



**Item 1 – Cover Page**

Umpqua Investments, Inc.  
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January 6, 2011

This Brochure provides information about the qualifications and business practices of Umpqua Investments, Inc. ["Advisor"]. If you have any questions about the contents of this Brochure, please contact us at 503.226.7000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Advisor is a registered investment advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provides you with information about which you determine to hire or retain an Advisor.

Additional information about Advisor also is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## **Item 2 – Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC rules. This Brochure dated January 6, 2011 is a new document prepared according to the SEC’s new requirements and rules.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting Harry Striplin, Chief Compliance Officer (“CCO”) at 503.226.7000 or [info@umpquainvestments.com](mailto:info@umpquainvestments.com). Our Brochure is also available on our web site, [www.umpquainvestments.com](http://www.umpquainvestments.com), free of charge.

Additional information about Advisor is also available via the SEC’s web site [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Advisor who are registered, or are required to be registered, as investment advisor representatives of Advisor.

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#### Item 4 – Advisory Business

Advisor provides comprehensive financial planning advice to individuals and businesses. This advice can include cash management, risk management (insurance planning/sales), investment planning (including investment advice, portfolio checkups, retirement planning (for employees and employers), and/or estate planning.

Advisor's assets under management on January 6, 2011 equal \$278,273,301.18.

Umpqua Investments, Inc.  
Assets Under Management ("AUM")  
On January 6, 2011

<b>Product</b>	<b>AUM</b>	<b>Accts</b>
ALLOCATION ADVISORS	\$7,429,466.83	43
ASSET ADVISOR	\$102,200,818.87	452
CUSTOMCHOICE	\$52,691,200.24	353
DMA	\$2,777,752.76	5
FUNDSOURCE	\$13,182,825.93	104
MASTERS	\$33,800,567.46	195
PATHWAYS	\$1,501,670.67	16
PIM (Discretionary Accounts)	\$15,383,420.41	51
PRIVATE ADVISOR NETWORK	\$6,662,393.76	19
PRIVATE ADVISOR NETWORK	\$37,624,757.24	145
PRIVATE CLIENT	\$5.07	1
TERMINATED ACCOUNT	\$11,887,821.36	64
WELLS FARGO COMPASS	\$5,018,421.94	35
	\$290,161,122.54	1483
Less Terminated accounts	\$11,887,821.36	64
<b>TOTAL</b>	<b>\$278,273,301.18</b>	<b>1,419</b>

Please see Item 16 – Investment Discretion, regarding Umpqua Investments' discretion policy.

#### Item 5 – Fees and Compensation

Advisor does not require prepayment of fees.

Annual fees are negotiable up to 3% of investable assets.

Fees are generally payable at the start of each month. Clients may terminate the advisory relationship at any point in time upon written notice. Fees will be prorated to the date of termination.

The specific manner in which fees are charged by Advisor is established in a client's written agreement with Advisor. Advisor will generally bill its fees on a quarterly basis. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Advisor's advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer, taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Advisor's fee.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

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

## **Item 7 – Types of Clients**

Advisor provides portfolio management services to individuals, high net worth individuals, charitable institutions, foundations, endowments, small businesses, limited liability companies and corporations.

Advisor requires a minimum new advisory account opening value of \$25,000.

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

Advisor's investment strategy involves a combination of fundamental and technical analysis. Fundamental analysis looks at the "big picture," such as the overall economic outlook for a company, an industry, asset class or a country. Fundamental analysis is often associated more with a "buy and hold" mentality. Technical analysis, on the other hand, focuses primarily on the supply and demand for a particular asset or security, often looking for trends related to an asset's price. Technical analysis is more often associated with a "trading" mentality.

One example of a form of technical analysis might be charting a mutual fund's daily price compared to its simple moving average over a set period of time such as 50 days. One potential benefit of employing technical analysis is the possibility of avoiding "market meltdowns." However, the flip side is also true—technical analysis decisions may also mean missing significant upturns that often occur quickly and for short periods of time. Advisor primarily takes a longer-term investment stance, meaning trading frequency will generally be low (perhaps 1-4 trades for a particular security in a 12-month period, for example).

Advisor believes in the benefits of diversification (such as asset allocation, asset location—taxable and tax-deferred accounts—and time diversification, among other forms of diversification). While diversification can help to lower a portfolio's overall volatility (significant price changes), investing in securities always involves a risk of loss that clients should be prepared to bear. Advisor therefore attempts to balance reasonable levels of risk with reasonable levels of return to generate the capital necessary to meet client goals. Individual client risk tolerance and risk capacity are also important factors in the investment planning process.

Advisor typically recommends professionally managed investment products like low-cost mutual funds and exchange traded funds (ETFs). As with any investment, past performance is no guarantee of future results. But costs often do affect investment performance, so Advisor attempts to use low-cost products whenever possible, such as index funds and ETFs. Clients should always review and understand an investment's key literature such as a prospectus and annual report.

Investments can go down in value. You can lose some, much or all of your invested money. Do not invest money you cannot afford to lose.

## **Item 9 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Advisor or the integrity of Advisor's management. Advisor has no significant information applicable to this Item with regard to legal or disciplinary matters since its inception on September 28, 2006 as a Federally Registered Investment Advisor.

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

Advisor is both a registered investment advisor and a registered broker/dealer. Advisor in its combined roll as a broker/dealer and a Registered Investment Advisor provides comprehensive financial planning advice to its clients as well as standard broker/dealer services for traditional brokerage accounts. This advice can include cash management, risk management (insurance planning/sales), investment planning (including investment advice, supervisory services and/or portfolio checkups), retirement planning (for employees and employers), and/or estate planning. The broker/dealer side of Advisor offers traditional services such as buying or selling, stocks, bonds and mutual funds for its clients. Typically, the broker/dealer charges commissions for the transactions executed on behalf of its clients while the investment advisor charges percentage fees on the clients' portfolio value. If you are a buy and hold investor a fee based advisor account may not be in your best interest.

Please see Item 15 – Custody, regarding our affiliation with our clearing firm, First Clearing LLC.

## **Item 11 – Code of Ethics**

Advisor adheres to the Code of Ethics as promulgated by the Certified Financial Planner Board of Standards. Advisor's Code of Ethics will be provided upon request to any client or prospective client. In brief, Advisor provides professional services with integrity, objectively and diligently. Advisor employees maintain the knowledge and skill necessary to provide professional services competently. Advisor will be fair and reasonable in all professional relationships and disclose any conflicts of interest. Advisor protects the confidentiality of all client information. Advisor's employees act in a manner that demonstrates exemplary professional conduct.

Advisor has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Advisor must acknowledge the terms of the Code of Ethics annually, or as amended.

Advisor believes its employees should "eat their own cooking." Accordingly, it uses the same processes and procedures in developing investment strategies (and other financial services) for clients as for its employees. Thus employees will often invest in the same or other investment products as recommended to clients. Any potential conflicts of interest will be disclosed to clients.

Advisor anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Advisor has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Advisor, its affiliates and/or clients, directly or indirectly, have a position of interest. Advisor's employees and persons associated with Advisor are required to follow Advisor's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Advisor and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Advisor's clients.

Advisor's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting [info@umpquainvestments.com](mailto:info@umpquainvestments.com).

## **Item 12 – Brokerage Practices**

Clients have the option of authorizing Umpqua Investments, Inc. to have discretionary trading authority over their accounts, meaning Advisor can place buy and sell orders without obtaining specific client consent for a particular transaction (but overall consent to this service must be given in advance by the client, and this service will only be used for the convenience of the client). Advisor will not have the authority to deposit or withdrawal money from an account without the prior approval of the client

Soft dollar arrangements have developed as a link between the brokerage industry's supply of research and the money management industry's demand for research. Because commission dollars pay for the entire bundle of services, the practice of allocating certain of these dollars to pay for the research component has come to be called "softing" or "soft dollars". Advisor does not participate in soft dollar arrangements.

Advisor does not compensate or otherwise reward non-affiliated brokers for client referrals.

## **Item 13 – Review of Accounts**

Reviews will be conducted at least annually, or as requested by the client. Reviews will focus on year to date portfolio performance compared to client targets and benchmarks. Reviews may be triggered at any point in time in response to a disclosure by the client of a significant change in client circumstances (such as paying off a mortgage, retiring, changing employment, etc.). Accounts reviews are conducted by your financial advisor.

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

Advisor is affiliated with Umpqua Bank as both entities are subsidiaries of Umpqua Holdings Corporation, a publicly traded company under the NASDAQ stock symbol UMPQ. Advisor pays Umpqua Bank referral fees under certain circumstances. The referral fees are not charged to Advisor's customers nor are transaction costs or portfolio fees increased to cover the costs of Advisor's referral fees.

With the above affiliation in mind, it is important to understand that Advisor is not a bank. The securities, managed investments and insurance products offered by Advisor are: • **NOT FDIC INSURED** • **NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY** • **NOT BANK GUARANTEED** • **NOT A DEPOSIT OF THE BANK** • and **MAY GO DOWN IN VALUE**.

## **Item 15 – Custody**

Advisor does not take custody of customer funds or securities; these are held at our clearing firm, First Clearing, LLC ("FCC"). FCC provides clearing, custodial, execution and settlement services for our client's brokerage/advisor accounts. FCC provides Advisor's workstation technology systems, and many of our investment products. Although we facilitate, accept, enter, and advise on orders, all transactions are sent to FCC, which executes, clears, and settles our trades. FCC also maintains our customer's accounts, issues monthly statements, and delivers funds and securities.

Clients should carefully review the account statements they receive from our clearing firm and any other custodial statement sent to them.

## **Item 16 – Investment Discretion**

Advisor may receive discretionary trading authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, Advisor observes the investment objectives, policies, limitations and restrictions of our clients. Advisor's authority to trade securities may also be limited by certain federal securities and tax laws. Investment guidelines and restrictions must be provided to Advisor in writing by the client.

**Item 17 – Voting Client Securities**

As a matter of firm policy and practice, Advisor does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Advisor may provide advice to clients regarding the clients' voting of proxies.

**Item 18 – Financial Information**

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about Advisor's financial condition. Advisor has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.