

Form ADV Part IIA

November 2011

The content of this Form is not approved by any securities authority



Cascade Investment Advisors, Inc.

1507 NW 24th Avenue

Portland, OR 97210

p 503-417-1950

p 888-443-9015

f 503-427-7827

michelle.rand@cascadeinvestors.com

www.cascadeinvestors.com

Section 2, ADV Part IIA

Material Changes since Last Filing

Website went live: www.cascadeinvestors.com

Section 3, ADV Part IIA

Table of Contents

Page Four	Business Description, Fees
Page Five	Performance Fees, Accounts, Analysis, Disciplinary Action
Page Six	Other Activities / Material Relationships / Conflicts of Interest, Code of Ethics/Personal Trading
Page Seven	Brokerage Issues, Account Reviews
Page Eight	Compensation for Referrals, Custody, Discretionary Account Management, Proxy Voting, Financial condition
Page Nine through Eleven	Supplement

Section 4, ADV PART IIA

Advisory Business Description

We are a registered investment advisory firm (RIA). We manage individuals' assets to help them meet their financial goals. We manage money on a discretionary basis only.

This means that we do not consult with clients when we make investment decisions. Every client agrees to an investment policy statement which the client helps us formulate; this acts as a blueprint for managing the client's account. We manage to goals, and not for performance.

We have five employees. Two are administrative staff, and three are professional staff. All three professional staff earned the Chartered Financial Analyst designation. The CFA designation does not apply approval by any regulatory body. See ADV Part IIB for information on the CFA designation.

Our assets under management at this date are \$119 million.

Section 5, ADV Part IIA

Fees

Account Value	Annual Fee
Under \$1 million -a	0.95% of assets
Accounts over \$1 million	0.85% of assets on the first \$2 million; 0.75% on the next \$3 million
\$5 million and above	Negotiable
Bond portfolios	Negotiable

a- Applies only to household accounts worth less than \$1 million; all accounts over \$1 million will have a maximum fee rate of 0.85%.

Related accounts are aggregated to determine the annual fee. Fees are calculated on the average account balance each calendar quarter. This is calculated by adding the beginning market value to the ending market value and dividing by 2, then multiplying by the applicable fee percentage listed above. One quarter of the annual fee is charged each quarter. Fees are prorated if the account was not under management for the entire quarter.

We make every attempt to customize our fees to special situations. For instance, if you hold a security at a low cost basis that we will likely not sell, we may exclude it from the fee calculation.

Commissions are paid to a broker or your custodian and not the investment manager. Other fees charged by your custodian may apply.

Other fee arrangements may be made by petition to the firm; and the firm may also choose to alter the client's fee as befits the circumstances of the client relationship upon notice, verbal or written, to the client.

Section 6, ADV Part IIA

Performance Fees

We do not charge performance fees.

Section 7, ADV Part IIA

Type of clients / Minimum account size

We manage money for individuals who range in age from minors to elderly; our clients live all over the United States; some live in or are citizens of other countries.

We have no minimum account size.

Section 8, ADV Part IIA

Analysis methods we use / Risk of loss

In order to make investment decisions we investigate company fundamentals, historical valuation relationships, interest rate trends, and economic trends. We make judgments based on our experience as to the future potential of asset returns based on our analysis of these factors. We are value investors, which means we prefer to pay low prices for assets as compared to the return that we believe those assets are able to generate.

Investments that we choose may lose money. We do not guarantee any returns.

Section 9, ADV Part IIA

Disciplinary Action Against our Firm and/or Employees

None

Section 10, ADV Part IIA

Other Activities / Material Relationships / Conflicts of Interest

None of our employees engages in any financial industry activity other than employ at our firm.

One of our clients is a bond broker and we buy bonds for other clients from him. Conflicts of interest that could arise from this relationship may include:

- The client pays a higher than average price for buying bonds through this broker
- The manager (Cascade) channels trades through this broker in order to benefit the broker

One of our clients owns a company that manages real estate partnerships and we may advise other clients who are invested in those same partnerships. Clients, however, make their own decisions about investing in these funds. We cannot think of any conflict of interest this relationship may entail.

Section 11, ADV Part IIA

Code of Ethics/Personal Trading

Cascade Investment Advisors, Inc. has adopted the CFA Institute Code of Ethics. Every employee reads the code and agrees to abide by it. Management keeps a copy of the code signed by each employee on file. The contents of that code can be found here:

<http://www.cfainstitute.org/ethics/codes/ethics/Pages/index.aspx>

Employees of Cascade may buy the same assets when clients are buying, or sell those assets when clients are buying, depending on the individual's own particular investment objective. The same applies to clients selling. Trading policies are disclosed annually and in documents signed by the client at the outset of the manager relationship. On any purchase or sale of a stock for clients where the average daily trading volume is less than 100,000 shares, employees must wait until all client trades are executed before making their own purchases or sales. Management reviews employee brokerage statements

On any trade, employees may receive a better or worse price than any client.

Employees do not participate with clients in block trades.

Section 12, ADV Part IIA

Brokerage Issues

Brokerage selection: Brokers are selected based on their execution policies and knowledge of particular markets, such as municipal bonds, that can benefit our clients. We test brokers annually as to best execution, which describes how that broker routes orders, whether the broker executes at a fair price, and whether the broker provides special knowledge of the subject market. Brokers are paid commissions by our clients when transactions are made. Charles Schwab & Co provides Cascade research in return for those commissions. However, we do not use the research; it is provided in passive form, for us to access if we want, and we choose not to do so. This is called a “soft dollar” arrangement. If we liked the research and used it a lot, we could favor Schwab with our trades, which might be deleterious to the client. Schwab is tested annually for best execution and has always met our criteria.

Other than Schwab, we have no soft dollar arrangements.

Sometimes when trades are made, we buy in blocks and assign a portion of the block to each client. This is called block trading. Block trades can be cheaper to execute than individual trades. However, if we expect to buy a block of 10,000 shares and then our order is only partially filled during the trading day, so that the rest of the order must be executed the next day and maybe not at as favorable a price, we must decide who to allocate the first shares to. We allocate as follows:

If a buy, first to clients with cash to pay for the purchase.

If a sell, first to clients needing cash.

Buy or sell, to clients in alpha order from the top (letter “a”) one time, and from the bottom (letter “z”) the next time.

Section 13, ADV Part IIA

Account Reviews

Client accounts are reviewed annually on a formal basis, with a record of the review filed electronically. This review checks the asset allocation against the policy statement, checks the individual assets in the account for suitability given the client’s circumstances, notes any unusual assets, and records any updates to client circumstances. David Schue conducts the basic review for all accounts. Each portfolio manager then provides client updates for accounts assigned to him or her.

Other than the annual formal review, client contact occurs frequently, depending on client needs, and review of assets occurs every trading day.

Section 14, ADV Part IIA

Compensation for referrals

No compensation is paid to others to provide Cascade with referrals to potential clients.

Section 15, ADV Part IIA

Custody

Cascade Investment Advisors does not have custody of your funds.

Section 16, ADV Part IIA

Discretionary Account Management

Clients of Cascade Investment Advisors, Inc. sign an investment management agreement with Cascade granting us investment discretion. That means we can make purchase and sale decisions on your behalf. The only limitations we routinely accept on this authority relate to specific assets you may not want us to own for you, such as tobacco related issues, or other issues you find unacceptable; and when you would like us to hold cash for your own purposes in your account. Other exceptions may be negotiated with us, as manager.

Section 17, ADV Part IIA

Proxy Voting

You may choose to have proxies issued by your securities voted by us instead of voting them yourself. We vote issues considering shareholders' interests first, which means we do not always vote for management. If you would like to see how we voted a certain proxy, you can make a request in writing for our voting record for that issue.

Section 18, ADV Part IIA

Firm Financial Condition

There are no adverse material financial factors affecting our firm that would also affect the management of your assets.

ADV Part IIB Supplement

Contacts for your account at Cascade Investment Advisors, Inc:

David Schue
503.417.1950
David.Schue@cascadeinvestors.com

John Callegari
503.417.1950
John.Callegari@cascadeinvestors.com

Michelle Rand
503.417.1950
503.703.3622
Michelle.Rand@cascadeinvestors.com

Firm information:



Cascade Investment Advisors, Inc.
1507 NW 24th Avenue
Portland, OR 97210
p 503-417-1950
p 888-443-9015
f 503-427-7827
michelle.rand@cascadeinvestors.com
www.cascadeinvestors.com

ADV Part IIB Supplement

Biographical Information

Michelle Rand, founder, 1997. Michelle has 30 years of experience investing for individuals, businesses and charitable organizations. Her most recent position was with US Trust Company, managing \$200 million in client assets. She graduated from Reed College in 1981 with a B.A. in Economics. She received the Chartered Financial Analyst (CFA) designation in 1985, and the Series 6 and 63 licenses in 1995. Michelle participates regularly in the CFA Continuing Education Program and is a member of the Portland Financial Analysts Society as well as the Association of Investment Managers and Research Analysts. Michelle occasionally speaks to groups on a variety of investment topics, including investing basics, value investing, and market risk management. She has also given testimony as an expert witness on investment matters.

John Callegari, Portfolio Manager, 2008. John came to us from First Independent Bank headquartered in Vancouver, WA, where he was Chief Investment Officer managing all aspects of the trust department including its client relationships and staff. Prior to joining First Independent, John was responsible for opening the Vancouver, WA office of Harvest Capital Management, an investment advisory firm. The office reached \$40 million under management with an average account size over \$1 million before John and his business partner joined First Independent. John graduated cum laude in 1995 from Santa Clara University, with a B.S. in Biology. Originally headed for medical school, John decided to launch a career as an investment advisor, which suited his outgoing personality far better. John earned the CFA (Chartered Financial Analyst) designation in 2005.

David Schue, research analyst, 2001. Dave has over 20 years of business valuation experience. Dave began his career at Willamette Management Associates, Inc., then founded a firm called Corporate Valuations, Inc. with two colleagues. He received his Masters in Business in 1979 from the University of Edinburgh, Scotland. Dave is a Chartered Financial Analyst, a member of the Portland Society of Financial Analysts as well as the Association of Investment Managers and Research Analysts, and an Accredited Senior Appraiser with the American Society of Appraisers. He has valued a wide variety of businesses in several industries. He was a frequent expert witness in testimony relating to valuation issues. At Cascade, Dave is responsible for all aspects of equity research.

The CFA Designation

Below is the website for the CFA Institute, describing the requirements for individuals who choose to obtain the CFA designation:

<http://www.cfainstitute.org/cfaprogram/Pages/index.aspx>

ADV Part IIB Supplement

Disciplinary Action

None

Other Business Activities

None

Additional Compensation Other Than Fee Income

Hourly charges for non clients who request special projects, such as expert witness testimony.

Supervisory Person and Process

Michelle Rand, President, 503.703.3622, is the firm's supervisor. Work is supervised daily via a reading of all work produced:

- Employees copy Michelle on all client related emails.
- Written reports and client account reviews are posted firm-wide for all employees to critique; Michelle reviews this work daily.
- Portfolio managers conduct strategy sessions every 4-6 weeks for purposes of reviewing and critiquing the firm's investment strategy
- Compliance is tested not just once a year as proscribed by the SEC, but every few months; employees are counseled on compliance matters at staff meetings every 6-8 weeks