such that the client is likely to be unavailable to MWM to confer, prior to entering any recommended trade(s).

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#### **Item 17: Voting Client Securities**

As a matter of firm policy and practice, MWM does not accept authority to vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Generally, clients will receive their proxies or other solicitations directly from the custodian or transfer agent. However, clients may call or e-mail their advisor with questions regarding a particular proxy or other solicitation, and MWM may provide advice to clients regarding clients' voting of proxies or such solicitations, upon request of a client or clients or in unusual circumstances.

#### **Item 18: Financial Information**

MWM does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. MWM accepts limited forms of discretion over clients' accounts, as described in Item 16 of this Brochure. Due to this acceptance, MWM is required to disclose any financial condition that is likely to impair its ability to meet contractual commitments to clients. MWM currently possesses no such financial condition. MWM has never been the subject of bankruptcy proceedings.