



## FORM ADV PART 2A

INDIVIDUALS

### **MULTNOMAH GROUP, INC.**

522 SW 5TH AVENUE, SUITE 1315  
PORTLAND, OR 97204

(888) 559-0159

[WWW.MULTNOMAHGROUP.COM](http://WWW.MULTNOMAHGROUP.COM)

MARCH 16, 2015

This Brochure provides information about the qualifications and business practices of Multnomah Group, Inc. If you have any questions about the contents of this Brochure, you may contact us at (888) 559-0159 or [amy.barber@MultnomahGroup.com](mailto:amy.barber@MultnomahGroup.com) to obtain answers and additional information. Multnomah Group, Inc. is an investment adviser registered with the Securities and Exchange Commission ("SEC"). Registration of an investment adviser does not imply any level of skill or training. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

## ITEM 2 - MATERIAL CHANGES

The date of our previous annual update to our Brochure was March 26, 2014. Since that time we have not made any material revisions to our Brochure.

Our Brochure is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Multnomah Group, Inc. is 132131. We may provide ongoing disclosure information about material changes as necessary and will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Amy Barber, Chief Compliance Officer of Multnomah Group, Inc. at (888) 559-0159 or [amy.barber@MultnomahGroup.com](mailto:amy.barber@MultnomahGroup.com). Our Brochure is provided free of charge.

## ITEM 3 – TABLE OF CONTENTS

ITEM 2 - MATERIAL CHANGES.....	2
ITEM 3 – TABLE OF CONTENTS .....	3
ITEM 4 – ADVISORY BUSINESS.....	4
ITEM 5 – FEES AND COMPENSATION .....	5
ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	7
ITEM 7 – TYPES OF CLIENTS.....	7
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	7
ITEM 9 – DISCIPLINARY INFORMATION .....	10
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	11
ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTION AND PERSONAL TRADING .....	11
ITEM 12 – BROKERAGE PRACTICES .....	12
ITEM 13 – REVIEW OF ACCOUNTS .....	13
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION .....	13
ITEM 15 – CUSTODY .....	14
ITEM 16 – INVESTMENT DISCRETION .....	14
ITEM 17 – VOTING CLIENT SECURITIES .....	14
ITEM 18 – FINANCIAL INFORMATION.....	15

## ITEM 4 – ADVISORY BUSINESS

Multnomah Group, Inc. (“Multnomah” “we” or “us”) is an independent Portland, Oregon based registered investment advisory firm providing a variety of services to our Clients. This Brochure has been created to provide information relating to the investment advisory and financial planning services we provide to individuals.

The firm has been in business since 2003 and registered as an investment adviser with the SEC since 2005. The principal owners are Erik Daley, President and Scott Cameron. Amy Barber is the Chief Compliance Officer. Our approach uses broadly diversified portfolios and a systematic strategy to manage investments. We follow strict fiduciary standards, putting our Clients’ interests before our own and seeking to avoid conflicts of interest with our Clients.

We offer investment advisory, portfolio management, and financial planning services to individuals. Our investment recommendations primarily include mutual funds, exchange-traded funds, and separate account managers investing in exchange-listed equity securities. We may also recommend other types of investments such as certificates of deposit, municipal securities, corporate bonds, U.S. government securities and money market funds. If Clients hold other types of investments, we may advise on those investments also. See Item 8 for a description of our investment strategy.

### **Individuals (including small retirement plans)**

Our advice and services are tailored to the unique objectives of each Client. We work with Clients to formulate an investment strategy after discussing risk tolerance, time horizon, and projected future liquidity needs, current holdings, tax considerations, personal market views and other factors. This strategy provides guidance to formulate suitable investment and financial recommendations. We meet with Clients as needed to review portfolio performance, discuss current issues, and re-assess goals and investments plans. Client input, involvement and decision-making are critical to the planning process and implementation of investment decisions.

### **Financial planning**

Broad-based, modular, and consultative financial planning services are also available to individual Clients. Advice will typically involve providing a variety of services relating to the management of financial resources based upon an analysis of individual needs. Pertinent information about the Client’s personal and financial circumstances and objectives is collected. We often conduct follow up interviews for the purpose of reviewing and/or collecting financial data. Once information has been studied and analyzed, a financial plan designed to achieve the Client’s expressed financial goals and objectives may be produced and presented to the Client.

Financial plans are based on the Client’s financial situation at the time the financial information is disclosed by the Client to us. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Because Clients’ financial situations, goals, objectives, or needs change, Clients are encouraged to notify us promptly if they wish to update their financial plan.

### **Sub-advisory services**

We provide investment supervisory services to individuals through a sub-advisory relationship with another registered investment adviser (the "Primary Adviser"). Under this arrangement we monitor Client investments and manage those investments to an agreed upon portfolio. The Primary Adviser provides advice to Clients related to ongoing financial and investment needs. Individual advice and services are tailored by the Primary Adviser to the stated objectives of the Client. The Primary Adviser discusses with the Client details of critically important information such as the Client's risk tolerance, time horizon, and projected future needs, to formulate an investment strategy which is provided to Multnomah to implement. This strategy guides us in objectively and suitably supervising the Client's account. The Primary Adviser meets with Clients as needed to review portfolio performance, discuss current issues, and re-assess goals and plans. It is the responsibility of the Primary Adviser to notify us of any changes to the Clients' investment strategy and recommended asset allocation.

We generally have discretionary authority relating to the investment management services we offer to our individual Clients. We do not accept discretionary authority relating to financial planning recommendations. Clients who engage us for financial planning services are solely responsible for decisions whether to implement our recommendations. See Item 16 below for information regarding discretionary and non-discretionary authority. Regardless of whether our authority is discretionary or non-discretionary, Clients may impose reasonable restrictions on investing in certain securities or types of securities and we consider such restrictions when developing an investment strategy.

We provide investment advisory services for approximately \$10,086,700 of Client assets on a non-discretionary basis and \$104,100,000 of Client assets on a discretionary basis (collectively, assets under advisement). These amounts were calculated as of December 31, 2014. We do not participate in or sponsor any wrap-fee programs.

## **ITEM 5 – FEES AND COMPENSATION**

Our fees are highly dependent on a variety of factors, including: the size the portfolio, the specific work required by our agreement, the location of the Client and whether travel is required, and the number of meetings the Client requires, etc. As a result, we do not have a standard fee schedule that applies to all Clients. We generally require a minimum of \$1,000,000 in investable assets to maintain an account. However, this minimum account balance may be reduced or waived in our discretion.

Fees are either asset-based, a flat fee, or a combination of both. We also provide hourly consulting services for other projects.

Our annual fees for ongoing investment management services are generally calculated using a blended percentage rate which is based upon the applicable percentage fee for the amount of assets in each of the breakpoints listed below:

Assets under management	Fees
First \$1 million	1.00%
\$1 million to \$2 million	0.75%
\$2 million to \$3 million	0.50%
Over \$3 million	0.25%

Fees based upon a percentage of Assets Under Management ("AUM") are charged quarterly in advance based upon the market value of the account at the end of the quarter and deducted directly from Client custodial accounts upon submission of an invoice to the custodian. The custodian will provide a quarterly statement to the Client detailing the amount of the fee and the value of the Client's assets on which the fees are based. Payment of fees may result in the liquidation of Client's securities if there is insufficient cash in the account.

Market value means the value of all assets in the account (not adjusted by any margin debit). To determine value, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded. Other readily marketable securities and other instruments shall be priced using a pricing service or through quotations from one or more dealers. In rare circumstances, less actively traded securities or other assets may not have readily available market quotations. When necessary, Multnomah will take steps to ensure that an appropriate valuation methodology is used to determine the value of the security.

Hourly fees typically range between \$150 - \$350 per hour depending on the personnel utilized, and the scope and complexity of the work to be performed. We invoice Clients monthly for hourly rate services/projects. A price for a fixed fee project is quoted at the start of a project. Clients are typically billed monthly based on our hourly rate until the quote is reached.

Clients pay brokerage transaction costs and other charges directly to the custodian. See Item 12.

Client may be required to pay, in addition to Multnomah' fee, a proportionate share of any Exchange Traded Fund's (ETF) or mutual fund's fees and charges. For example, mutual fund operating expenses are paid out of the fund and are an additional expense incurred by the Client. In cases where a separate account manager is utilized for a Client's portfolio, the separate account manager will charge a fee separate and additive to Multnomah's fee.

Fees include our time to work with a Client's attorney, accountant, or any third party. However, we are not responsible for any fees that may be charged to the Client by those third parties.

Clients generally pay advisory fees quarterly, in advance. Fees for a partial quarter at the commencement or termination of an agreement will be prorated based on the number of days the account was open during the quarter. We may modify the terms of the fee agreement by giving Clients 60 days written notice in advance. Hourly rate projects and fixed fee projects are invoiced by us monthly with payment due by Client upon receipt of the invoice.

Upon termination of any account or project, any prepaid but unearned fees will be promptly refunded by us. Any fees that have been earned by us but not yet paid by the Client will be immediately due and payable. The Client or Multnomah may generally terminate a service agreement for any reason by providing the other party with 60 days prior written notice.

Neither Multnomah, nor any supervised person associated with us accepts any compensation for the sale of securities or investment products.

As described in Item 4, we have an agreement with another registered investment adviser in which Multnomah provides sub-advisory and/or back office services. Under this agreement we are paid a fee out of the total advisory fee charged by the Primary Adviser to its clients. Multnomah processes all fee billing and corresponding deduction of fees on behalf of the Primary Adviser. After deducting the total advisory fee, the Primary Adviser remits our fee to us. Because the use of Multnomah does not result in any increased fees to the Primary Adviser's clients, we have determined that there are no conflicts of interest associated with this arrangement.

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Multnomah does not charge any performance-based fees for its services. Accordingly, this item is not applicable to our firm.

## **ITEM 7 – TYPES OF CLIENTS**

We provide investment advice to individual investors and retirement plans. Because each Client is unique, they must be willing to be involved in the planning and ongoing processes. Such involvement does not have to be time consuming, however we want our Clients to remain informed and have a sense of security about their investments.

Generally, a minimum of \$1,000,000 in investable assets is required to open an account with us. In our discretion, we may, but are not required, to reduce or waive this minimum.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

The types of investments we recommend, our investment strategies and advice may vary depending upon each Client's specific financial situation. As such, we determine investments and allocations based upon

predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Client restrictions and guidelines may affect the composition of the portfolio.

### **INVESTMENT STRATEGY**

Multnomah builds broadly diversified portfolios in the global fixed-income and equity markets, combined with periodic rebalancing. Clients may engage us to assist them in developing an investment strategy which outlines the investment philosophy, management procedures, and long-term goals for the investor. Portfolio design is tailored to each Client's risk tolerance and preferences. For example, tax-managed funds and environmentally sustainable funds are available. Our investing is guided by the following beliefs:

- We believe in the long-term growth potential of equities and use these to form the core of an investment portfolio.
- We believe solid research is fundamental and critical to sound investment decisions.
- We believe in a long-term approach. Numerous studies and statistics have shown that a stable investment approach with a long-term perspective yields better long-term result than rapid trading, and we will employ this method to maximize benefit for our Clients.

### **TYPES OF INVESTMENTS**

Our recommendations may differ from Client to Client since each Client has different needs and different tolerance for risk. We primarily recommend mutual funds and exchange traded funds (ETF), to maximize diversification and minimize risk. However we may also utilize individual equity and debt securities, and other suitable securities based on a Client's needs and objectives. Each type of security has its own unique set of risks associated with it, and it would not be possible to disclose all of the specific risks of every type of investment in this brochure. We strive to keep Clients educated and informed of material risks associated with particular investments. If Clients have any questions regarding the risks associated with a particular investment, they are encouraged to contact us.

Mutual funds are professionally managed collective investment companies that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual or exchange traded funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Other fund risks include foreign securities and currency risk, emerging markets risk, small-cap, mid-cap and large-cap risk, trading risk, and turnover risk that can increase fund expenses and may decrease fund performance. Brokerage and transactions costs incurred by the fund will reduce returns.

ETFs are investment funds traded on stock exchanges, much like stocks or equities. An ETF holds assets such as stocks, commodities, or bonds and trades at approximately the same price as the net asset value of its



underlying assets over the course of the trading day. Most ETFs track an index, such as the S&P 500. However, some ETFs are fully transparent actively managed funds. Market risk is, perhaps, the most significant risk associated with ETFs. This risk is defined by the day to day fluctuations associated with any exchange traded security, where fluctuations occur in part based on the perception of investors.

Individual equity securities (also known simply as "equities" or "stock") are assessed for risk in numerous ways. Price fluctuations and market risk are the most significant risk concerns. As such, the value of your investment can increase or decrease over time. Furthermore, you should understand that stock prices can be affected by many factors including, but not limited to, the overall health of the economy, the health of the market sector or industry of the issuing company, and national and political events. When investing in stock, it is important to focus on the average returns achieved over a given period of time, across a well-diversified portfolio.

Individual debt securities (or "bonds") are typically viewed as safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Primarily we invest with a focus on Long Term Purchases, where securities are purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Sometimes we will employ a Short Term Purchase strategy where securities are purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations. Short-term trading (in general, selling securities within 30 days of purchasing the same securities) is not a fundamental part of our overall investment strategy.

## **METHODS OF ANALYSIS**

We may use one or more of the following methods of analysis when formulating investment advice:

*Top-down global macro-economic analysis* involves a big-picture analysis of the prevailing economic, demographic and social trends followed by a more focused analysis at the country level, then the industry level and ultimately the specific security level.

*Mutual fund/exchange traded fund analysis* involves qualitative analysis looking at factors such as the background and experience of the fund manager and/or the fund company (style, consistency, risk-adjusted performance, management expenses, average daily trading volume, etc).

*Fundamental analysis* involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. This type of analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

### **INVESTMENT RISK OF LOSS**

As indicated in the descriptions above, investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance. Risk factors include:

- *Interest rate risk* involves the risk that a change in interest rate will have an impact on a bond's value. Generally, rising interest rates have a negative impact on bond prices so in a period of rising interest rates a bond or bond fund may experience losses in value.
- *Credit risk* is the risk that a bond issuer may not be able to make good on their obligations and could potentially be unable to pay back the owner of a bond.
- *Inflation risk* is the risk that inflation may erode an investor's purchasing power. For a bond investor that owns bonds with a fixed interest rate, higher than expected inflation reduces the real yield of their investment and may cause interest rates to increase, causing a decline in bond prices.
- *Market risk* involves the risk that a securities price may fluctuate up or down based on new market information and the collective market's perceived value of a security. Markets are inherently volatile and an investor must acknowledge that market risk is present and be willing to accept the volatile nature of their investments.
- *Business risk* is the risk associated with a single company. Business risk is impacted by a company's industry, management team, product portfolio, financial position, and the broad economic outlook.
- *Currency risk* involves the risk that investments made in international securities may fluctuate in value based on the exchange rates between the local currency and the investor's home currency. Currency risk may add volatility and may cause a security's performance to differ from its underlying fundamentals.

Except as may otherwise be provided by applicable law, we are not liable to Clients for any loss that a Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by us with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from our adherence to Client instructions, or the disregard of our recommendations to a Client; or any act or failure to act by a custodian or other third party in relation to a Client's account. Clients are responsible to provide complete information on which we may rely, and notify us of any changes in financial circumstances or goals.

### **ITEM 9 – DISCIPLINARY INFORMATION**

We are required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. No principal or person associated with Multnomah has any information to disclose which is applicable to this Item.

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Multnomah acts as a sub-adviser and/or back office provider for another registered investment adviser. This relationship is described more fully in Items 4 and 5, above.

## ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTION AND PERSONAL TRADING

Multnomah has a Code of Ethics which all employees are required to follow. The Code of Ethics outlines our high standard of business conduct, and fiduciary duty to Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, restrictions on the acceptance of gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. A copy of the code of ethics is available to any Client or prospective Client upon request. Our Clients or prospective Clients may request a copy of the firm's Code of Ethics by contacting Amy Barber at (888) 559-0159 or [amy.barber@MultnomahGroup.com](mailto:amy.barber@MultnomahGroup.com).

We do not own or manage any companies or investments that we advise our Clients to buy. Multnomah or individuals associated with us may buy and sell some of the same securities for their own account that we buy and sell for Clients. When appropriate, we will purchase or sell securities for Clients before purchasing the same for our account or allowing representatives to purchase or sell the same for their own account. In some cases, we or our representatives may buy or sell securities for their own account for reasons not related to the strategies adopted for our Clients. Our employees and other persons associated with us are required to follow the Code of Ethics when making trades for their own accounts in securities which are recommended to and/or purchased for Clients. The Code of Ethics is designed to assure that the personal securities transactions will not interfere with making decisions in the best interest of advisory Clients, while at the same time allowing employees to invest their own accounts. We maintain a list of all securities holdings for ourselves and for anyone associated with our practice with access to advisory recommendations, and an appropriate officer of Multnomah reviews these holdings on a regular basis.

We will disclose to advisory Clients any material conflict of interest relating to us, our representatives, or any employees which could reasonably be expected to impair the rendering of unbiased and objective advice. As many advisory situations could present a conflict of interest, we have established certain restrictions in order to support our fiduciary responsibilities:

- A director, officer, associated person, or employee of Multnomah shall not buy or sell securities for his or her personal portfolio where the decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry.
- No person of Multnomah shall prefer his or her own interest to that of the advisory Client.

Any individual who violates the above may be subject to discipline, up to and including termination.

## ITEM 12 – BROKERAGE PRACTICES

Our Clients' assets are held by independent third-party custodians. Except to the extent that the Client directs otherwise, we may use our discretion recommending the custodian or broker-dealer. The Client is not obligated to effect transactions through any custodian or broker-dealer recommended by us. In recommending a custodian or broker-dealer we will comply with our fiduciary duty to seek best execution and with the Securities Exchange Act of 1934 and will take into account such relevant factors as:

- Price;
- The custodian's facilities, reliability and financial responsibility;
- The ability of the custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order;
- Any other factors that we consider to be relevant.

Generally speaking, we will recommend that individual Clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co. Inc. ("Schwab") so long as Schwab continues to meet the above criteria. We work with primarily with Schwab for administrative convenience and also because Schwab offers a good value to our Clients for the transaction costs and other costs incurred.

Schwab is a registered broker-dealer and SIPC member. Schwab provides Multnomah with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services are generally available to independent investment advisers at no charge so long as a total of at least \$10 million of the adviser's Clients' account assets are maintained at Schwab Institutional.

Schwab's services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. Schwab Institutional also makes available to Multnomah other products and services that benefit Multnomah but may not directly benefit its Clients' accounts. Some of these other products and services assist Multnomah in managing and administering Clients' accounts. These include software and other technology that provide access to Client account data (such as trade confirmation and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple Client accounts), provide research, pricing information and other market data, facilitate payment of Multnomah's fees from its Clients' accounts and assist with back-office support, recordkeeping and Client reporting. Many of these services generally may be used to service all or a substantial number of Multnomah's accounts, including accounts not maintained at Schwab Institutional.

Schwab may also provide Multnomah with other services intended to help Multnomah manage and further develop their respective business enterprises. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services to Multnomah by independent third-parties. Schwab may discount or waive fees that it would otherwise charge for some of these services, or pay all or a part of the fees charged by a third-party for providing these services to Multnomah. The availability of the foregoing products and services is not contingent on Multnomah committing to Schwab any specific amount of business (assets in custody or trading).

Receiving the above referenced products and services at no cost creates a conflict of interest because we have an incentive to recommend certain custodians to Clients that offer soft dollar arrangements. In order to mitigate this conflict, Multnomah periodically evaluates its custodial relationships to ensure that transaction fees charged to Clients are reasonable in relation to the value of the services provided. Multnomah emphasizes to Clients their unrestricted right to select and choose any custodian, broker or dealer they wish.

We do not aggregate the purchase or sale of securities for Client accounts. Most trades involve mutual funds and exchange traded funds where trade aggregation does not provide any benefit to our Clients.

### ITEM 13 – REVIEW OF ACCOUNTS

Accounts are reviewed by Scott Cameron or Erik Daley (who together are responsible for overseeing all investment advisory activities for the firm) or a Senior Consultant with Multnomah Group. Both Scott Cameron and Erik Daley are Chartered Financial Analyst (CFA) charterholders. See the supplementary information at the end of this document for more information regarding the CFA designation.

The frequency of reviews is determined based on the Client's investment objectives. Accounts are generally reviewed quarterly, but in any event, no less than annually. More frequent reviews may be triggered by a change in Client's investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in the economic climate.

We review Client accounts to ensure continuing compliance with the strategic asset allocation of the investment strategy and to determine if any rebalancing is needed. Clients' accounts are also reviewed at least annually to determine whether the strategic asset allocation is consistent with the Client's objectives and risk tolerance. These reviews are completed by one or more of the firm's Principals and/or Senior Consultants.

Investment advisory Clients receive standard written account statements from the custodian of their accounts on basis no less than quarterly. We may also provide Clients with a written report summarizing the account activity and performance generally quarterly, but in any event, no less than annually.

We do not typically provide additional reports to Financial Planning Clients. However these Clients can initiate financial planning reviews with us if they have changes in their personal circumstances or concerns.

### ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Multnomah acts as a sub-adviser and/or back office provider to another registered investment adviser. This relationship is described more fully in Items 4 and 5, above.

## ITEM 15 – CUSTODY

With the exception of our ability to debit advisory fees, Multnomah does not otherwise have custody of assets in Client accounts. As such, we shall have no liability for any loss or other harm to any property in the account, including harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The Client understands SIPC provides only limited protection for loss of property held by a custodian.

Clients generally receive standard account statements from the custodian of their accounts on a monthly basis, but in any event, no less than quarterly. We may also provide Clients with periodic written reports summarizing account activity and performance. We urge all Clients to carefully review statements from the custodian and compare these to reports that we may provide. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## ITEM 16 – INVESTMENT DISCRETION

Generally, Clients authorize us under an investment advisory agreement to make investment recommendations on a discretionary basis. Discretionary authority means we have authority to manage the assets in the account allowing us to execute investment recommendations in accordance with the stated investment strategy without the Client's prior approval of each specific transaction. This authority allow us to purchase and sell securities and instruments in the account(s), select and retain sub-advisers, and act on behalf of the Client in matters necessary or incidental to the management of investments in the account, including monitoring certain assets. Regardless of this discretionary authority, Clients may impose restrictions on investing in certain securities or types of securities.

In some circumstances, we will have non-discretionary authority which means Multnomah is responsible to provide investment recommendations and monitor investments, however Clients make the ultimate determination whether to accept or reject such recommendations.

## ITEM 17 – VOTING CLIENT SECURITIES

We do not have the authority and will not accept a delegation of authority to vote Client securities on behalf of Clients. Additionally, we do not provide advice on how the Client should vote. Clients will receive proxies and other solicitations directly from the custodian or transfer agent. If any proxy materials are received on behalf of a Client, they will be sent directly to the Client or designated representative who is responsible to vote the proxy.

## ITEM 18 – FINANCIAL INFORMATION

We do require advisory fees to be paid in advance. However, we do not require the prepayment of fees in an amount more than \$1,200, more than six months in advance from any Client. We generally do have discretionary authority over Client funds and securities, but we have no financial commitments that impair our ability to meet contractual and fiduciary commitments to Clients.

Neither Multnomah, nor any principal, has ever been the subject of a bankruptcy petition.

CHARTERED FINANCIAL ANALYST® (“CFA”): Becoming a CFA charterholder is voluntary; no federal or state law or regulation requires investment advisers or financial planners to become a CFA charterholder. However, the CFA program is a globally recognized standard for measuring portfolio management and investment analysis competence and integrity. The program is administered by CFA Institute, a global not-for-profit association of investment professionals.

The program requires candidates to study for and pass three levels of exams that measure a candidate's ability to apply the fundamental knowledge of investment principles at a professional level. Candidates who pass the exams and meet other requirements earn a CFA Charter.

The CFA program is a graduate-level, self-study curriculum and examination program for investment specialists - especially securities analysts, money managers and investment advisers. To register in the CFA program, an applicant must have a bachelor's degree (or comparable non-US degree). Four years of qualified professional work experience or a combination of education and qualified work experience may be acceptable in lieu of a degree. The CFA program sets the global standard for investment knowledge, standards and ethics. The rigorous curriculum covers a broad range of investment topics and is committed to the highest ethical standards in the profession.

To be awarded the CFA charter, a candidate must pass the Level I, Level II, and Level III examinations and have at least four years of acceptable professional experience working in the investment decision-making process. Candidates must also exhibit a high degree of ethical and professional conduct.

Charterholders must comply with CFA Institute's Articles of Incorporation, Bylaws, Code of Ethics and Standards of Professional Conduct to maintain the Charter. In addition, they must annually submit a Professional Conduct Statement and pay membership dues. Failure to comply with CFA Institute's conditions, requirements, policies and procedures can result in disciplinary sanctions, including suspension or revocation of the right to use the CFA designation.