

**Item 1 – Cover Page**

ROSENBAUM FINANCIAL, INC.

150 Harrison Street, Suite 300  
Portland, OR 97201

(503) 352-1300

[www.rosenbaumfinancial.com](http://www.rosenbaumfinancial.com)

March 12, 2015

This Wrap Fee Program Brochure (“Brochure”) provides information about the qualifications and business practices of Rosenbaum Financial, Inc. If you have any questions about the contents of this Brochure, please contact us at (503) 352-1300 or [megan@rosenbaumfinancial.com](mailto:megan@rosenbaumfinancial.com). Rosenbaum Financial, Inc. is an investment advisor registered with the United States Securities and Exchange Commission (“SEC”). Registration of an investment advisor 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.

Additional information about Rosenbaum Financial, Inc. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Rosenbaum Financial, Inc. is 173805.

## Item 2 – Material Changes

Our initial Appendix 1 Wrap Fee Program Brochure was filed on December 15, 2014. Since that date, we have made the following material changes to this Appendix 1 Wrap Fee Program Brochure:

We updated the contact information and name of our Chief Compliance Officer, Megan Campbell.

We will ensure that all current clients receive a Summary of Material Changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. A Summary of Material Changes is also included with our Brochure on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Rosenbaum Financial, Inc. is 173805. We may further provide other 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 Megan Campbell, Compliance Officer of Rosenbaum Financial, Inc. at (503) 352-1300 or [megan@rosenbaumfinancial.com](mailto:megan@rosenbaumfinancial.com). Our Brochure is provided free of charge.

ROSENBAUM FINANCIAL, INC.  
Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure

---

**Item 3 – Table of Contents**

	<u>Page</u>
Contents	
Item 1 – Cover Page.....	i
Item 2 – Material Changes.....	ii
Item 3 – Table of Contents .....	iii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation.....	4
Item 6 – Portfolio Manager Selection and Evaluation .....	4
Item 7 – Client Information Provided to Portfolio Managers .....	8
Item 8 – Client Contact with Portfolio Managers.....	9
Item 9 – Additional Information.....	10

#### Item 4 – Advisory Business

- A Rosenbaum Financial, Inc. (“Rosenbaum Financial” “we” or “us”) helps Clients coordinate and prioritize their financial lives with all aspects of their life goals. For many clients this involves close coordination of business, retirement and personal assets. Client input and involvement is critical to our customized approach to investment management. We spend many meetings with our clients discussing short, mid and long term objectives prior to establishing investment policy. These discussions will not only involve questions of risk and income but also key factors such as taxes, family circumstances and inheritance objectives. Many clients have sensitive estate planning needs which are to be addressed through their investment plans. We require ongoing conversations with clients following the implementation of investment strategies. We meet with our clients to review progress, understand changes in circumstance and to address needed changes due to market movement.

Rosenbaum Financial can have discretionary authority over Client funds. Discretionary authority means that we have the authority to determine, without obtaining specific Client consent, the securities bought or sold and the amount of securities bought or sold. The only restrictions on the above discretionary authority are those set by the Client on a case by case basis. Discretionary authority allows us to act on behalf of the Client in most matters necessary or incidental to the handling of the account, including monitoring certain assets, without the Client’s prior approval.

Advice and services are tailored to the stated objectives of the Client(s). We create an investment policy statement for each client that summarizes their investment objectives, risk tolerance, time horizon, and projected future needs. This policy guides us in objectively and suitably managing the Client’s investment accounts. It also provides a means by which to evaluate results. The statement is reviewed and updated at least annually as a part of our ongoing review process. We recognize that the IPS sets the tone for our investment work and that many clients may have objectives relating to tax and inheritance which are dealt with and recognized/discussed in other planning documents prepared by us or key, outside, legal and accounting professionals.

Our approach uses widely diversified portfolios and individualized strategies to manage investments. Our investment strategies focus on long term results using the lowest possible levels of risk to obtain highest reasonable returns. Our investment recommendations generally include mutual funds, exchange-traded funds, exchange-listed equity securities, along with certain alternative investments, such as private real estate investment trusts, oil and gas, etc. We also recommend certificates of deposit, municipal securities, U.S. government securities and money market funds. If Clients hold other types of investments, we will advise them on those investments also. Clients may impose restrictions on investing in certain securities or types of securities. We consider such restrictions when preparing the Investment Policy Statement.

Rosenbaum Financial provides investment advisory and financial planning services to its Clients. Services may include the analysis of the Client’s current portfolio, development of an investment policy statement, implementation of a recommended portfolio(s), and

ongoing monitoring of the investment portfolio(s).

We typically use the following standard fee schedule:

Assets Under Management*	Advisory Fee
Under \$500,000	1.5%
\$500,000 - \$999,999	1.25%
\$1,000,000 - \$1,999,999	1.0%
\$2,000,000 - 3,999,999	0.8%
\$4,000,000 - \$5,999,999	0.7%
\$6,000,000 and over	negotiable

\* Rosenbaum Financial generally has a \$250,000 account minimum per household that can be waived in Rosenbaum Financial's sole discretion. Fees are generally negotiable.

Clients that have a household AUM of \$1,000,000 or more are automatically enrolled in Rosenbaum Financial's wrap fee program. For the purpose of this Section, "Household AUM" shall be defined as the total AUM of all accounts of any blood relatives or relatives by marriage that are living in the primary residence listed on the new account form or their children that are not living at the primary residence because they are living away at school and have not yet attained the age of 25. Household AUM can also be defined through an affiliation with a business client, such as partners and/or executives of the same company. Client not qualifying to be automatically enrolled in Rosenbaum Financial's wrap fee program under the above criteria can be admitted to the wrap fee program in Rosenbaum Financial's sole discretion.

Rosenbaum Financial's wrap fee program provides that participating Clients will pay their respective AUM fee as listed above at the same breakpoints as non-wrap fee Clients, but for wrap fee program participant Clients, Rosenbaum Financial will pay all Client transaction and ticket charges for the purchase of Mutual Funds, ETF and individual equities. Rosenbaum Financial receives a portion of the wrap fee paid by the client equal to the AUM fee charged to the Client minus the fees that it pays as listed above.

Clients that are enrolled in the wrap fee program will pay less for their advisory services than clients not enrolled in the wrap fee program because wrap fee program clients will not pay certain custody/transaction costs as described above.

- B** In determining whether to establish an account under our wrap fee program, you should be aware that the overall cost to you of the program may be higher or lower than you might incur by purchasing separately, or unbundled the types of securities available in the program. In order to compare the cost of the program with unbundled services, you should consider the turnover rate in our investment strategies, trading activity in the account and standard advisory fees and brokerage commissions that would be charged at our custodian, or at other broker-dealers and investment advisors.

Depending upon the percentage wrap-fee charged by our firm (as described more fully above), the amount of portfolio activity in your account, and the value of custodial and other

services provided, the wrap-fee may or may not exceed the aggregate cost of such services if they were to be provided separately and/or if we were to negotiate transaction fees and seek best price and execution of transactions for your individual account. In as much as the execution costs for transactions effected in your account will be paid by our firm, a conflict of interest arises in that we may have a disincentive to trade securities in your account.

**C** Clients that are enrolled in the wrap fee program will still be required to pay certain fees including:

- The Client's proportionate share of any internal mutual fund's fees and charges.
- The Client's proportionate share of internal fees and expenses of exchange-traded funds such as fees and expenses for investment advisory services, administration, and other fund-level expenses
- Client charges imposed by the Client's current custodian (e.g., a transfer or termination fee) before the assets are transferred to Rosenbaum Financial.
- Client charges imposed by the Rosenbaum Financial's custodian (e.g., a transfer or termination fee) before the assets are transferred from Rosenbaum Financial.
- Client charges necessary to liquidate incoming positions into our recommended portfolio.

**D** Rosenbaum Financial and its investment advisor representatives receive compensation as a result of your participation in the wrap fee program. This compensation may be more than the amount Rosenbaum Financial and its investment advisor representatives would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because Rosenbaum Financial and its investment advisor representatives have a financial incentive to recommend the program.

## Item 5 – Fees and Compensation

Clients with a Household AUM of \$1,000,000 or greater are automatically enrolled in Rosenbaum Financial's wrap fee program. For the purpose of this Section, "Household AUM" shall be defined as the total AUM of all accounts of any blood relatives or relatives by marriage that are living in the primary residence listed on the new account form or their children that are not living at the primary residence because they are living away at school and have not yet attained the age of 25. Household AUM can also be defined through an affiliation with a business client, such as partners and/or executives of the same company. Client not qualifying to be automatically enrolled in Rosenbaum Financial's wrap fee program under the above criteria can be admitted to the wrap fee program in Rosenbaum Financial's sole discretion. Rosenbaum Financial generally provides investment advice to individuals, high net worth individuals, and entities.

## Item 6 – Portfolio Manager Selection and Evaluation

- A** Investment advisor representatives of Rosenbaum Financial may act as the portfolio manager under a wrap fee program account. In circumstances where Rosenbaum Financial recommends separate account managers, we consider several factors including account size, risk tolerance, the opinion of each client and the investment philosophy of the selected registered investment advisor. The recommendation of the initial portfolio manager and or the replacement of the portfolio manager will be based on a number of factors including client service, portfolio performance, customer satisfaction and other similar factors. The Chief Compliance Officer or other firm manager may conduct periodic portfolio performance evaluations where the performance of the portfolio being evaluated may be compared to other similarly managed accounts. Each portfolio evaluated may be evaluated based on its particular circumstances. Therefore, the portfolio performance evaluations of accounts may not be conducted on a uniform or consistent basis.
- B** Investment advisor representatives of Rosenbaum Financial may act as the portfolio manager under a wrap fee program account. Rosenbaum Financial and its investment advisor representatives receive compensation as a result of your participation in the program. This compensation may be more than the amount Rosenbaum Financial and its investment advisor representatives would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because Rosenbaum Financial and its investment advisor representatives have a financial incentive to recommend the program. Related persons are subject to the same selection criteria as outside portfolio managers.
- C** **Advisory Business.**  
Information regarding types of advisory services offered, how advisory services are tailored to individual needs of clients, and differences between the wrap fee program and separately managed accounts can be found in Item 4 above.

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

Rosenbaum Financial does not charge any performance-based fees for its services and does not provide side-by-side management.

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

Rosenbaum Financial believes in a long-term, balanced, disciplined approach to investing. As such, we build globally diversified portfolios that include stocks, bonds, real estate, and cash. These asset classes are accessed via mutual funds, exchange traded funds and individual stock and bond issues. When used in a managed account, these mutual funds will be no-load or load waived share classes. Investing takes place within the context of the plan that is tailored to each client's unique situation. We develop a statement of investment policy with each Client, outlining the investment philosophy, management procedures, long-term goals, risk tolerance, and other factors as they pertain to the investor(s).

Our approach attempts to maximize risk adjusted returns. We are looking for investments or combinations of investments that will provide higher returns relative to the amount of risk assumed.

**ROSENBAUM FINANCIAL CORE EQUITY PORTFOLIO (CEP)**

Clients who desire core equity growth as a long term piece of their portfolio will often participate in a group of mutual funds we select and monitor. These combination of funds and ETFs are carefully researched and selected based on historical net performance, risk adjusted returns, manager and team interviews and tenure and adherence to stated objectives among many other factors. The funds and markets they represent are evaluated at least annually and rebalanced at the same time. The combination of equities represented will provide access to many markets the combination of which, over time, we believe will provide the opportunity for a more stable portfolio and higher returns.

The CEP may or may not include investment to the following market segments:

- Large, mid, small, micro – growth & value
- Developed international, emerging markets, developed small cap, individual countries
- Commodities
- High yield bonds
- Private equity
- Global infrastructure
- Domestic and international real estate
- Utilities
- Timber
- Hedging positions\*

\*Other categories may be added as market conditions warrant

**ROSENBAUM FINANCIAL CORE BOND PORTFOLIO (CBP)**

For a core fixed income portfolio, we apply many of the same principals used in the construction of our equity portfolios. Fixed income investments are subject to a number of different types of risks, including but not limited to: credit, interest rate, and reinvestment risks. This diversified portfolio is an attempt to mitigate the impact of any one of these risk.

The CBP may or may not include investments in the following market segments:

- Varying Durations- Long, Mid, Short
- Corporate
- Governments
- High Yield
- Bank Loan
- Convertible
- Inflation Protected
- International – Developed and Emerging
- Mortgage Backed
- Asset Backed
- Floating Rate
- Alternative – long/short\*

\*Other categories may be added as market conditions warrant

We also may supplement client portfolios with hedged equity positions if we need to reduce the risk of a portfolio to meet the individual client's needs. These portfolios are constructed to attempt to mitigate downturns, recognizing that in rising markets there will be a cost for the risk management.

The Hedged Equity portfolios may or may not include investments in the following market segments:

- Long/Short
- Market Neutral
- Arbitrage
- Tactical or Strategic Allocation
- Managed Futures
- Absolute Return Strategies

A portion of these portfolios may also be invested in a proprietary tactical allocation model based on historical valuations, price movement, momentum and market breadth.

We primarily use mutual funds and ETF's for all of the above investments. We research fund information using both trusted third party sources and interviews and questionnaires completed by the funds parent companies when appropriate. The main sources of information we rely upon when conducting our research and analysis are on sophisticated Morningstar databases and financial information provided by leading national and international institutions.

We use our best judgment and good faith efforts in rendering services to Client. We cannot warrant or guarantee any particular level of account performance, or that accounts will be

profitable over time. Not every investment recommendation we make will be profitable. Investing in securities involves risk of loss that Clients should be prepared to bear. Clients assume all market risk involved in the investment of account assets. Investments are subject to various market, currency, economic, political and business risks.

Except as may otherwise be provided by law, we are not liable to Clients for:

- any loss that Clients may suffer by reason of any investment recommendation we made with that degree of care, skill, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; or
- any independent act or failure to act by a custodian of Client accounts.

It is the responsibility of the Client to give us complete information and to notify us of any changes in financial circumstances or goals.

**Voting Client Securities.**

Without exception, we do not vote proxies on behalf of Clients. We do not have authority to vote Client securities. 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 a designated representative of the Client, who is responsible to vote the proxy.

### **Item 7 – Client Information Provided to Portfolio Managers**

Once the client selects an investment advisor representative and an advisory relationship is initiated, the investment advisor representative will obtain information from the client on the client's financial background, prior investment experience, investment objectives, goals and restrictions, if any, and risk tolerance, among other things. This information is shared with any separate account manager selected by the client.

### **Item 8 – Client Contact with Portfolio Managers**

Rosenbaum Financial does not place any restrictions on its client's ability to contact and consult with their portfolio managers.

## Item 9 – Additional Information

### A **Disciplinary Information.**

Rosenbaum Financial is 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 Rosenbaum Financial has any information to disclose which is applicable to this Item.

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

Investment Advisor Representatives of Rosenbaum Financial may also be licensed as Registered Representatives with Ameritas Investment Corp. (AIC). AIC is a FINRA member broker-dealer firm unaffiliated with Rosenbaum Financial. Certain Investment Advisor Representatives of Rosenbaum Financial are also licensed as insurance agents with Rosenbaum Financial.

Rosenbaum Financial may, on occasion, recommend that all or a portion of a Client's assets be managed by an unaffiliated investment manager or sub-advisor. Fees charged by a sub-advisor will be fully disclosed to Clients. Sub-advisory fees may be deducted directly from Client accounts and may result in increased fees to Client. In all discretionary accounts, except to the extent the Client directs otherwise, we are authorized to use our discretion in selecting or changing a sub-Advisor and/or outside money manager to the account without prior approval from a Client. Clients may be required to execute a limited power of attorney with a sub-advisor selected by us.

Rosenbaum Financial may, on occasion, provide to its Clients business succession consulting. As fiduciaries we must act primarily for the benefit of investment advisory Clients. As such, we will only provide Clients business succession consulting services when fully disclosed, suitable, and appropriate. Clients are informed that they are under no obligation to use any individual associated with Rosenbaum Financial for business consulting services. Clients may use any firm, entity or agent they choose for these services.

Securities and insurance related business is transacted with advisory Clients, and individuals may receive commissions from products sold to Clients. Clients are advised that the fees paid to Rosenbaum financial for investment advisory services are separate and distinct from the commissions earned by any individual for selling Clients insurance or other securities products. If requested by a Client, we will disclose the amount of commission expected to be paid.

The receipt of commissions by an affiliated entity or individuals associated with the firm presents a conflict of interest. As fiduciaries we must act primarily for the benefit of investment advisory Clients. As such, we will only transact insurance or securities related business with Clients when fully disclosed, suitable, and appropriate. Further, we must determine in good faith that any commissions paid to our representatives are appropriate. Clients are informed that they are under no obligation to use any individual associated with Rosenbaum Financial for insurance or securities products or services. Clients may use any insurance or brokerage firm or agent they choose.

**B Code of Ethics, Participation or interest in client transactions and personal trading.**

Rosenbaum Financial 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, a prohibition of rumor mongering, restrictions on the acceptance of significant 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 by contacting Megan Campbell at (503) 352-1300 or [megan@rosenbaumfinancial.com](mailto:megan@rosenbaumfinancial.com).

We do not own or manage any companies or investments that we advise our Clients to buy.

Rosenbaum Financial or individuals associated with our firm may buy and sell some of the same securities for their own account that Rosenbaum Financial buys and sells for its 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 Rosenbaum Financial or representatives may buy or sell securities for their own account for reasons not related to the strategies adopted for our Clients. Our employees 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 decisions made in the best interest of advisory Clients while at the same time, allowing employees to invest their own accounts.

Rosenbaum Financial will disclose to advisory Clients any material conflict of interest relating to us, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

As any advisory situation could present a conflict of interest, we have established the following restrictions to ensure our fiduciary responsibilities:

1. A director, officer, associated person, or employee of Rosenbaum Financial shall not buy or sell securities for his personal portfolio where his decision is substantially derived, in whole or in part, by reason of his employment unless the information is also available to the investing public on reasonable inquiry. No person of Rosenbaum Financial shall prefer his or her own interest to that of the advisory Client.
2. Rosenbaum Financial maintains a list of all securities holdings for itself and for anyone associated with its advisory practice that has access to advisory recommendations. An appropriate officer of Rosenbaum Financial reviews these holdings on a regular basis.
3. Any individual not in observance of the above may be subject to termination.

**Review of Accounts.**

Accounts are reviewed by Megan Campbell who is responsible for overseeing all regulatory compliance for the firm. 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.

Investment advisory Clients receive standard account statements from the custodian of their accounts on a monthly basis or quarterly if there is no activity in the account. Rosenbaum Financial also provides Clients with a written report summarizing the account activity generally quarterly, but in any event, no less than annually.

**Client Referrals and Other Compensation.**

We do not compensate, nor receive compensation from, any third parties in connection with any services we provide for Clients, including referrals.

**Financial Information.**

Rosenbaum Financial does not require advisory fees to be paid in advance and under no circumstances will Rosenbaum Financial collect more than \$500.00, more than six months in advance of services from any Client.

Rosenbaum Financial does have discretionary authority over Client funds or securities, but we have no financial commitments that would impair our ability to meet contractual and fiduciary commitments to Clients.

Neither Rosenbaum Financial, nor any of the principals, have been the subject of a bankruptcy petition at any time in the past.