

Form ADV Part 2A: *Firm Brochure*



Quest
Investment
Management

Quest Investment Management, Inc.

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03/29/2011

This brochure provides information about the qualifications and business practices of Quest Investment Management, Inc. If you have any questions about the contents of this brochure, please contact us at (503) 221-0158. 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 Quest Investment Management, Inc. also is available on the SEC's website at 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 110640.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 03/29/2011, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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Item 4 Advisory Business

Quest Investment Management, Inc. (“Quest” or “Advisor”) is a SEC-registered investment adviser with its principal place of business located in Oregon. Quest Investment Management, Inc. began conducting business in 1985.

Quest is independently owned and operated by its shareholders, all of whom are employees of Quest. Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company):

Kevin M. Johnson

Cameron M. Johnson

Quest Investment Management, Inc. offers the following advisory services to our clients:

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's individual investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine 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.

Our firm provides continuous full-time management of assets. Quest utilizes a flexible “fully managed” investment strategy and approach which enables our firm to vary assets with investment trends. The strategy will be to increase investment in equities during periods of rising stock market indices. Inversely, an investment strategy may be to reduce investments in equities during periods of declining stock market indices or when, in our judgment, total returns from debt, convertible securities and short-term liquid cash investments are expected to exceed returns from equity securities and long bonds.

Our firm utilizes a Top Down strategy, initiating investment considerations with an analysis of credit, quantitative-statistical big picture indications, and global events including economic, political and social cycles/trends. This process assists us in asset allocation decisions as to long or short term maturity debt, cash equivalents and equity commitment.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

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

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- ETF's
- United States governmental securities
- Interests in partnerships investing in real estate

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

SUB-ADVISORY PROGRAM

Quest Investment Management, Inc. (Quest) may determine to contract with another legally registered advisor whereby Quest is the Sub-Advisor. Quest (Sub-Advisor) will tailor its professional management of portfolios to the individual client of Advisor. For all purposes, including bonding insurance, suitability and fiduciary liability each account shall be deemed the Client of both the Advisor and Sub-Advisor. Each individual client that engages in the combined Advisor and Sub-Advisor (Quest) relationship shall receive prior to, or at the time of entering into an agreement, the Advisors contract, required disclosure statement per registration and 1) Sub-Advisors ADV Part II and 2) the agreement specific to the individual client between Advisor and Sub-Advisor. Quest presently has an agreement with Johnston & Associates, Inc., Denver, Colorado (Advisor) and Quest (Sub-Advisor).

REAL ESTATE POOLED TRUSTS

Quest also provides investment advisory services to eight real estate pooled trusts. Quest Group Trusts (QGT) were created pursuant to Offering Memorandums intended to meet the requirements of Rev Rule 81-100, 1981-1 C.B. 326 and IRS Section 401 (a) (24), for the purpose of providing participating investors, (individual retirement trusts) that are section 501 (a) federal income tax exempt, with a medium for pooling of their funds for investment by the QGT in equity real estate. There are presently 8 separate QGTs.

All QGTs are invested 100% in equity with no debt or leverage. QGT takes title to a property upon completion and delivery of a local government Certificate of Occupancy. The investment objectives of QGT include: an annual net cash payout to investors competitive with other income-producing commercial real estate, capital appreciation of

the properties due to the dynamics of the real estate (location, cash flow, tenant mix, maintenance). Investments in real estate are confined to the Portland, Oregon metro area. MAI independent appraisals of real estate are completed annually.

Advisor's oversight responsibilities to QGTs include supervision of daily activities, monthly financial analysis and review of each QGT, collection of income, payment of expenses, supervision of property management, timely maintenance, tenant relations, regular reports to investors, preparation of pro-forma budgets, analysis and recommendations to Trustee.

Quest may propose to tax-qualified clients a participation in pooled equity real estate trusts managed by Quest. Trustees shall make the decision to transfer assets from their general portfolio.

Union Bank, is the Trustee and the Custodian for each Quest Group Trust 1 through 8. QGTs are audited annually by KPMG.

Property Management

Quest has a property management department which provides the industry standard management functions for each property owned by QGTs 1-8. Quest's property management department is operated on a non-profit basis. Property Management fees collected in excess of department direct expenses, less a prudent reserve, will be rebated to QGTs. Separate financials are generated for the department. The objective of the department is improved tenant relations, lower expenses, which translate into tenant retention.

AMOUNT OF MANAGED ASSETS

As of 3/26/2011, we were actively managing \$2,032,092,274 of clients' assets on a discretionary basis.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES

The annualized fees for Investment Supervisory Services are calculated as a percent of net market value ("NMV") of assets, as determined by an internal portfolio management system which utilizes an outside pricing service and is reconciled against a custodial statement. Annualized fees are charged as a percentage of assets under management, according to the following schedule:

<u><i>Assets Under Management</i></u>	<u><i>Annual Fee (% of NMV)</i></u>
\$5,000,000	1.0%
\$5,000,001	Negotiable

On a case-by-case basis, Quest Investment Management, Inc. determines an appropriate fee structure based on the size, complexity and investment objectives of the client's

account.

Each quarter a fee will be calculated on the aggregate fair market value of cash and securities in the client's account on the last business day of the quarter as determined by a third-party pricing service. In calculating the value of securities in the Account, the value of any security listed on any national securities exchange shall be valued at the last quoted sale price of the valuation date. Any other security or asset shall be valued by the Manager in such a manner as will reflect its fair market value.

Our fees are billed in arrears at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement. In addition, Quest will prorate (based on actual days and a 365 day year) its fee if, during any calendar quarter, net deposits to or withdrawals from the Account significantly differs, in Quest's sole determination, from the market valuation of the preceding quarter's Account.

SUB ADVISORY PROGRAM

As indicated in Item 4. Quest may also provide Investment Management Services as a sub-adviser; in other words, a client may engage an independent investment adviser (the "Sponsor") which, in turn, will engage Quest to provide portfolio management services to all or part of its clients' portfolios. In this situation, Quest will receive a portion of the fee charged by the independent adviser to the client, based on the size and complexity of the client's account and the agreement between Quest and the Sponsor.

Client accounts whereby Quest acts as a sub-advisor will not incur fees higher than those charged for the conventional Client/Advisor relationship. The amount of fees passed on to the sub-advisor is disclosed in the Client/Advisor agreement and the agreement between Quest and the Sponsor. Clients should refer to the Sponsor's disclosure documents for full information on the Sponsor's advisory services.

REAL ESTATE POOLED TRUSTS

Annual fees for QGTs are 0.75% of net market asset value of the real estate portion and 0.25% on 20% of the non-real estate or cash portion for Advisor and 0.25% of net asset value each for Trustee and Custodian. A potential conflict of interest may arise in calculating client's fees when a fair value must be determined for a particular security for which no market quotation is readily available. Due to FAS 157 requirements, Advisor may be asked by Auditor and/or Trustee to provide a fair valuation report on QGTs. Such report would be available to the appropriate QGT investor upon request. QGTs are commingled pools that invest only in to-be-built commercial income producing real estate. All QGTs are invested 100% in equity with no debt or leverage.

GENERAL INFORMATION

Limited Negotiability of Advisory Fees: Although Quest Investment Management, Inc. has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related

accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination, Quest will prorate (based on actual days and a 365 day year) its fee if necessary.

Mutual Fund Fees: All fees paid to Quest Investment Management, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm 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. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Wrap Fee Programs and Separately Managed Account Fees: Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Grandfathering of Minimum Account Requirements: Pre-existing advisory clients are subject to Quest Investment Management, Inc.'s minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

ERISA Accounts: Quest Investment Management, Inc. is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. . 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, Quest Investment Management, Inc. may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Quest Investment Management, Inc.'s advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

Item 6 Performance-Based Fees and Side-By-Side Management

Quest does not charge performance based fees.

Item 7 Types of Clients

Quest Investment Management, Inc. provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans(other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above

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

GENERAL

Quest's Investment Committee meets at least weekly to evaluate investments based on a variety of factors described below.

METHODS OF ANALYSIS

In developing its investment recommendations, Quest may use commercially available information services and financial publications, research materials prepared by various broker-dealers and other research developed by other third-party providers.

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is under priced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may under perform regardless of market movement.

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 our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

Quest Investment Management, Inc. offers investment management and advisory services using the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

- Large Capitalization Growth Stocks (Large Cap Equity)
- Small/Mid Capitalization Growth Stocks (Small Cap Equity)
- Intermediate Fixed Income
- Short Term Fixed Income
- Balanced

LARGE CAP/SMALL CAP GROWTH EQUITIES

Quest's investment philosophy with respect to the Large Cap Equity, Small Cap Equity and equity portions of Balanced portfolios can be described as Top Down (analysis of overall economy), Theme Driven. We typically hold between 50 and 100 stocks. Our process emphasizes companies that we believe are likely to demonstrate revenue and earnings growth, have compelling business franchises, solid existing business fundamentals, potential for positive price or business catalysts and solid management. Decisions on sector and industry weightings as well as individual stock selection begin with an unbiased evaluation of sector, industry and stock strength. Quest utilizes a multi-component screening process to examine technical, fundamental and valuation metrics for the eligible, investable universe of stocks. The first level of screening determines the investment health of the economic sectors and industries. The screen will help to determine the sector weights of the portfolio and will generate an initial list of attractive stocks. An additional level of screening narrows the list of stocks to a shorter list to own taking into account subjective qualifications on the economic outlook for the individual sectors and industries. The final screen pinpoints the optimal time to buy the stock factoring in technical chart analysis.

INTERMEDIATE AND SHORT TERM FIXED INCOME

Quest Investment Management offers a high quality Core Investment Grade Fixed income product designed to maximize income while preserving capital. All bond holdings are rated investment grade. Bond holdings include U.S. government, U.S. agencies, U.S. agency mortgaged-backed securities, and high grade corporate securities. Duration target range is 3 - 5 years. Our philosophy is driven by prudent income maximization, customized to meet client needs. Working with the client's objectives in mind, we tailor each account to meet our client's specific goals and objectives. We believe the primary goal of successful fixed income investment management is maximizing portfolio yield without taking significant principal risk. Safety of principal has long been a key tenet of successful fixed income management; we will not risk client assets by adding portfolio leverage or derivatives.

- Prudent income maximization
- Safety of principal & diversification
- Portfolio customized to meet client needs
- Limited non-benchmark portfolio risk
- Duration variance is 1 year

BALANCED STRATEGY

Quest's Balanced strategy seeks to provide clients with a balance of long-term capital appreciation and current income. The Balanced strategy consists of allocations of the Large Cap Equity strategy and Fixed Income strategy. The percentage of each strategy used will be based on the Investment Committee's overall top down view of the economy and risks to each strategy.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work 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.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Big Sky

On April 1, 2009, Advisor retained the services of Big Sky Marketing Client Service, Inc. (Big Sky). Big Sky will provide client service consulting expertise for certain clients of Advisor in exchange for fee revenue sharing. This arrangement will not cause any client to incur any additional fees or charges. Big Sky is not allowed to solicit any new business for Quest.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Quest Investment Management, Inc. 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.

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 access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Quest Investment Management, Inc.'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 particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to compliance@questinvestment.com, or by calling us at (503) 221-0158.

Our Code of Ethics is designed to assure 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.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

Item 12 Brokerage Practices

Advisor Directed Brokerage

Unless otherwise directed, Quest Investment Management, Inc. will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help Quest Investment Management, Inc. in providing investment management services to clients. Quest Investment Management, Inc. may, therefore recommend (or use) the use of a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all our clients, and not all of such research may be useful for the account for which the particular transaction was effected.

Quest may pay a broker a commission in excess of that which another broker is willing to charge if, in our judgment, the greater commission results in an overall economic benefit to all clients as a consequence of collateral services rendered (section 28e of the SEC Act of 1934). Research furnished by brokers and utilized by Quest may be of benefit to all clients and may not be limited to the beneficial use of only those clients for whom transactions were effected. These transactions are not conducted on a principal basis.

Quest endeavors to effect best execution for buy and sell transactions for clients considering all relevant circumstances. Factors considered by Quest include: the competitiveness of a brokers commission rates and spreads, promptness of execution, past history in executing orders, accuracy, clearance and settlement capabilities, and access to the marketplace. Quest considers qualitatively both market price paid or received and commissions paid to broker. In evaluating all of the above factors, Quest makes a good faith determination that the amount of client commissions paid is reasonable in light of the value of products or services provided by the broker-dealer.

Soft Dollar Arrangements: Quest may engage in soft dollar arrangements to obtain research and services for use in the investment making process. These Soft Dollar Arrangements comport with the CFA Institute Soft Dollar Standards. Additional information is available upon request. Quest uses a three-level analysis in determining whether a received product or service aids in the investment decision-making process:

Level 1: Define the product or service received.

Level 2: Determine whether the defined product or service will directly assist Quest in the investment decision-making process.

Level 3: Decide whether the research, as determined in Level 1 & 2, is 100% used for assistance in the investment decision-making process. If less than 100%, Advisor determines that the product or service is "Mixed-Use" research.

Research is defined as lawful and appropriate assistance to the Advisor in the performance of its investment decision-making responsibilities. Factors considered include size and experience of the staff providing the information, accessibility, timelines of recommendations, and success rates of forecasting. Research products include written reports, conference calls, faxes, email, and visitation by analysts.

There are, generally, two sources of research within the context of this disclosure: proprietary and third-party. Proprietary research represents information generated inside a brokerage firm that is made available to advisors. The broker will make its proprietary research as defined above, available to Advisor in return for commissions. There are no amounts required to be paid by Advisor and no obligations by either party. Quest receives proprietary research from selected brokers. Quest may use commissions in return for research services (which Advisor uses in making investment decisions on behalf of clients) tendered by a qualified individual that is associated with a broker. Third-party research is where a broker agrees to provide outside research (not generated by broker) in return for a specified gross commissions. Third party research received includes written analysts' reports, conference calls, faxes, emails, online access and on site visits by analysts. This research is not readily available to the general public.

Quest Investment Management, Inc. will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Additionally, Quest may also utilize Commission Sharing Arrangements ("CSA"), whereby a portion of generated commissions is credited to Quest for use toward Section 28(e) eligible research. Advisor chooses to use CSA where it believes that the execution at the CSA broker is superior to the execution at the broker providing Section 28(e) research services. Quest believes this is a superior solution in that Advisor receives research services for use in the investment decision process while also receiving better trade execution on behalf of clients. Examples of research provided through CSA arrangement include Telsey Advisory Group, Wolfe Trahan, Street Account, Thompson Reuters.

Quest's Brokerage Committee will meet periodically to determine, in good faith, that amounts of all commissions are reasonable in relation to the value of the brokerage and research services provided. Advisor's brokerage committee will use a three step analysis to determine whether a particular product or service falls within the 28(e) safe harbor: 1) Determine whether the product or service constitutes brokerage or research under Section 28(e). 2) Determine whether the product or service actually provides lawful and appropriate assistance in the performance of the Advisor's investment decision-making responsibilities. 3) Make a good-faith determination that the amount of client commissions paid is reasonable in light of the value of products or services provided by the broker-dealer.

Client Directed Brokerage

Client Directed Brokerage: Client may direct Advisor to use a broker offering "Commission Recapture" services to Client. Advisor has a responsibility to seek to obtain best execution and arrangements that require a certain percentage of Brokerage for Commission Recapture may potentially affect Advisor's ability to obtain best execution and obtain adequate research. The Client who directs the Advisor to use a specific broker, or places assets with a broker as custodian, may pay higher commissions on some transactions than might be attainable by the Advisor, or may receive less favorable execution of some transactions, or both. In the event that the Client directs the Advisor to use a particular broker or dealer, it should be understood that Advisor may not have authority to negotiate commissions, obtain volume discounts and best execution may not be achieved for the client's securities transactions. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients. The Client may also forego any benefit from savings on execution costs that the Advisor could obtain for its clients through negotiating volume discounts on batched transactions. A Client directing brokerage may not be able to participate in an allocation of shares of a new issue if those new issue shares are provided by another broker. The Client may direct the Advisor to use a particular broker from whom the Advisor receives or may receive referrals and the Advisor may derive a benefit.

Clients may also have negotiated commission recapture programs with brokers and will instruct Quest to use such brokers for at least a portion of the client's securities transactions. In this circumstance, Quest will monitor commissions generated with a broker.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Quest Investment Management, Inc. will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Quest Investment Management, Inc.'s block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Quest Investment Management, Inc., or our firm's order allocation policy.

- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The trading desk in concert with the portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Quest Investment Management, Inc. to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Prior to entry of an aggregated order, a written (including email) order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- 8) Quest Investment Management, Inc.'s client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 9) Funds and securities for aggregated orders are clearly identified on Quest Investment Management, Inc.'s records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- 10) No client or account will be favored over another.

Item 13 Review of Accounts

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be 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 the Quest Investment Committee which is comprised of Cameron Johnson (CEO), Monte Johnson (Chairman), Gregory Sherwood (President), Douglas Goebel (Senior Vice President), E. Adrian Hamilton (Vice President) and Garth Nisbet (Senior Vice President)

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings.

SUB ADVISORY PROGRAM

REVIEWS: The performance of the client accounts managed by quest on a sub-advisory basis is continually monitored by our firm. Furthermore, accounts within this program are formally reviewed at least quarterly. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

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REPORTS: In addition to the monthly statements and confirmations of transactions that these clients receive from their respective broker-dealer, we provide the client with written quarterly performance reports. Unless otherwise contracted for, we do not typically provide additional reports.

Item 14 Client Referrals and Other Compensation

It is Quest Investment Management, Inc.'s policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Quest Investment Management, Inc.'s policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

Quest Investment Management Inc. does not maintain physical custody of client funds or securities. 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 is required to 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 may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Item 16 Investment Discretion

Clients may hire us to provide discretionary investment advisory 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/or
- 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/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

We vote proxies for all client accounts; however, you always have the right to vote proxies yourself. You can exercise this right by instructing us in writing to not vote proxies in your account.

We will vote proxies in the best interests of its clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, 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 making a decision 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. Certain clients have expressly retained proxy voting authority and, in such instances, Quest has no proxy voting responsibility and may not take any action regarding those client's proxies.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Cameron Johnson by telephone, email, or in writing. Clients may request, in

writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are 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 us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact Cameron Johnson by telephone, email, or in writing.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Quest Investment Management, Inc. has no additional financial circumstances to report.

Quest Investment Management, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.