



Item 1 – Cover Page

PIM Wrap Fee Brochure Part 2A
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March 14, 2014

This Brochure provides information about the qualifications and business practices of Umpqua Investments, Inc. [“Advisor” or “we”]. 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.adviserinfo.sec.gov.

Item 2 – Material Changes

- We updated our Assets Under Management from \$363,357,301 reported on our March 14, 2013 Firm Wrap Fee Brochure Part 2A to \$447,562,229 recorded on January 9, 2014 and now reported as our Assets Under Management.

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Item 4 – Advisory Business

Umpqua Investments began in Portland, Oregon in 1928 as a Broker / Dealer under the name Strand, Atkinson, Williams, and York. In 1999, Strand Atkinson was acquired by Umpqua Holdings, (NASDAQ Symbol: UMPQ) and in 2009 we changed our name to Umpqua Investments, Inc. We became registered with the Securities and Exchange Commission (the “SEC”) on September 28, 2006 as a Registered Investment Adviser. Registration of an Investment Adviser with the SEC does not imply any level of skill or training.

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 (“AUM”) on January 9, 2014:

Discretionary Accounts	\$61,415,649
Non-Discretionary Accounts	<u>\$386,146,580</u>
Total AUM	<u>\$447,562,229</u>

Umpqua Investments Is Registered as Broker-Dealer and Investment Advisor.

Umpqua Investments is registered with the SEC as an investment advisor (September 28, 2006), and the Firm’s Investment Advisor Representatives are registered under applicable State law to provide investment advisory services on the Firm’s behalf.

Umpqua Investments is also registered with the SEC (January 1, 1936) and many States as a broker-dealer, and is a member of the Financial Industry Regulatory Authority (“FINRA”). The Representatives are also registered with FINRA, and where required by applicable State law, as registered representatives of Umpqua Investments and are authorized to provide brokerage services on the Firm’s behalf.

Differences between how wrap fee accounts are managed as compared to other accounts (e.g. commission-based brokerage accounts).

The Firm’s (and the Representatives’) legal, contractual, and regulatory obligations differ in important ways, depending on the type of account(s) the Client has with us (brokerage or investment advisory), and the products or services we provide. Investment advisory accounts and services are governed by laws and regulations which are, in many ways, different from those that govern brokerage accounts and services.

When acting as an investment advisor, Umpqua Investments is a fiduciary for its Clients. As a fiduciary, the Firm must, among other duties, act in the Clients’ best interests, place the Clients’ interests ahead of its own, and make full and fair disclosure of all material facts, particularly conflicts of interest.

When acting as a broker-dealer, Umpqua Investments must observe high standards of commercial honor, and just and equitable principles of trade, and must have reasonable grounds for believing its recommendations are suitable for the customers, among other duties. However, our obligation to disclose to brokerage customers information about our business, conflicts of interest, compensation, and other matters is more limited than our corresponding obligations to our advisory Clients.

Clients are encouraged to contact Umpqua Investments’ Chief Compliance Officer at the address and telephone number shown in this Brochure to discuss any questions about which products or services Umpqua Investments provides in each of these capacities.

The Private Investment Management (“PIM”) Program

Below, we provide a summary of our Private Investment Management (“PIM”) wrap fee advisory program. A wrap fee account is an account in which Umpqua Investments manages your portfolio for a quarterly fee. This fee covers all administrative, commission, and management expenses. Umpqua Investments receives a portion of this wrap fee for its advisory and other services. This wrap fee arrangement contrasts with brokerage accounts where Umpqua Investments buys, sells, or otherwise executes securities transactions in which you are charged a commission for each transaction. The Account may also be charged separately for expenses or services that are not covered by the wrap fee. For the wrap

fee programs offered through Umpqua Investments, these additional expenses are described in the Client's Advisory Agreement.

Some Clients may notice differences between the information contained in this brochure and in their individual PIM Agreement. Such differences may arise when, for example, changes to the Advisory Agreement were separately negotiated with the Client or were required by the Client's Financial Advisor when offering the Program to his or her Clients. Differences may also arise due to changes in the PIM Program or our policies, or as a result of intervening events. Where differences may now or later exist, Clients should be aware that the terms of their Advisory Agreement will control (which may also be amended.) Advisor will notify Clients of any pending changes to their Advisory Agreement prior to any change implementations.

Umpqua Investments makes available to its Clients the following Wrap Fee Investment Advisory Program: Clients should be aware that the available Program may be changed, canceled, or revised at any time.

Umpqua Investments, Inc. Sponsored Wrap Fee Programs

Private Investment Management (PIM) Program

Umpqua Investments is the sponsor of the PIM wrap fee program. This Brochure must be provided to PIM clients upon, or before the PIM account opening.

The Private Investment Management Program ("PIM") is a discretionary investment advisory wrap fee program. Wrap fee programs are programs that provide for a single combined fee for investment advice, brokerage services, clearance and settlement services, and custodial services. In the PIM program, a Financial Advisor(s) who meets the program certification requirements manages your assets on a discretionary basis. In other words, your Financial Advisor, not you, has the discretion to decide which securities to buy and sell in your account. You should discuss your investment goals and strategies with your Financial Advisor.

- Wrap fee programs may not be suitable for all investment needs, and any decision to participate in a wrap fee program should be based on the Account's financial situation, investment objectives, tolerance for risk, and investment time horizon, among other considerations.
- The benefits under a wrap fee program depend, in part, upon the size of the Account and the number of transactions likely to be generated in the Account. For example, a wrap fee program may not be suitable for Accounts with little trading activity. In order to evaluate whether a wrap fee program is suitable for the client, the client should compare the Program Fee and any other costs of the Programs with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and other execution costs, and custodial services comparable to those provided under the Programs.
- Participating in a wrap fee program may cost more or less than the cost of purchasing advisory, brokerage, and custodial services separately from third parties.
- Umpqua Investments and the Representatives receive compensation as a result of an Account's participation in the PIM Program. This compensation may be more than the amount Umpqua Investments or the Representative would receive if the Account paid separately for investment advice, brokerage and other services. Accordingly, a conflict of interest exists because Umpqua Investments and the Representatives have a financial incentive to recommend the Programs, and may recommend the Programs over other programs or services for which the compensation arrangements are not as beneficial.

A wrap fee arrangement allows the Client to pay an all-inclusive fee for management of their account (advisory services), execution of securities transactions (brokerage services), and administrative services (typically, reporting and custodial services). As an alternative, the Client could engage Umpqua Investments for investment advice and agree to pay for transactions in the Account through commissions.

In deciding which payment option is most appropriate, the Client should bear in mind that asset-based fee arrangements, when compared with the traditional commission option, generally result in lower costs during periods when trading activity is heavier, such as the year an Account is established. During periods when trading activity is lower, such arrangements may result in higher annual costs. Some Clients favor the asset-based fee because it fixes their brokerage cost at a predetermined level; whereas other Clients may not find such an arrangement suits their needs because they anticipate their Accounts will have low turnover.

Depending on the amount of the wrap fee, the frequency (or lack of frequency) of Account transactions, and the nature and value of the services that are provided under the Program, among other factors, the wrap fee may or may not exceed the aggregate cost of obtaining these services separately. The fees for a wrap fee program may result in higher costs than a Client might otherwise incur by paying a management fee and negotiating separate arrangements for brokerage and trade execution, custodial services, and performance reporting services.

Under the PIM Program, Umpqua Investments will receive all or part of the wrap fee, and will share a portion with the Representative. The Client will receive the Wrap Fee Brochure for the PIM Program upon or before the account is opened. Clients may request a copy of the Advisor's PIM Wrap Fee Brochure by requesting a copy from the Firm's Chief Compliance Officer, at the address shown on the first page of this brochure.

It is possible that the amount of compensation received, directly or indirectly, by Umpqua Investments or the Representative as a result of recommending a wrap fee program may be more than the amount of compensation Umpqua Investments or the Representative would receive if they recommended another investment program. Consequently, in that situation, Umpqua Investments and the Representative would have a financial incentive to recommend a wrap fee program over other programs or services that might meet the Client's needs at a lower cost (such as, for example, mutual funds, ETFs, or traditional fee-plus-commission arrangements).

Additionally, Clients should understand that Umpqua Investments and the Representative have a conflict of interest in recommending Umpqua Investments and First Clearing as introducing and clearing brokers for Client Accounts over others. An increase in the number of Accounts, Assets Under Management ("AUM"), or number of transactions processed through First Clearing may, in certain circumstances, help Umpqua Investments to meet its minimum monthly clearing fees. This is an economic benefit to Umpqua Investments, even if no additional commissions are charged. In addition, Umpqua Investments may receive other fees from First Clearing, such as rebates on money market or margin account balances, which are based on the number and size of the accounts and balances carried with First Clearing.

In addition to the Program Fee, Umpqua Investments (including the Representative) will receive material compensation and other economic benefits from a Client participating in any Program through First Clearing. A detailed description of this compensation is contained in the section of this Brochure titled, Additional Compensation.

The compensation and economic benefits create a conflict of interest which may have the effect of encouraging Umpqua Investments and the Representatives to refer additional Clients to Umpqua Investments and First Clearing and to promote participation in the Programs, even when such recommendations or Programs do not materially benefit the Client, and may be more costly than other investment alternatives available to the Account. Umpqua Investment's representatives are required to act in the best interests of its clients. Umpqua Investments mitigates this risk by disclosing it to clients and by requiring the representative's supervisor to review clients account at the time it is opened to ensure that it is suitable for the client in light of the investment objectives and financial circumstances that are disclosed at the time of account opening.

No assumption can be made that any particular fee arrangement, including wrap fee arrangements, timing services, or portfolio management services of any nature will provide better returns than other investment strategies. Use of "wrap fee" programs offered by Umpqua Investments or a Third-Party

Adviser may result in the payment of total fees in excess of the combined amount the Client or person would have paid for the same or similar advisory services, plus the cost of brokerage commissions charged per transaction

Representatives of Umpqua Investments provide investment advisory and brokerage services to Clients that participate in the PIM Program on a discretionary basis. The Representatives develop portfolios based on certain established guidelines and the Client's investment objectives and individual needs. Representatives use both fundamental and quantitative research as well as other independent research. Representatives may develop a specific investment philosophy using the mix of these analysis methods. Quality and concentration requirements are established to provide an overall discipline and quality element of the Program. Such strategies ordinarily include long and short-term purchases of securities and depending on the Client's objectives and the Representative's investment philosophy, supplemental covered option writing. In special circumstances, the strategies may also include margin transactions, other option strategies and trading or short sale transactions.

A minimum initial account value of at least \$50,000 is required to establish a PIM Program Account. Clients in the PIM Program are charged a "Program Fee" that covers advisory, execution, custodial, and reporting services. Unless agreed upon otherwise, Clients authorize Umpqua Investments to deduct from their Account a quarterly fee, in advance, calculated at the rate indicated in the Fee Schedule for the Program. The standard fees, which are negotiable and subject to a minimum quarterly fee of \$250, are charged for the PIM Program.

Money Market Funds will include only mutual funds whose shares can be purchased at net asset value within the Program. Some of the Money Market Funds may be advised by or otherwise affiliated with Wells Fargo. As shareholders in mutual funds, Clients will bear a proportionate share of the funds' expenses, including advisory fees paid to the mutual funds' investment advisors, which may be affiliates of Wells Fargo.

The PIM Program Fee will not include any of the following ~ **you may be charged these expenses on top of your quarterly PIM Account wrap fee:**

Internal fees or expenses which may be associated with the Account's investments (including without limitation, internal operating or investment expenses, or distribution fees [such as 12b-1 fees] of mutual funds, unit investment trusts, or electronically traded funds); fees imposed by mutual funds for short-term trading (typically 1% - 2% of the amount originally invested) for redemptions made within short periods of time; any mark-up, mark-down, or dealer spread (whether to Umpqua Investments, First Clearing, or other brokers or dealers) related to any Account investment; offering discounts and related fees in connection with underwritten public offerings of securities (of which Umpqua Investments or First Clearing may be underwriters); costs to third parties for transactions not executed through First Clearing; floor brokerage or exchange fees; fees for wire transfers; costs for exchanging currencies; margin interest; taxes; or other expenses incurred with respect to any investments made for the Account. All of the Excluded Expenses will be direct or indirect expenses borne by the Account, and will be in addition to the Program Fee.

Clients should consider all of these fees and expenses to fully understand the total amount of fees and expenses to be paid by the Account and to evaluate the advisory services being provided. The fees and expense related to Money Market Funds or ETFs are disclosed in their respective prospectuses. Client acknowledges that Client may purchase Money Market Funds or ETF's directly without paying the Program Fee, but in that event Client would not receive the benefit of Umpqua Investments' advice regarding investments which would be suitable for Client.

Fee Practices

The Program Fee will be charged on cash and cash equivalents in the Account (or in cash management or short-term sweep accounts, including without limitation, money market funds, or bank deposit products).

The Program Fee is in addition to other compensation that the Representative, First Clearing, Wells Fargo, or Umpqua Investments, or any of their affiliates may earn in connection with the Account or its investments. Such other compensation may include, without limitation: compensation based on the assets invested in money market mutual funds or bank deposit products used for Account cash management or sweep purposes; 12b-1 fees or other shareholder service or distribution fees, recordkeeping fees, and administrative fees from money market mutual funds and other mutual funds or investment companies in which the Account invests; and, non-brokerage fees, including without limitation, a share of amounts earned by First Clearing from margin interest, IRA fees, or interest on free credit balances. Further information regarding such compensation is available below under Additional Compensation, and from the Account documents provided by First Clearing. The Program Fee will not be reduced by or as a result of any such additional compensation.

The Program Fee for each Account will be payable quarterly in advance based on the value of the Account, based on the Fee Schedule for the Account then in effect. Fees are not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client.

The Program Fee will be calculated on the basis of a 365-day year so that the Program Fee payable for each quarter will be based on the actual number of calendar days in that quarter; provided, Umpqua Investments may require fees to be calculated on the basis of a 360-day year, and 90-day calendar quarter, in its discretion on a consistent basis.

The Custodian will be authorized and directed to deduct the Program Fee directly from the Account upon receipt of Umpqua Investments' quarterly instructions. The Program Fee will be reflected on a statement provided to the Client at least quarterly by the Custodian. **If insufficient cash is available in the Account to pay the Program Fee, the Custodian will be authorized to liquidate securities selected by Custodian or Umpqua Investments in an amount sufficient to pay such fees, without prior notice to or consent of the Client.**

Subject to limitations of the Custodian, if any, and the usual and customary securities settlement procedures, Client may make additions to and withdraw assets from the Account at any time. A prorated Program Fee will be deducted for partial withdrawals within a billing period.

Aggregation and Allocation of Block Orders: Decisions with respect to the aggregation or "block" trading of orders in discretionary accounts are made by the portfolio manager who directs the investment of the Account, which is typically the Representative for the PIM Program. Except as may be provided in a separate agreement with a Third-Party Adviser under a Wells Fargo Program, the Advisory Agreement authorizes, but does not require, the portfolio manager to aggregate the orders of more than one Client into one order ("Block Orders") for execution purposes and to allocate the proceeds (for sales) or the aggregate securities obtained (for purchases) among the participating Accounts according to Umpqua Investments trading policies. To the extent any aggregated or block orders are placed, they shall be effected through an "average price" or similar account such that each Account participating in the order shares in the securities purchased or sold, price, and transaction costs pro rata (unless pro rata would be unfair under the circumstances). Proprietary accounts of Umpqua Investments or its supervised persons may participate in block orders on the same basis as Clients.

Block trading can have the advantage of avoiding an adverse effect on the price of a security which can result from simultaneously placing a number of separate and competing orders. Also, under certain market conditions, block trading may allow trades to be executed in a more timely and equitable manner and may reduce overall commission charges because transaction costs are generally shared among Accounts included in the block. Because it is frequently not possible to receive the same price or execution on the entire volume of securities purchased or sold in a block transaction, such transactions will generally be effected through an "average price" (or similar) account through which all Accounts participating in the order receive the same price and share the transaction costs pro rata. Umpqua

Investments or the Representative may allocate securities on a different basis so long as no Account or Client is systematically advantaged or disadvantaged.

Clients should be aware that due to differences in types of investments in Clients' Accounts, and differences in Account objectives, cash positions, and other factors, neither Umpqua Investments nor the Representative can anticipate the number of transactions, if any, that will be effected each year through block transactions. In some markets, or under certain situations, aggregation may operate to the disadvantage of an Account whose order could have been executed at a more favorable time, or under different instructions, than as part of a block.

Even where a portfolio manager has the authority to aggregate or block orders, it may be unlikely that orders will be aggregated. Each Representative manages his or her Accounts separately from the Accounts of other Representatives. Moreover, the Firm's current technology systems makes it difficult to aggregate orders among Accounts of different Representatives, particularly those in different offices or whose Clients are not in the same Program. Consequently, it is unlikely that orders for Accounts of different Representatives will be aggregated, or that orders for Accounts in different Programs which have the same Representative will be aggregated.

If orders are not aggregated, then the Clients will not receive the benefits of potentially lower costs, timelier or better execution, or volume discounts that might be obtained by Accounts whose orders are aggregated.

Additional Compensation

Umpqua Investments' broker-dealer business consists primarily of executing customer orders for the purchase and sale of securities. In the Advisory Agreement for the PIM Program, the Client will direct Umpqua Investments to place all orders with itself, as introducing broker-dealer, and First Clearing (which may be the Custodian or an affiliate of the Custodian), as the clearing broker-dealer (the "Clearing Broker"). Umpqua Investments and the Clearing Broker will receive commissions and other economic benefits as a result of effecting such transactions.

When PIM Program transactions are effected by Umpqua Investments, the Representative will generally not receive a portion of any commissions or other transaction costs, if any, received by Umpqua Investments with respect to such transactions. We believe this arrangement helps reduce a potential conflict of interest between the client and the Financial Advisor.

For its brokerage and related services, the Broker may charge commissions, markups, markdowns, and other transaction-related charges, and FCC may also charge a fee for its services as Custodian. The amount of such fees and expenses will be stated in the Custodian's documentation to open the Account.

Clients should understand that Umpqua Investments and the Representative have a conflict of interest in recommending the Brokers. As Umpqua Investments processes more Accounts and transactions through First Clearing, it may be able to use these transactions to meet its minimum monthly clearing fees. In addition, Umpqua Investments receives other fees or economic benefits from First Clearing (such as rebates on money market or margin account balances, and interest on Account free credit balances), which are based, in whole or in part, on accounts and balances carried with First Clearing or its affiliates. These arrangements provide Umpqua Investments direct or indirect economic benefits, even if no commissions are charged.

Umpqua Investments and the Representatives may receive so-called "12b-1 Fees" as a result of a Client's investment in mutual funds which have adopted 12b-1 plans. The Brokers may receive Rule 12b-1 distribution fees, shareholder servicing, or administrative fees with respect to mutual funds or money market funds held in the Account. Thus, Umpqua Investments and the Representatives may have an incentive to purchase for Accounts mutual funds or money market funds which pay 12b-1 Fees.

Cash awaiting investment or reinvestment at a Broker may be invested in cash management or money market funds at the Broker or another Custodian (or an affiliate), pursuant to an automatic cash sweep program. The adviser to these funds may be an affiliate of the Broker or other Custodian (or its affiliate). Umpqua Investments and the Representative may receive distribution payments pursuant to Rule 12b-1 from these funds.

The Brokers also receive non-brokerage related fees such as margin interest, IRA fees and money market fund fees, and a money market administrative fee, of which it will credit or pay a portion to Umpqua Investments based on the value of its Accounts' balances. Umpqua Investments and the Brokers may also receive compensation from funds available through the Brokers for the execution of purchases of Fund shares or the performance of clearance, settlement, custodial or other functions ancillary thereto (including, without limitation, recordkeeping, sub-accounting, share-holder communications, administrative and similar services provided to such funds).

Umpqua Investments will retain the amount of the fees it receives as additional compensation and will not credit or rebate these fees against the Program Fees.

Please see Item 5 for further information regarding our fees.

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

Item 5 – Fees and Compensation

Fees are generally payable at the start of each quarter. Clients may terminate the advisory relationship at any point in time upon written notice. Fees will be prorated to the date of termination. The standard PIM Program maximum wrap program fees charged by Advisor are as follows:

Private Investment Management ("PIM") Program		
First	\$250,000	3.00%
Next	\$750,000	2.50%
Next	\$1,000,000	2.00%

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.

Umpqua Investments manages your portfolio for a quarterly fee. This fee covers all administrative, commission, and management expenses. Umpqua Investments receives a portion of this wrap fee for its advisory and other services. The Account may also be charged separately for expenses or services that are not covered by the wrap fee. These additional expenses are described in the Client's PIM Advisory Agreement.

Fees for the programs described in this brochure are negotiable based upon a number of factors including the type and size of the account and the range of services provided by Advisor. In special circumstances, and with client consent, the fee charged to the client account may be more than the maximum fee indicated in this brochure.

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, trusts and corporations.

Advisor requires a minimum new PIM advisory account opening value of \$50,000.

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 may use 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

Umpqua Investments is a wholly owned subsidiary of Umpqua Holdings Corporation. (NASDAQ Symbol: UMPQ) a Bank Holding Company. Umpqua Holdings is also the parent company of Umpqua Bank and as such, Umpqua Investments, Inc. is an affiliated company of Umpqua Bank. Umpqua Bank and Umpqua Investments, Inc. share revenue in certain instances. We do not believe this creates a material conflict of interest with clients.

Advisor is both a registered investment advisor and a registered broker/dealer. Advisor in its combined role as a Broker/Dealer and a Registered Investment Advisor may provide 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, objectivity and diligence. Advisor employees maintain the knowledge and skills necessary to provide professional services in a competent manner. 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 emailing us at: info@umpquainvestments.com.

Item 12 – Brokerage Practices

PIM Account Representatives have discretionary trading authority. This means 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, which is included in the Client PIM Account establishment documentation). Advisor will not have the authority to deposit or withdrawal money from an account without the prior written 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.

Reports: All Clients will receive from First Clearing Corp., the Custodian for the Account:

- trade confirmations reflecting all transactions in securities; provided, however, that periodic statements of account activity may be furnished in lieu of transaction by transaction confirmations to the extent and in the manner permitted by Rule 10b-10 under the Exchange Act; and

- a statement of Account activity, holdings, fees and expenses at least quarterly.

The Advisory Agreement for some Programs may provide for additional reports, such as from Wells Fargo with respect to the Wells Fargo Programs. Accounts will receive performance or other reports only as specifically provide in the Advisory Agreement.

Generally, the following Program Accounts will receive written performance (or similar) reports, usually quarterly:

- All Wells Fargo Program Accounts will receive periodic (generally quarterly) portfolio performance reports of the Account which will include a review and evaluation of the Account's portfolio in light of the Account's investment goals and objectives. Each performance report will include a reminder to the Client to contact Advisor if there are any changes in the Suitability Information, and will also disclose a method by which the Client may make such contact.

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

A PIM Advisor will 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.