

Auxano Advisors, LLC
Form ADV Part 2A
Investment Adviser Brochure

March 2016

This brochure provides information about the qualifications and business practices of Auxano Advisors, LLC. If you have any questions about the contents of this brochure, please contact Peter Cline, Managing Member and Chief Compliance Officer at 425.889.1261 and/or Peter@auxanoadvisors.com. 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. Registration as an investment advisor does not imply any level of skill or training.

Additional information about Auxano Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. You may search this site using a unique identifying number, known as a CRD number, Auxano Advisors, LLC's CRD Number is 145179.

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Item 2: Summary of Material Changes

Annual Update

In this Item of Auxano Advisors, LLC's (Auxano or the FIRM) Form ADV 2, the Firm is required to discuss any material changes that have been made to Form ADV since the last Annual Amendment, dated March 20, 2015.

Material Changes since the Last Update

Since the last Annual Amendment filing, the Firm has the following material changes to report:

- Alex Lee and Dwight Whiting have become minority owners in the Firm (See Item 4, Advisory Business).

Full Brochure Available

Auxano's Form ADV may be requested at any time, without charge by contacting Peter Cline, Managing Member and Chief Compliance Officer, at 425.889.1261 or Peter@auxanoadvisors.com.

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Item 4: Advisory Business

Firm Description

Auxano Advisors, LLC (Auxano) is an investment advisory firm providing investment advisory services to individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations and corporations. Auxano and its predecessor firm have been serving clients continuously since 1987.

Principal Owners

Auxano's primary owner is Peter Cline, Managing Member. Alex Lee, Client Manager; and Dwight Whiting, Client Manager have some minority ownership in the Firm.

Types of Advisory Services

Auxano offers a comprehensive package of services (Family Office Services) to its clients or offers portfolio management on a stand-alone basis (Investment Advisory Services).

Family Office Services

Family Office Services may include a review of all aspects of a client's current financial situation, including, but not limited to asset allocation, investment review, cash management, risk management, insurance, education funding, goal setting, retirement planning, estate planning, charitable giving planning, tax planning, and capital needs planning.

Family Office Services may also include investment advisory services, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, Auxano develops a client's personal investment policy and creates and manages a portfolio based on that policy. Auxano will manage advisory accounts on both a discretionary and nondiscretionary basis.

Auxano meets with the client to review risk tolerance, financial goals and objectives, and time horizons. Meetings may also include a review of additional financial information, sources of income, assets owned, existing insurance, liabilities, wills, trusts, business agreements, tax returns, investments, and personal and family obligations.

Auxano does not provide specific tax or legal advice but with the client's consent, Auxano may work with client's other advisors (accountant, attorney, or insurance agent) to help with coordination and implementation of the agreed upon strategies. The client should be aware that their other advisors will bill them separately for their services and these fees will be in addition to those of Auxano. Specific product recommendations made by Auxano (or its related persons) will usually be for "no-load" (i.e., no commission) products, if available. In some cases, such as insurance products, there may not be a suitable selection of no load products available for recommendation.

Family Office Services are based on the client's financial situation at the time and are based on financial information disclosed by client to Auxano. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. However, past performance is in no way an indication of future performance. Auxano cannot offer any guarantees or promises that the client's financial goals and objectives will be met. Further, the client must continue to review any plan and update the plan based upon changes in the client's financial situation, goals, or objectives or changes in the economy. Should the client's financial situation or investment goals or objectives change, the client must notify Auxano promptly of the changes.

Investment Advisory Services

Auxano provides investment advisory services, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, Auxano develops a client's personal investment policy and creates and manages a portfolio based on that policy. Auxano will manage advisory accounts on both a discretionary and nondiscretionary basis.

Financial Planning

Financial planning may be offered as a component of the overall investment advisory services, and may include a review of a client's current financial situation. A review may include the following components: cash management, risk management, insurance, education funding, goal setting, retirement planning, estate and charitable giving planning, tax planning, and capital needs planning. Auxano generally does not charge a separate fee for financial planning services.

Other Investments

If suitable, Auxano may recommend the use of Independent Manager(s) or Private Funds to certain clients as a component of overall investment planning and allocation advice. When recommending an Independent Manager or Private Fund, Auxano shall review disclosure documents, investment agreements, private placement memoranda and other materials, as applicable. Auxano shall continue to render services to the client relative to assets placed with Independent Manager(s) or Private Funds, including monitoring and review of account performance and client investment objectives.

Tailored Relationships

Auxano tailors advisory services to the individual needs of the client. Clients may impose restrictions on investing in certain securities or types of securities. All limitations and restrictions placed on accounts must be presented to Auxano in writing.

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objective. Agreements may not be assigned without client consent.

Wrap Fee Programs

Auxano does not participate in a Wrap Fee Program.

Client Assets

As of December 31, 2015, Auxano manages approximately \$398,900,000 in assets; approximately \$338,400,000 is managed on a discretionary basis, and approximately \$60,500,000 is managed on a non-discretionary basis.

Item 5: Fees and Compensation

Compensation

Auxano bases its fees on a percentage of assets under management and in some cases, performance-based fees.

Compensation – Family Office Services

Auxano's fee schedule starts at 1% and declines thereafter based upon the amount of assets the client has managed by the Firm, as outlined in the client agreement.

Auxano's minimum fee for Family Office Services is \$20,000 per year. Fees may vary from the stated schedule.

Compensation – Investment Advisory Services

Auxano's fee schedule starts at 1% and declines thereafter based upon the amount of assets the client has managed by the Firm, as outlined in the client agreement.

Auxano's minimum fee for Investment Advisory Services is \$10,000 per year. Fees may vary from the stated schedule.

Compensation – Other Investments

Auxano will receive its standard management fee on the overall client portfolio and may receive performance fees. In addition, advisors to the Private Funds will receive management and/or performance fees as disclosed in the separate investment management agreement or private placement memoranda.

Calculation and Payment

The specific manner in which fees are charged by Auxano is established in a client's written agreement with Auxano. Auxano will generally calculate fees in arrears each calendar quarter. Clients may also elect to be invoiced directly for fees or to authorize Auxano to directly debit fees from client accounts.

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Other Fees

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

Such charges, fees and commissions are exclusive of and in addition to Auxano's fee, and Auxano shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Auxano considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g., commissions).

Termination of Agreement

A client may terminate any of the aforementioned agreements at any time by notifying Auxano in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, Auxano will refund any unearned portion of the advance payment.

Other Compensation

Neither Auxano nor any of its supervised persons (employees) accept compensation for the sale of securities or other investment products.

General Information on Compensation

In certain circumstances, all fees and account minimums may be negotiable. Auxano's fees may be negotiable based on various criteria, including, but not limited to the size of the aggregate related party portfolio size and pre-existing relationships with clients. Compensation will ultimately be based on the time involved, the degree of responsibility assumed, complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation.

Related accounts may be linked for purposes of fee calculation if all parties agree; meaning certain accounts, approved by Auxano, may be grouped for fee calculations.

Item 6: Performance-Based Fees and Side-by-Side Management

In some cases, Auxano has entered into performance fee arrangements with qualified clients: such fees are subject to individualized negotiation with each such client. Auxano will structure any performance or incentive fee arrangement subject to Section 205(a)(1)

of the Investment Advisors Act of 1940 (The Advisors Act) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, Auxano shall include realized and unrealized capital gains and losses.

Performance based fee arrangements may create an incentive for Auxano to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Auxano has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7: Types of Clients

Types of Clients

As described in Item 4 above, Auxano provides investment advisory services to individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations and corporations.

Account Minimums

Auxano requires a minimum account of \$1,000,000 for Investment Advisory clients. Auxano's minimum fee for Investment Advisory services is \$10,000. Auxano's minimum fee for Family Office services is \$20,000. These minimums may be negotiable under certain circumstances. Auxano may group certain related client accounts for the purposes of achieving the minimum account size.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Auxano may employ a variety of methods of investment analysis including but not limited to fundamental analysis, technical analysis and cyclical analysis.

Fundamental Analysis. Auxano attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down

along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. Auxano analyzes past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis. In this type of analysis we evaluate the overall business cycle to determine the attractiveness of a given investment or mix of investments.

Investment Strategies

Investment strategies used by Auxano to implement investment advice given to clients can take the form of long-term purchases (securities held at least a year) as well as short-term purchases (securities sold within a year) depending on the investment climate and unique client circumstances. Strategies may be implemented by investing in both listed and privately placed securities. Client portfolios are managed in a way that is intended to be consistent with their risk profile and long-term investment objectives.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **False or Misleading Information:** Auxano relies on information obtained from sources believed to be reliable to make investment decisions. No guarantee can be made that these sources are indeed reliable.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Auxano or the integrity of Auxano's management. Auxano has no information to disclose applicable to this Item.

Item 10: Other Financial Industry Activities and Affiliations

Financial Industry Activities

Auxano is not registered as a broker-dealer, and none of its management persons are registered representatives of a broker-dealer.

Neither Auxano nor any of its management persons is registered as (or associated with) a futures commissions merchant, commodity pool operator, or a commodity trading advisor.

Affiliations

Certain employees have life and disability insurance licenses and may receive separate compensation for insurance policy sales. Clients are not obligated to use Auxano for insurance product purchases, and may work with any insurance agent they choose. Insurance compensation will be separate and distinct from investment advisory and other fees charged by Auxano.

Jon Pinkston, Senior Investment Strategist, is the owner of Blue Kayak Partners, LLC (Blue Kayak), a state-registered Investment Adviser in Tennessee. Any advice given or compensation earned will be separate and distinct from that of Blue Kayak.

Other Investment Advisors

Auxano may recommend or select other investment advisors for its clients.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Auxano employees must comply with a Code of Ethics and Statement for Insider Trading. The Code describes the Firms' high standard of business conduct, and fiduciary duty to its clients. The Code's key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

Peter Cline, Managing Member and Chief Compliance Officer reviews all employee trades each quarter. His trades are reviewed by Brian Hill, Director of Operations. These reviews ensure that personal trading does not affect the markets, and that clients of Auxano receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

All Auxano employees must acknowledge the terms of the Code of Ethics at least annually.

Any individual not in compliance with the Code of Ethics may be subject to termination.

Clients and prospective clients can obtain a copy of Auxano's Code of Ethics by contacting Peter Cline at 425.889.1261.

Participation or Interest in Client Transactions – Personal Securities Transactions

Auxano and its employees may buy or sell securities identical to those recommended to clients for their personal accounts. These trades may not occur ahead of client trades. The Code of Ethics, described above, is designed to assure that the personal securities transactions, activities and interests of the employees of Auxano will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Auxano's clients. In addition, the Code restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Auxano and its clients.

Participation or Interest in Client Transactions – Principal/Agency Cross

Auxano and its employees do not recommend to clients, or buy or sell for client accounts, securities in which they have a material financial interest.

It is Auxano's policy that the Firm will not affect any principal or agency cross securities transactions for client accounts. Auxano will also not cross trades between client accounts.

Participation or Interest in Client Transactions – Aggregation

Auxano and its employees may trade in the same securities with client accounts on an aggregated basis when consistent with Auxano's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Auxano will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

Item 12: Brokerage Practices

Research and Other Soft Dollar Benefits

Auxano does not receive soft dollar benefits other than execution from broker/dealers in connection with client securities transactions. See disclosure below in "Brokerage – Other Economic Benefits".

Brokerage for Client Referrals

Auxano does not receive client referrals from broker/dealers.

Directed Brokerage

Auxano manages investment advisory accounts on a discretionary basis, which means that Auxano has the authority to determine the securities that are bought or sold and the amounts of the purchases and sales. If a client wishes to limit this authority, the client must specify any limitations in writing at any time. Clients must provide Auxano with written authorization to select the broker/custodian. Auxano may recommend a broker/custodian to clients.

While not routine, the client may direct Auxano to use a particular broker-dealer to execute some or all transactions for the client. This brokerage direction must be requested by the client in writing. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and Auxano 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 Auxano. By directing brokerage, 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. Not all advisers require or allow their clients to direct brokerage. Subject to its duty of best execution, Auxano may decline a client’s request to direct brokerage if, in Auxano’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Brokerage – Best Execution

Auxano seeks best execution when effecting transactions for client accounts. Although there is no fixed manner to determine whether a particular broker provides best execution, the following factors may be relevant:

1. Competitive fees for comparable execution and services rendered from other brokers for similar transactions
2. Access to the trading desk
3. Difficulty of order
4. Broker’s distribution network
5. Willingness of broker to commit its own capital to work difficult orders, and
6. Broker’s level of accuracy in executing, reporting and settling transacted orders.

Brokerage – Other Economic Benefits

Auxano generally recommends that Investment Advisory clients establish brokerage accounts with Schwab Institutional (Schwab) to maintain custody of clients’ assets and to effect trades for their accounts.

Auxano is independently owned and operated and not affiliated with Schwab. Schwab provides Auxano with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis **and are not otherwise**

contingent upon Auxano committing to Schwab any specific amount of business
(assets in custody or trading).

For Auxano client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. The brokerage commissions and/or transaction fees charged by Schwab or any other designated broker-dealer are exclusive of and in addition to Auxano's fees.

Schwab offers services intended to help Auxano manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Auxano.

Auxano may also receive from Schwab, at no cost to Auxano, professional services, computer software and related systems support, enabling Auxano to better monitor client accounts maintained at Schwab. Auxano may receive this support without cost because of the portfolio management services rendered to clients that maintain assets at Schwab. The support provided may benefit Auxano, but not its clients directly. Many of these products and services may be used to service all or some substantial number Auxano accounts, including accounts not maintained at Schwab.

Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Auxano. In evaluating whether to recommend or require that clients custody their assets at Schwab, Auxano may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest. Auxano does not believe such incentives impair Auxano's independence.

In fulfilling its duties to its clients, Auxano endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Auxano's receipt of economic benefits from a broker-dealer may create a conflict of interest since these benefits may influence Auxano's choice of broker-dealer over another broker-dealer that does not furnish similar services, software and systems support.

The commissions paid by Auxano's clients shall comply with Auxano's duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Auxano 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 Auxano will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

Other third party service providers may provide non-cash benefits to Auxano and/or its employees from time to time. These economic benefits may include, but are not limited to, waivers or reductions of conference registration fees, meals, entertainment and promotional premium items that have nominal value. Auxano believes these economic benefits do not, either individually or collectively, impair Auxano's independence. Prior to the acceptance of any consideration, employees must obtain authorization and approval from Peter Cline, Managing Member and Chief Compliance Officer.

Auxano has been provided with a one-time credit from Schwab to be used towards technology and/or other economic benefits. Auxano has received this benefit without cost because Auxano renders investment management services to clients that maintain assets with Schwab. Auxano is not required to send a certain amount of business to the broker/dealer to receive this benefit. This economic benefit may benefit Auxano but not its clients directly. In fulfilling its duties to its clients, Auxano endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Auxano's receipt of economic benefits from Schwab creates a conflict of interest since these benefits may influence Auxano's choice of broker-dealer over another broker-dealer that does not furnish similar technology or other economic benefits. Auxano does not believe this benefit impairs its fiduciary duty to clients.

Trade Aggregation – Other

Auxano typically aggregates trades for multiple accounts. Orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. If the order is filled at different prices during the day, the prices are averaged for the day so that all participating accounts receive the same price. If an order has not been filled completely so that there are not enough shares to allocate among all the clients equally, shares will be allocated in good faith, based on the following considerations: amount of cash in the account, existing asset allocation and industry exposure, risk profile, and type of security. All clients participating in each aggregated order shall receive the average price and subject to minimum ticket charges, pay a pro-rata portion of commissions.

Auxano's allocation procedure seeks to be fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other clients.

Accounts for Auxano or its employees may be included in a block trade with client accounts.

Item 13: Review of Accounts

Reviews

Peter Cline, Managing Member and Chief Compliance Officer is responsible for overseeing all reviews.

Auxano's Investment Committee is comprised of Peter Cline, Alex Lee, Brian Hill, Kimberlee Rankin, Andrew Matzen, and Dwight Whiting, and Jon Pinkston, Senior Investment Strategist, provides guidance to the Investment Committee but has no access to any non-public personal information about clients. Members of the Investment Committee meet periodically to discuss overall firm investment philosophy. Peter Cline and Alex Lee are Client Managers.

Each client is assigned a Client Manager who has the responsibility for communicating with the client. The Client Manager typically obtains a Risk Questionnaire from the client and prepares a written Investment Policy Statement (IPS) to establish investment goals, objectives and management policies applicable to the client's investment portfolio. The IPS generally covers the following areas (as applicable): a review of the client's circumstances, the purpose of the portfolio and its time horizon, portfolio goals, tax considerations, investor goals, investment policy objectives, anticipated liquidity needs, investment philosophy and proposed asset allocation, investment selection, constraints, risk tolerance, monitoring intervals, and portfolio loans, as applicable.

The Risk Questionnaire and IPS are an integral part of reviewing accounts, and are updated (as necessary) and presented to clients periodically.

The Investment Committee and Client Managers monitor client accounts continuously, while Client Managers perform a more detailed review of client accounts periodically. These reviews typically include comparing the portfolio with the goals and objectives as outlined by the Risk Questionnaire and IPS, reviewing changes to the client's investment circumstances, evaluating the specific holdings, re-balancing the portfolio and communicating the status of the portfolio to the client.

Reviews may also occur at the time of new deposits, material changes in client's financial information, or changes in economic cycles.

Auxano encourages frequent client contact, but will seek out contact no less than annually. However, clients are obligated to promptly notify Auxano of any changes in the client's financial status to ensure that investment strategies continue to meet the client's changing needs.

Reporting

Clients receive written reports at least quarterly from custodial and brokerage firms, which may include individual holdings, cost basis information, deposits and withdrawals, accrued income, dividends, and performance. In addition, clients may receive trade

confirmations for each position bought and sold. Auxano may periodically prepare reports or communications related to investment advisory or services provided.

Item 14: Client Referrals and Other Compensation

Other Compensation

Auxano does not receive any economic benefits (other than normal compensation and benefits described in Item 12) from any firm or individual for providing investment advice.

Other Compensation – Brokerage Arrangements

See disclosure under Item 12 for brokerage practices regarding compensation, including economic benefits received in connection with giving advice to clients.

Compensation – Client Referrals

Auxano does not make or accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Item 15: Custody

Custody – Fee Debiting

Client assets shall be held in the custody of a bank, trust company or brokerage firm agreed upon by the client and Auxano. The client may authorize Auxano (in the client agreement) to debit fees directly from the client's account at the custodian. The custodian is advised in writing of the limitation of Auxano's access to the account. The custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to Auxano.

Custody – Account Statements

As described in Item 13, clients receive at least quarterly statements from the broker dealer, bank or other qualified custodian (custodian) that holds and maintains client's investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the account statements or other reports that Auxano provides. Auxano statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16: Investment Discretion

Through the investment management agreement, Auxano may accept limited power of attorney to act on a discretionary basis on behalf of clients. A limited power of attorney allows Auxano to execute trades on behalf of clients.

When such limited powers exist between the Auxano and the client, Auxano has the authority to determine, without obtaining specific client consent, both the amount and type of securities to be bought to satisfy client account objectives. Additionally, Auxano may accept any reasonable limitation or restriction to such authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to Auxano in writing.

If Auxano has not been given discretionary authority, Auxano consults with the client prior to each trade.

Item 17: Voting Client Securities

Auxano does not have any authority to and does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies; clients receive these corporate actions from directly from custodians or transfer agents.

If requested, Auxano may provide advice to clients regarding proxy votes. If any conflict of interest exists, it will be disclosed to the client. Clients may contact Auxano at 425.889.1261 for information about proxy voting.

Item 18: Financial Information

Auxano 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.

Auxano is not required to provide a balance sheet; Auxano does not require prepayment of fees of both more than \$1,200 per client **and** more than six months in advance.

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Auxano Advisors, LLC
Form ADV Part 2B
Investment Adviser Brochure Supplement

Supervisor: Peter Cline

Supervisor of:

Erik Byland
Alexander Lee
Brian Hill
Andrew Matzen
Kimberlee Rankin
Dwight Whiting
Jon Pinkston

March 2016

This brochure supplement provides information about the Firm's Supervised Persons that supplements the Auxano Advisors, LLC's brochure. You should have received a copy of that brochure. Please contact Peter Cline, Managing Member and Chief Compliance Officer, if you did not receive Auxano Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about the Firm's Supervised Persons is also available on the SEC's website at www.adviserinfo.sec.gov. You may search this site using a unique identifying number, known as a CRD number for each Supervised Person.

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Educational Background and Business Experience

Education and Business Background

All individuals that provide investment advice on behalf of Auxano are required to have a college degree and/or industry experience.

Supervised Persons

Peter W. Cline
CRD # 1690570

Born 1960

Business Background:

Auxano Advisors, LLC Managing Member / Chief Compliance Officer	2008 – Present
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Raymond James Financial Services Branch Manager	1991 – 2008
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Laney and Company Financial Advisor	1987 – 1990
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Professional Designations and Licenses:

Certified Financial Planner (CFP®)

Alexander Lee
CRD # 2220618

Born 1967

Business Background:

Auxano Advisors, LLC Client Manager	2008 – Present
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Raymond James Financial Services Financial Advisor	2002 – 2008
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Waddell & Reed Financial Advisor	1992 – 2002
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Education Background:

University of Washington, BA

Professional Designations and Licenses:

Certified Financial Planner (CFP®)

Chartered Financial Consultant (ChFC)
Chartered Life Underwriter

Brian Hill

Born 1970

Business Background:

Auxano Advisors, LLC	
Director of Operations	2014 – Present
Director of Portfolio Accounting	2010 – 2014
Portfolio Administrator	2008 – 2010
Raymond James Financial Services	
Financial Advisor	1993 – 2008

Education Background:

Washington State University, BA

Kimberlee J. Rankin
CRD# 6121238

Born 1966

Business Background:

Auxano Advisors, LLC	
Client Manager	2013 – Present
Associate Client Manager	2008 – 2012
Tidemark Profiles, Inc.	
Client Manager	2006 – 2008

Education Background:

Princeton University, BA

Professional Designations:

Certified Financial Planner (CFP®)

Andrew Matzen

Born 1984

Business Background:

Auxano Advisors, LLC	
Investment Analyst	2014 – Present
Associate Investment Analyst	2011 – 2014
Laird Norton Tyee	
Investment Performance Analyst	2008 – 2011

Education Background:

Seattle Pacific University, BS

Professional Designations:

Chartered Financial Analyst (CFA)

Dwight Whiting

CRD #4904938

Born 1957

Business Background:

Auxano Advisors, LLC
Client Manager

2014 – Present

Morgan Stanley
Wealth Advisor, Portfolio Manager
UBS Financial Services
Financial Advisor

2008 – 2014

2004 – 2008

Education Background:

University of California San Diego, BA & BS
Stanford University, MS

Jon Pinkston

Born 1971

Business Background:

Auxano Advisors, LLC
Senior Investment Strategist

2015 – Present

Blue Kayak Partners, LLC
Managing Member, Chief Compliance Officer

2008 – Present

Auxano Advisors, LLC (and predecessor)
Chief Investment Officer/Chief Operating Officer

2003 – 2008

Deloitte Consulting
Senior Consultant

2001 – 2003

Education Background:

Birmingham – Southern College, BS

Anderson School at the University of California, Los Angeles, MBA

Professional Designations:

Professional Certifications

Auxano's Supervised Persons maintain professional designations, which require the following minimum requirements:

CFA - Chartered Financial Analyst

Issued by: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

- Undergraduate degree and 4 years of professional experience involving investment decision-making, or
- 4 years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the 3 levels)

Examination Type: 3 course exams

Continuing Education/Experience Requirements: None

ChFC - Chartered Financial Consultant

Issued by: The American College

Prerequisites/Experience Required: Candidate must meet the following requirements:

- 3 years of full-time business experience within the five years preceding the awarding of the designation

Educational Requirements: 6 core and 2 elective courses

Examination Type: Final proctored exam for each course

Continuing Education/Experience Requirements: 30 CE credits every 2 years

CFP® - Certified Financial Planner

Issued by: Certified Financial Planner Board of Standards, Inc. (CFP Board)

Prerequisites/Experience Required: Candidate must meet the following requirements:

- A bachelor's degree (or higher) from an accredited college or university, and
- 3 years of full-time personal financial planning experience (or the equivalent, 2,000 hours per year)
- Agree to be bound by the CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals

Educational Requirements: Candidate must complete a CFP-board registered program, or hold one of the following:

- CPA
- ChFC
- Chartered Life Underwriter (CLU)
- CFA
- Ph.D. in business or economics
- Doctor of Business Administration
- Attorney's License

Examination Type: CFP Certification Examination

Continuing Education/Experience Requirements: Candidate must complete the following ongoing education and ethics requirements:

- 30 hours every 2 years, including 2 hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*
- Renew an agreement to be bound by the Standards of Professional Conduct

Disciplinary Information

Neither Auxano nor any management persons have been involved in any activities resulting in a disciplinary disclosure.

Other Business Activities

Disclosure on Outside Business Activities is provided in Form ADV Part 2A, Item 10.

Certain employees have life and disability insurance licenses and may receive separate compensation for insurance policy sales. Clients are not obligated to use Auxano for insurance product purchases, and may work with any insurance agent they choose. Insurance compensation will be separate and distinct from investment advisory and other fees charged by Auxano.

Jon Pinkston, Senior Investment Strategist, is the owner of Blue Kayak Partners, LLC (Blue Kayak), a state-registered Investment Adviser in Tennessee. Any advice given or compensation earned will be separate and distinct from that of Blue Kayak.

Disclosure on Performance-based Fees is provided in Form ADV Part 2A, Item 6.

Neither Auxano nor any supervised persons receive commissions, bonuses or other compensation based on the sale of securities or other investment products, except as disclosed in Form ADV Part 2A, Items 12 and 14.

Additional Compensation

No Supervised Persons receive any economic benefit outside of regular salaries or bonuses related to amount of sales, client referrals or new accounts.

Supervision

Peter Cline, Managing Member and Chief Compliance Officer, supervises all persons named in this Form ADV Part 2 Investment Adviser Brochure Supplement. Peter Cline supervises these persons by holding regular staff, investment and other ad hoc meetings. In addition, Peter Cline regularly reviews client reports, emails, and trading, as well as employees' personal securities transaction and holdings reports. Peter Cline may be reached at 425.889.1261.