

**Part 2A of Form ADV: Firm Brochure**

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Date: 3/25/2015**

This brochure provides information about the qualifications and business practices of CoBiz Investment Management, LLC doing business as CoBiz Wealth. If you have any questions about the contents of this brochure, please contact us at (303) 291-4700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

CoBiz Wealth is a registered investment adviser. Registration does not imply a certain level of skill or training.

## **2. Material Changes**

Since the last annual update for CoBiz Wealth on 3/26/2014, the following material changes have occurred:

- Green Manning & Bunch, a CoBiz Financial affiliated firm, has closed.
- CoBiz Wealth no longer participates in Fidelity Wealth Advisor Solutions (a referral program).

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#### **4. Advisory Business**

CoBiz Wealth is a registered investment adviser that has been in business since 1975. Our firm combines intellectual rigor and a disciplined process to create customized diversified investment portfolios for its clients. We build portfolios based on specific client needs and objectives, using a hybrid open architecture approach that provides broad opportunity. We combine the expertise of our in-house investment team, responsible for managing our proprietary equity and fixed income portfolios, with the capabilities of external managers with complementary styles and methodologies, to implement investment solutions that are global in nature and thoroughly researched.

The principal owner of CoBiz Wealth is CoBiz IM, Inc., a domestic entity and subsidiary of parent company, CoBiz Financial Inc. (NASDAQ: COBZ).

CoBiz Wealth primarily engages in providing investment supervisory services to individuals, trusts, estates, charitable organizations, corporations or other business entities. CoBiz Wealth offers financial planning services to its advisory clients. The Firm also furnishes investment advice through consultations.

CoBiz Wealth tailors advisory services to the individual needs of clients by personalizing its portfolio management services so that each client has a customized investment plan. As part of this investment plan clients may impose some restrictions on investing in certain securities or types of securities. Security level restrictions may not be applied for purchased or held mutual funds, exchange traded funds, separately managed accounts or other third party investment products. Investment strategies are guided by a deep knowledge of our clients' current situation and future plans. Our strategies are able to adapt to our client's changing needs and are periodically reassessed throughout the year.

CoBiz Wealth participates in wrap fee programs by providing portfolio management services. There are no material differences in how wrap fee accounts are managed. CoBiz Wealth receives a portion of the wrap fee for the services provided.

CoBiz Wealth manages client assets on both a discretionary and non-discretionary basis. As of 12/31/2014, CoBiz Wealth managed \$857,173,739 in discretionary assets and \$8,878,416 in non-discretionary assets for an approximate total of \$866,052,155 in assets under management.

A copy of CoBiz Wealth's privacy policy notice and a written disclosure statement that meet the requirements of Rule 204-3 of the Advisers Act, shall be provided to each client prior to or in conjunction with the execution of the Investment Management Agreement ("Agreement"). Any client who has not received a copy of CoBiz Wealth's written disclosure statement at least forty-eight (48) hours prior to executing the Agreement shall have five (5) business days subsequent to executing the agreement to terminate CoBiz Wealth's services without penalty.

#### **5. Fees and Compensation**

CoBiz Wealth generally offers advisory services for fees based upon a percentage of assets under management. CoBiz Wealth charges a management fee for each calendar quarter during any part of which a client agreement is in effect. The management fee is paid quarterly, in arrears, based upon a percentage of the market value of the assets being managed by CoBiz Wealth, which is determined on the last day of the preceding quarter. (Some Wrap Program fees are charged in advance according to the Wrap Program Sponsors' agreements with their clients.) Fees are computed based upon the aggregate of family or related assets under management and then charged proportionately.

##### Annual Fee Schedule - Investment Account

For All Assets: Suggested Minimum \$1,000,000

First \$2,000,000 @ 1.00%

Next \$3,000,000 @ 0.80%

Next \$5,000,000 @ 0.70%

Next \$10,000,000 @ 0.30%

Next \$10,000,000 @ 0.25%

\$30,000,000 or more - Negotiable

#### Annual Fee Schedule - Fixed Income Account

For All Assets: Suggested Minimum \$1,000,000

First \$2,500,000 @ 0.50%

Next \$2,500,000 @ 0.35%

Next \$5,000,000 @ 0.25%

\$10,000,000 or more @ 0.20%

Fees are negotiable depending upon the market value of the assets under management and the type of investment management services to be rendered. CoBiz Wealth, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc). Employees of CoBiz Financial and its affiliates (see Item 10) receive a fee discount.

For advisory services offered for fees based upon a percentage of assets under management, the Agreement authorizes CoBiz Wealth through Financial Institution(s) to deduct fees from the client's assets for the amount of CoBiz Wealth's fee and to directly remit that management fee to CoBiz Wealth in accordance with applicable custody rules. Financial Institution(s) shall include, but are not limited to, any custodian or broker-dealer recommended by CoBiz Wealth, custodian or broker-dealer directed by the client, trust companies, separate account managers, banks, etc. The Financial Institution(s) recommended by CoBiz Wealth have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to CoBiz Wealth. Clients also have the option to pay the management fee by check.

The management fee is exclusive of, and in addition to, brokerage commissions, transaction fees, custodian fees, mutual fund expenses, separately managed account fees and other related costs, which shall be incurred by the client. CoBiz Wealth shall not receive any portion of these commissions, fees, and costs. Please see Item 12 for more information on brokerage practices.

CoBiz Wealth may refer the client to an outside investment advisor (Sub-Advisor) to perform investment management services over a portion of the client's portfolio. Specific services and fees related to separately managed accounts will be available in the outside investment advisor's current disclosure document and on CoBiz Wealth's Separate Account Management Authorization Agreement. CoBiz Wealth may choose to use one or more Sub-Advisors in a client's portfolio with the goal of providing more specialized investment diversification and expanded product offerings.

For the initial quarter that investment management services are rendered, the management fee shall be calculated on a pro-rata basis. The Agreement between CoBiz Wealth and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. CoBiz Wealth's fee shall be prorated through the date of termination based on the number of days in the calendar quarter during which the Agreement was in effect.

The client may make additions to and withdrawals from the account at any time, subject to CoBiz Wealth's right to terminate an account. However, CoBiz Wealth generally designs its portfolios as long-term investments and asset withdrawals may impair the achievement of a client's investment objectives.

Financial planning services are generally provided to clients at no additional charge as part of our suite of services. In a few instances, where the complexity or extent of planning services needed may necessitate, the Firm may charge a negotiable, pre-agreed flat fee that will be specified in a separate planning agreement.

No employee of CoBiz Wealth accepts compensation for the sale of securities or other investment products. A small portion of CoBiz Wealth's compensation is from hourly consulting charges. Hourly consulting arrangements are billed monthly for fees incurred.

#### Hourly Consulting Fee Schedule - Advice through Consultations

Principal: \$400

Portfolio Manager: \$225

Associate: \$100

Administrative: \$50

Minimum Fee \$1,000

The rates are subject to change. Consultations are billed on a monthly basis. The hours spent by each employee are calculated and multiplied by the appropriate rate. A bill is then submitted for payment. The hourly rate is negotiable under special circumstances. For example, when a substantial project with many hours is projected, a fee for the entire project may be requested. The hourly fee rate does not include certain administrative charges (mailing costs, conference call expenses, etc.) that will be billed to the client in addition to the hourly fee. The hourly engagement contract may be terminated by either party in writing at any time.

### **6. Performance-Based Fees and Side-By-Side Management**

No employee of CoBiz Wealth accepts performance-based fees for managing a client account.

### **7. Types of Clients**

CoBiz Wealth provides investment management services primarily to individuals, trusts, estates, charitable organizations, corporations and business entities.

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

CoBiz Wealth uses fundamental, technical, and cyclical analysis and charting when formulating investment advice. The main sources of information CoBiz Wealth utilizes include: financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases. The investment strategies used to implement any investment advice given to clients include primarily long-term purchases (securities held at least a year), but may also include: short-term purchases (securities sold within a year), separately managed accounts, option writing, including covered options, uncovered options or spreading strategies.

Investing in securities involves risk of loss that clients should be prepared to bear.

In recommending an investment strategy, circumstances of the client(s) are considered. Appropriate recommendations are made based on the risk tolerance of the client. CoBiz Wealth may recommend that clients who are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the client's investment objectives. When CoBiz Wealth recommends that the client invest in private placement securities, CoBiz Wealth shall receive no additional compensation but shall continue to receive applicable investment advisory fees on the client's assets under management. CoBiz Wealth may also provide advice about any type of investment held in a client's portfolio at the beginning of the advisory relationship.

### **9. Disciplinary Information**

There have been no material legal or disciplinary events involving CoBiz Wealth or any of its employees.

### **10. Other Financial Industry Activities and Affiliations**

CoBiz Wealth is owned by CoBiz Financial Inc., ("CoBiz") and is therefore part of the CoBiz family of financial services companies. The CoBiz family contains other firms, as described below that may offer complementary services to some of CoBiz Wealth's clients. When an employee of CoBiz Wealth refers a client to one of these firms, and the client subsequently engages that firm, the CoBiz Wealth employee may receive a referral fee from CoBiz Financial in consideration for the referral. Likewise, employees of

other CoBiz Financial companies may refer clients to CoBiz Wealth, for which they may receive compensation from CoBiz Financial.

The CoBiz family is made up of the following financial services companies in addition to CoBiz Wealth:

**Colorado Business Bank (CBB), Arizona Business Bank ("ABB"), and CoBiz Private Bank.**

The Banks offer a broad range of sophisticated banking services, including credit, treasury management and deposit products. All three are part of CoBiz Bank.

**CoBiz Insurance Inc. ("CoBiz Insurance").** CoBiz Insurance offers a full range of commercial insurance, consulting and risk management services.

All clients of CoBiz Wealth that use the services of any of the other CoBiz affiliate companies are advised of the relationship between CoBiz Wealth and those companies. Each CoBiz company requires execution of a separate written agreement with that CoBiz company setting forth the terms and conditions of that relationship.

## **11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

CoBiz Wealth has adopted a Code of Ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws. In accordance with Section 204A of the Advisers Act, CoBiz Wealth's Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by CoBiz Wealth or any of its associated persons. The Code of Ethics also requires that certain employees (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Clients or prospective clients may contact CoBiz Wealth to request a copy of its Code of Ethics.

CoBiz Wealth and persons associated with CoBiz Wealth ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with CoBiz Wealth's policies and procedures. None of CoBiz Wealth's Access Persons may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) any transactions in a security which is being actively purchased or sold on behalf of any of CoBiz Wealth's clients. When CoBiz Wealth is purchasing or considering for purchase any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when CoBiz Wealth is selling or considering the sale of any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

## **12. Brokerage Practices**

CoBiz Wealth shall generally recommend the brokerage, clearing and/or custodial services of numerous broker-dealers and/or banks for investment management accounts. CoBiz Wealth may only implement its investment management recommendations after the client has arranged for and furnished CoBiz Wealth with all information and authorization regarding accounts with appropriate Financial Institution(s).

Clients may incur certain charges imposed by the Financial Institution(s) and other third parties such as custodial fees, separate account manager fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), 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. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and

transaction fees. Such charges, fees and commissions are exclusive of and in addition to CoBiz Wealth's fee.

Factors which CoBiz Wealth considers in recommending particular Financial Institution(s), or any other broker-dealer, to clients include their respective financial strength, reputation, execution, pricing, research and service. The commissions, separate account management fees, custodial fees and/or transaction fees charged by Financial Institution(s) may be higher or lower than those charged by other broker-dealers. The commissions paid by CoBiz Wealth's clients shall comply with CoBiz Wealth's duty to obtain "best execution." However, a client may pay a commission that is higher than what another qualified broker-dealer might charge to effect the same transaction where CoBiz Wealth determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Consistent with the foregoing, while CoBiz Wealth will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

If the client requests CoBiz Wealth to arrange for the execution of securities brokerage transactions for the client's account, CoBiz Wealth shall direct such transactions through broker-dealers that CoBiz Wealth reasonably believes will provide best execution. Transactions may be cleared through other broker-dealers with whom CoBiz Wealth and the Financial Institution(s) have entered into agreements for prime brokerage clearing services. CoBiz Wealth shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its clients in light of its duty to obtain best execution.

#### Research:

In addition to trade execution, CoBiz Wealth receives research from some broker-dealers in connection with client securities transactions. This provides a benefit to CoBiz Wealth because CoBiz Wealth would otherwise have to pay for or produce this research. CoBiz Wealth may have an incentive to select a broker-dealer based on receiving research rather than the client's interest in receiving the most favorable execution. Research received may be used for the benefit of all client accounts.

#### Directed Brokerage:

A client may direct CoBiz Wealth in writing to use a particular broker-dealer to execute some or all transactions. In that case, the client will negotiate terms and agreements for the account with that broker-dealer, and CoBiz Wealth will not seek better execution services or prices from other broker-dealers or be able to "batch" client transactions for execution through other broker-dealers with orders for other accounts managed by CoBiz Wealth (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices on transactions for the account than would otherwise be the case.

In instances where CoBiz Wealth trades securities with the directed broker-dealer for the client's account or otherwise trades with the broker-dealer or receives business from the broker-dealer, conflicts may arise. Subject to its duty of best execution, CoBiz Wealth may decline a client's request to direct brokerage if, in CoBiz Wealth's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

#### Grouping of Trades:

Transactions for each client generally will be effected independently, unless CoBiz Wealth decides to purchase or sell the same securities for several clients at approximately the same time. CoBiz Wealth may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among CoBiz Wealth's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among CoBiz Wealth's clients pro-rata to the purchase and sale orders placed for each client on any



given day. To the extent that CoBiz Wealth determines to aggregate client orders for the purchase or sale of securities, CoBiz Wealth shall do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. CoBiz Wealth shall not receive any additional compensation or remuneration as a result of the aggregation.

In the event that CoBiz Wealth determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out-of-line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocation may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a prorated allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, CoBiz Wealth may exclude the account(s) from the allocation; the transactions may be executed on a pro-rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated at random.

### **13. Review of Accounts**

CoBiz Wealth monitors client portfolios as part of an ongoing process while regular account reviews are conducted periodically by the client's portfolio manager. All investment advisory clients are encouraged to discuss their needs, goals and objectives with CoBiz Wealth and to keep CoBiz Wealth informed of any changes thereto. CoBiz Wealth shall contact investment advisory clients at least annually to review previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with regular summary account statements directly from their Financial Institution(s) for the client accounts. Those clients to whom CoBiz Wealth provides investment advisory services may also receive quarterly reports from CoBiz Wealth that may include account and/or market-related information such as an inventory of account holdings and account performance. These reports may be delivered electronically at the client's request with the execution of an Electronic Document Delivery Authorization form.

### **14. Client Referrals and Other Compensation**

CoBiz Wealth participates in the CoBiz Financial referral program as described in Item 10 (above).

Additionally, if a client is introduced to CoBiz Wealth by either an unaffiliated or an affiliated solicitor, CoBiz Wealth may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee shall be paid solely from CoBiz Wealth's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to CoBiz Wealth by an unaffiliated solicitor, the solicitor shall provide the client with a copy of CoBiz Wealth's written disclosure statement which meets the requirements of rule 204-3 of the Advisers Act, and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of CoBiz Wealth shall disclose the nature of his/her relationship to prospective clients at the time of the solicitation.

CoBiz Wealth currently compensates one unaffiliated solicitor for client referrals. These solicitors are provided an allocation of a referred client's management fee based upon an agreed percentage.

## **15. Custody**

Clients of CoBiz Wealth will receive account statements directly from their Financial Institution(s). Clients may also receive account reports from CoBiz Wealth. Clients should carefully review these reports and are urged to compare the account statements they receive from the qualified custodian with any reports they receive from CoBiz Wealth, where applicable.

## **16. Investment Discretion**

CoBiz Wealth accepts discretionary and non-discretionary authority to manage securities accounts on behalf of its clients. Prior to CoBiz Wealth assuming this authority, a fully executed Agreement that includes the execution of a limited power of attorney allowing CoBiz Wealth to assume the specified authority must be executed. Clients that have provided CoBiz Wealth with discretionary authority may restrict investment in certain securities or types of securities, upon request, so long as the restrictions are not so extensive that they prohibit effective implementation of the client's investment strategy.

Neither CoBiz Wealth nor the client may assign the Agreement within the meaning of the Investment Advisers Act of 1940, as amended ("Advisers Act"), without the consent of the other party.

## **17. Voting Client Securities**

CoBiz Wealth will vote proxies on behalf of all clients who execute a proxy voting addendum to the Agreement. In the absence of a completed Proxy Voting Addendum, the obligation to vote proxies for securities held within the account shall at all times rest with the client. All proxies will be voted consistent with guidelines established and described in CoBiz Wealth's Proxy Voting Policies and Procedures, as amended from time-to-time.

CoBiz Wealth has engaged the services of a third party to provide and implement its proxy voting guidelines and to vote client proxies. The third party shall do extensive research on all proxy questions and vote client proxies according to CoBiz Wealth's proxy voting guidelines. The relationship with the third party will help CoBiz Wealth ensure proxy voting decisions are made in the best interest of clients and avoid any conflicts of interest that could otherwise exist due to business or personal relationships that CoBiz Wealth maintains with persons who may have an interest in the outcome of certain votes.

At any time, clients may contact CoBiz Wealth to request information about how proxies for that client's securities were voted or to get a copy of CoBiz Wealth's Proxy Voting Policies and Procedures. Unless otherwise agreed upon, clients generally are not able to direct CoBiz Wealth's vote in a particular solicitation.

## **18. Financial Information**

CoBiz Wealth does not require or solicit prepayment of fees that would require a statement of financial information.

## **19. Requirements for State-Registered Advisers**

Not Applicable.