



Item 1 – Cover Page

Umpqua Investments' Wrap Fee Brochure Part 2A

Umpqua Investments, Inc.

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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 20, 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	\$386,146,580
Total AUM	<u>\$447,562,229</u>

Umpqua Investments Is Registered as a 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.

Overview of Wrap Fee Advisory Programs

Below, we provide a summary of our wrap fee advisory programs. 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 Advisory Agreements. 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 our Programs 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 Programs: Clients should be aware that the available Programs may be changed, canceled, or revised at any time.

Wells Fargo Sponsored Wrap Fee Programs

Allocation Advisors	Masters Investment Consulting
Asset Advisor	Private Advisor Network Program
CustomChoice	Wells Fargo Compass
DMA	FundSource

Umpqua Investments, Inc. Sponsored Wrap Fee Programs

Private Investment Management (PIM) Program

Further information regarding the Wells Fargo Sponsored Wrap Fee Programs is available in the Programs' separate Disclosure Documents. A copy of the appropriate Disclosure Document must be provided to clients upon, or before the account opening.

Unlike the Wells Fargo Sponsored Wrap Fee Programs listed above, Wells Fargo does not act as a sponsor for the PIM Program. Umpqua Investments is the sponsor of the PIM wrap fee program. Additional information regarding the PIM Program is provided below and in a separate disclosure document that must be provided to PIM clients upon, or before the PIM account opening.

PIM Program

Financial Advisors of Umpqua Investments provide investment advisory services on a discretionary basis to Clients that participate in the PIM Program. Our Financial Advisors ("FA") develop portfolios based upon certain established guidelines and the Client's investment objectives and individual needs. FA may use both fundamental and quantitative research as well as other independent research. FA 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 to the Program. Such strategies ordinarily include long and short-term purchases of securities and, depending on the Client's objectives and the FA'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 this Program are charged a "Program Fee" that covers advisory, execution, custodial, and reporting services. Unless agreed upon otherwise, Clients authorize Umpqua Investments (through its clearing firm, First Clearing Corporation ("FCC")) to deduct from their Account a quarterly fee, in advance, calculated at the rate indicated in the Fee Schedule for the Program. Standard fees, which are negotiable and subject to a minimum quarterly fee of \$250, are charged for the Program.

Please see the *PIM Wrap Fee Brochure Part 2A* for more information about this Umpqua Investments-sponsored wrap fee program.

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 fee schedule varies for each wrap fee program offered. Generally, the maximum wrap program fees charged by Advisor are as follows:

Asset Advisor, Custom Choice, Fund Source, PIM, Private Advisor			Masters			Network		Equity	Fixed Income
First	\$250,000	3.00%	First	\$250,000	2.75%	First	\$250,000	2.00%	1.25%
Next	\$750,000	2.50%	Next	\$750,000	2.50%	Next	\$750,000	1.50%	0.75%
Next	\$1,000,000	2.00%	Next	\$1,000,000	2.00%	Next	\$1,000,000	1.00%	0.50%
			Over \$2,000,000 Negotiable			Over	\$2,000,000	Negotiable	Negotiable

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. For the wrap fee programs offered through Umpqua Investments, these additional expenses are described in the Client’s 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 advisory account opening value of \$25,000. Some advisory programs have a higher minimum.

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 recommend 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

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). 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

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.