

# ADV PART 2A FIRM BROCHURE



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The ADV Part 2, also known as our Firm Brochure, provides information about the qualifications and business practices of Laird Norton Wealth Management, LLC. For any questions regarding the content of this Brochure, please contact us at 206-464-5100. The information in this Brochure has not been approved or verified by the Securities and Exchange Commission, or any state securities authority. Additional information about Laird Norton Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Laird Norton Wealth Management, LLC is an SEC-registered investment adviser. Such registration does not imply any level of skill or expertise.



## 2. MATERIAL CHANGES SINCE LAST ANNUAL UPDATE TO THIS BROCHURE

Laird Norton Wealth Management, LLC updates this ADV Part 2A Brochure on an annual basis, or more frequently if there have been material changes in the interim.

Since our last filing of this Brochure in March 2020, Laird Norton Tyee Asset Strategies, LLC changed its name to Laird Norton Wealth Management, LLC, effective November 2020. In addition, the parent company of Laird Norton Wealth Management, LLC, Laird Norton Trust Company, acquired Filament, LLC, a registered investment advisor. Sections 4, 5, 8, 12, 13, 16 and 17 of this Brochure have been edited to incorporate descriptions of the changes in our advisory business and practices as a result of this acquisition.

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## 4. ADVISORY BUSINESS

Laird Norton Tyee Asset Strategies was first registered with the SEC in 1995 as Tyee Asset Strategies, Inc. The firm was acquired by Laird Norton Trust Company in 2001 and the name was changed to Laird Norton Tyee Asset Strategies, LLC in 2004. In 2020 the name was changed to Laird Norton Wealth Management, LLC, which is wholly owned by Laird Norton Trust Company, a state of Washington trust company. Laird Norton Trust Company is majority owned, ultimately, by the Laird Norton Company and its family member shareholders. In December 2020, Laird Norton Trust Company acquired Filament, LLC, a Seattle-based registered investment advisor. This Brochure reflects the changes to Laird Norton Wealth Management, LLC as a result of that acquisition.

## SEPARATELY MANAGED PORTFOLIOS

Laird Norton Wealth Management, LLC offers wealth management services to high net worth individuals and families and their related businesses, trusts, foundations and other entities. Our wealth management services include providing investment advice and recommendations regarding the types of investments that we believe to be appropriate for our clients. We also provide, or coordinate the provision of, other related financial services such as estate, financial and tax planning in consultation with other professionals that the client has engaged, including attorneys and accountants. The scope of services is determined by the client and may also include retirement planning, capital and liquidity needs, philanthropy and education planning, employee stock option planning, consideration of financing transactions and risk reduction strategies for concentrated equity positions and advice incident to major asset purchases and sales.

We may advise and provide services to many different accounts and entities related to our clients, including personal and retirement accounts, education savings accounts, accounts for minor children, revocable and irrevocable trusts, family partnerships, foundations, charitable organizations and similar entities. When providing investment advice, we recommend the purchase of various mutual funds and other investment funds and we also recommend hiring third party investment managers when appropriate. We do not manage individual stocks or bonds for our clients, other than by special arrangement under very limited circumstances.

Our wealth management advice is tailored to our clients' individual needs and goals. We work with each client to develop a customized Investment Policy Statement setting out the client's time horizon, risk tolerance and investment targets. We manage investment portfolios on both discretionary and non-discretionary basis. We are willing to accept direction from clients regarding specific investments and will hold specific securities in the client's account, if they wish.

As a consequence of the complexity of our clients' financial lives and the customized advice we offer, each client's investment portfolio is unique, although it may share common characteristics with portfolios that have similar investment objectives. Because each portfolio is unique, investment results may vary, even between accounts that have similar investment objectives or similar portfolios. Idiosyncratic factors that can influence the composition of a client's portfolio and investment results include, but are not limited to, whether Laird Norton Wealth Management, LLC has discretion over part or all of the portfolio, timing of initiation of the portfolio, including additions and withdrawals, whether the portfolio contains any legacy holdings or positions, and investment constraints or restrictions imposed by the client on the types of investments that may be purchased for the portfolio.

As of December 1, 2020, the combined entity managed \$2,959,515,061 on a discretionary basis and \$1,127,843,890 on a non-discretionary basis.

## POOLED INVESTMENT VEHICLES

Laird Norton Wealth Management, LLC provides investment management services on a discretionary basis to a privately offered pooled investment vehicle exempt from registration under the Investment Company Act of 1940 (LNWM Renewable Power Fund, L.P., the "Fund") that is now closed to new investors. Access to this privately offered vehicle was limited to certain clients who met the Fund's qualification requirements. Laird Norton Wealth Management, LLC is the general partner and investment advisor to this Fund, which is

structured as a Washington domiciled limited partnership. An investment in this Fund is considered illiquid and subject to limitations on withdrawals; it is not suitable for all clients.

## 5. FEES AND COMPENSATION

Our fees are generally based on a percentage of the market value of assets held in a client's portfolio in accordance with the following schedule. If services are being provided to multiple accounts or entities of a single client (or client family), fees may be divided among the various accounts or entities in a mutually agreeable manner. We may also agree to charge a fixed or flat fee or retainer to cover our investment advisory services or for a special account or project, or for a certain period of time. Fee arrangements and account minimums for all services are negotiable.

Factors used to determine the annual percentage rate applied within the ranges below may include the historical nature of the client relationship, number of accounts and entities, portfolio and financial complexity, unique client circumstances and the variety of services provided. Laird Norton Wealth Management, LLC may also enter into an annual retainer or other fixed fee arrangements based on these same factors.

<u>MARKET VALUE OF PORTFOLIO</u>	<u>ANNUAL RATES</u>
0 - \$3 million	.75 - 1.00%
\$3 - \$5 million	.50 - .75%
\$5 - \$10 million	.25 - .50%
Over \$10	.25% - negotiated

Fee arrangements may be amended by mutual written consent or in some cases upon advance written notice to the client. In determining our fee arrangements, we may, in our complete discretion, consider factors such as the potential for additional assets under management, relationship with existing or prospective clients, the total dollar amount of assets to be managed, charitable or eleemosynary purposes of a client or complexity of client affairs and scope of services and other considerations. Employees of our company, and their families and friends, may receive investment and financial advisory services for free or at fees that are lower than what we generally charge clients.

Our fees are exclusive of all transaction fees, custodial fees, and direct investment manager fees or costs, including brokerage commissions and management fees or costs for mutual funds, exchange traded funds, managed accounts, and investment partnerships.

Neither the Company nor any of its employees accept compensation from the sale of securities or any other investment products or services. We are independent of any broker-dealer or other investment management firm with whom we may work.

## TIMING AND PAYMENT OF FEES

Depending on contractual arrangements, fees may be payable monthly in arrears or quarterly in advance. Fees are based either upon the average daily value of the client's investment portfolio

during the previous period and/or on the factors discussed above. For this purpose, a portfolio consists of all accounts for which Laird Norton Wealth Management, LLC provides investment management services, other than accounts, if any, for which we have agreed to waive fees (sometimes called “courtesy accounts”). Clients should refer to their investment advisory agreement for additional provisions regarding fees. Clients may choose to have fees deducted directly from a custodial account or, alternatively, clients may request to be billed.

Occasionally, we may provide investment consulting or financial planning services on a limited engagement or special project basis. Special projects are highly customizable and idiosyncratic and may include financial analysis, wealth transfer planning, investment or philanthropy education, and specialized or custom investment due diligence. We charge hourly or project fees, as set forth in our engagement agreement with the Client, based on the projected complexity and scope of the analysis or services requested and the training and skills of staff members providing the requested service. If billed on an hourly basis, rates may range from \$100/hour to over \$500/hour.

## FEES FOR THIRD PARTY FINANCIAL PRODUCTS AND SERVICES

In addition to our fees, clients pay fees to third-party investment funds or to a third-party investment manager. Third party fund fees and expenses are set forth in the applicable fund prospectus. Fees imposed by third party managers are disclosed at the time that clients enter into an investment advisory agreement with the third-party manager, or alternatively, at the time the investment is made on the client’s behalf. In limited cases, Laird Norton Wealth Management, LLC is billed directly, on a client-by-client basis, by the third-party manager for its services. In the majority of cases, the third-party manager fees and expenses are directly billed to and paid by the client. Upon request, Laird Norton Wealth Management, LLC will provide clients with reports regarding the fees charged in funds or by third-party managers.

## FEES RELATED TO THE LNWM RENEWABLE POWER FUND, LP

Any client who invested in the LNWM Renewable Power Fund will be allocated their pro rata share of fund expenses. However, neither the Fund nor Laird Norton Wealth Management, LLC charges a fee for managing the investments in the Fund. (Please refer to the Fund documents for specific information regarding Fund fees and expenses, including fees charged to the LNWM Renewable Power Fund by the fund in which it invests.) The market value of the client’s investment in the Fund will be included in the total market value of the client’s portfolio upon which the client fee is calculated.

Neither the Company nor our employees receive any compensation from the funds in which our clients invest or from any third-party manager chosen to manage a portion of a client’s investments.

## 6. PERFORMANCE FEES AND SIDE BY SIDE MANAGEMENT

Laird Norton Wealth Management, LLC does not charge any fee based on the performance of clients’ accounts. However, some third-party funds in which clients invest charge a performance fee within that particular fund. Details of those investments are disclosed in the fund documents for that fund. Of course, a fee based on a percentage of the market value of assets will increase or decrease as the market value of those assets changes over time.

## 7. TYPES OF CLIENTS

Laird Norton Wealth Management, LLC provides investment advice to high net worth individuals and families and their trusts, estates, charitable organizations, corporations, business entities, foundations and endowments. In certain limited circumstances, for example if a client owns a business, we may also provide investment advice to its pension and profit-sharing plan; however, we do not act as a plan administrator. We serve families with investments ranging from several hundred thousand dollars to more than \$100,000,000.

## 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

In providing services to our clients, Laird Norton Wealth Management, LLC develops asset allocation strategies focused on risk management through our research of capital markets and macroeconomic trends. We then perform extensive due diligence in selecting and monitoring professional asset managers by researching historical performance metrics as well as analyzing both the firm and its personnel. We do not recommend or select individual equities or fixed income securities for client portfolios. Rather, we build your portfolio with a customized mix of funds from managers upon whom we have conducted extensive due diligence.

### FEE-ONLY ADVISORS

Laird Norton Wealth Management, LLC employs an open-architecture platform, which means we are able to provide a wide range of products to our clients in crafting portfolios to best suit their risk tolerance, financial goals, constraints and timelines. We do not receive any compensation or commissions from investment managers or from the funds we select. Since we do not benefit financially from the funds or investment managers used in our clients' accounts, we are free to choose those funds and managers that we believe are most appropriate for our clients. We emphasize managers that focus on risk management and offer diversification by market segment.

### ASSET ALLOCATION STRATEGY

Laird Norton Wealth Management, LLC develops asset allocation strategies for our clients. In doing so, we generate forecasted asset class assumptions for correlation, volatility and returns, using our proprietary modeling process. In the modeling process we aggregate information on various market factors and identify relationships between these factors and the asset class returns impacted. The factors we monitor include expectations of interest rates, inflation, GDP growth, currency exchange rates and the like. From this, we develop strategic target percentages for every asset class in a portfolio for various client risk profiles and evaluate risk metrics which measure portfolio volatility and downside risk.

Additionally, in periods of heightened risk or if we identify significant market inefficiencies, our analysis may lead us to recommend shorter-term (typically two years or less) shifts in our clients' asset allocation strategies. These tactical allocations generally result in an overweight or underweight position within the strategic target rebalancing thresholds but may include positions outside of strategic targets as well. These allocation decisions are based on a rigorous analysis of economic and capital markets data, and take into account each client's liquidity needs, risk tolerance and tax sensitivity. There are risks involved in both our strategic and tactical asset allocation processes in that markets will behave differently than forecasted. These risks are



inherent in any investment strategy, and thus are not unusual. However, a well-diversified asset allocation can help mitigate some of these risks.

## TAX AWARE INVESTING

We incorporate an analysis of taxes into our asset allocation framework and frequently select managers who invest with an eye toward efficient tax management. We also thoughtfully place managers and strategies in specific accounts to enhance the tax efficiency of the overall portfolio. For example, we may situate investments that tend to generate taxable income or gains within an IRA. However, not every manager or strategy we recommend will necessarily be tax efficient, and there is the risk that a client's tax liability will increase due to investment.

## ESG AND IMPACT INVESTING

On request, Laird Norton Wealth Management, LLC may also incorporate environmental, social and governance (ESG) or socially responsible investing criteria when constructing a portfolio, based on a client's investment intentions and personal goals. ESG or socially responsible investing can encompass a variety of approaches, such as using third-party ratings to decide which investments to include in or exclude from a portfolio. When investing for "impact" we seek to achieve a measurable social or environmental outcome in addition to financial return. For example, an investment in a low-income housing project might satisfy both client objectives. Impact investing carries the same risks as traditional investing, as well as the risk that the desired impact will not be achieved.

## DUE DILIGENCE

Laird Norton Wealth Management, LLC applies a rigorous due diligence program in searching for investment managers. We employ a five-tiered process which includes:

- **Search Parameters Defined** (developing a broad list of manager candidates)
- **Operational Review** (confirming the usability of the prospective manager)
- **Regulatory Review** (assessing regulatory infractions or conflicts of interest)
- **Quantitative Screening** (reviewing the risk and return metrics of remaining candidates)
- **Qualitative Analysis** (interviewing manager staff and clients)

Every search must undergo a peer review within the Investment Strategy and Research group before the analysis can be submitted to the Investment Committee for review and possible approval.

Once a manager has been approved for use in client portfolios, this high level of due diligence continues. We conduct regular update calls with managers, complete ongoing performance reviews, and continue to evaluate the manager against its peers in an effort to confirm that our original thesis regarding the manager is maintained. Many risks associated with investing through third party asset managers can be mitigated through rigorous and thorough due diligence. It is that goal that drives both our initial and ongoing due diligence processes.

## ALTERNATIVE INVESTMENTS

In addition to the more traditional asset classes (e.g., equities and fixed income), we also offer our clients access to alternative investments including hedge funds, private equity, and private

real estate. Although the due diligence process is similar to that described above, it gains complexity in line with the complexity of the strategy or vehicle. For instance, in addition to the steps outlined, we also conduct site visits, background checks, reference interviews and legal reviews of documents for these investments, as appropriate.

Alternative investments are not suitable for all clients. Clients lacking sufficient liquidity and appropriate risk tolerance or who lack a time horizon long enough for the investment proposition to mature are not good candidates for certain alternative investments. Some investments are not publicly traded and only allow redemptions at certain times, while others offer daily liquidity. For these reasons, hedge funds, fund-of-funds, and similar partnership-like investment vehicles should be considered illiquid. Several hedge funds and managed futures funds do offer mutual fund structures, which are traded daily and thus do not suffer the liquidity concerns found in partnership-like investment vehicles. Because of the timing of the tax reporting that may be associated with these types of investments, clients invested in these vehicles often need to extend the filing of their tax returns. For a limited number of qualified purchasers for whom it is believed to be appropriate, Laird Norton Wealth Management, LLC suggested an investment in its LNWM Renewable Power Fund L.P., established for the purpose of directly investing in Global Renewable Power Fund II offered through BlackRock, Inc.

## PERFORMANCE

The value of investments and the income derived from them can go down as well as up. Future returns are not guaranteed and a loss of principal may occur. All investment performance can be affected by changes in the economy and financial markets and the extent and timing of investor participation in securities markets. The value of an investment fund changes as its asset values go up or down. The timing of an investment will also affect performance. International investments involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or regulatory structure, or from economic and/or political instability in other nations.

## RISK OF LOSS

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) and pooled vehicles involves risk of loss. Further, depending on the different types of investments there will be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. Furthermore, you should carefully evaluate the following considerations.

**Non-U.S. Investments.** We may invest in instruments issued by non-U.S. companies and governments, including those in developing nations and emerging markets. Such investments involve a number of risks not usually associated with investing in securities of U.S. companies or the U.S. government. Those risks include, among other things, trade balances and imbalances and related economic policies, currency exchange rate fluctuations, imposition of



exchange control regulation, withholding taxes, limitations on the repatriation of funds or other assets to the U.S., possible nationalization of assets or industries, political difficulties and political instability, any of which could lead to substantial losses.

**Extraordinary Events.** Global terrorist activity and armed conflicts may negatively affect general economic conditions, including sales, profits and production, and may materially affect prices and/or impair our trading facilities and infrastructure or the trading facilities and infrastructure of the exchanges or markets on which we trade.

**Regulatory Developments.** The legal, tax and regulatory environment worldwide in the financial industry is evolving, and changes in regulations affecting the financial industry, including Laird Norton Wealth Management, LLC and the issuers of financial instruments held in your account or the Fund, may have a material adverse effect on our ability to pursue the investment strategies described above or the value of the instruments held in your account or the Fund. There has been an increase in scrutiny of the financial industry by governmental agencies and self-regulatory organizations. Various national governments have expressed concern regarding the disruptive effects of speculative trading and the need to regulate the financial markets in general. New laws and regulations or actions taken by regulators that restrict our ability to pursue our investment strategies or conduct business with broker-dealers and other counterparties could adversely affect your account or the Fund.

## RISKS SPECIFIC TO PRIVATE FUNDS

**General Risk of Loss; Liquidity.** Investing in securities involves risk of loss, including the possibility of losing all of your initial investment as well as any unrealized gains on investments. In addition, pooled investment vehicles organized as private funds may underperform in comparison to the general securities markets or other asset classes. These funds may be invested in a variety of unconventional securities and other assets. We do not guarantee returns and cannot eliminate risk. In addition, general economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws, trade barriers, currency fluctuations and controls, and national and international political circumstances can materially affect the investments in your account(s) or in the private funds. For example, any of these factors may affect price volatility and the liquidity of instruments held. Even an instrument that generally is, or recently was, liquid may unexpectedly and suddenly become illiquid. Such volatility or illiquidity could result in substantial losses. Always refer to the offering documents for a private fund for information on additional risks.

**Lack of Diversification.** Private funds are not as diversified as other investment vehicles. Accordingly, investments in such funds could be subject to more rapid change in value than would be the case if they were required to maintain a wide diversification among types of securities, geographical areas, issuers, and industries.

**Valuation.** Private fund assets may, at any given time, include securities and other financial instruments or obligations that are thinly traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to accurately value any such investments.

**Concentration.** Private funds may hold highly concentrated positions in projects engaged in one or a few industries. This increases the risk of loss relative to the market as a whole.

**Limited Withdrawal Rights.** As it relates to private funds, there are limited withdrawal rights and restrictions on transfer, which creates a higher liquidity risk. You should view an investment in a private fund as a long-term investment.

## 9. DISCIPLINARY INFORMATION

A registered investment advisor is required to disclose all legal or disciplinary events that would be material to the evaluation of it as an investment advisor or regarding the integrity of its management. Laird Norton Wealth Management, LLC has no history of any legal or disciplinary events.

## 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Laird Norton Wealth Management, LLC is wholly owned by Laird Norton Trust Company, LLC. Employees perform services for both companies. Employees who provide investment advisory services to Laird Norton Wealth Management, LLC clients provide similar services to clients of Laird Norton Trust Company or the beneficiaries of a trust for which the Trust Company serves as trustee. Laird Norton Trust Company serves as custodian only for Trust Company clients' investments. The Trust Company does not act as a qualified custodian for securities managed under investment advisory agreements between Laird Norton Wealth Management, LLC and its clients. There is a contract between the two companies that allows them to share office space, equipment and other typical business resources. Additional information about Laird Norton Trust Company may be obtained from the State of Washington, Department of Financial Institutions, Division of Banks: [www.dfi.wa.gov/banks](http://www.dfi.wa.gov/banks).

## 11. CODE OF ETHICS, PARTICIPATION OF INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Laird Norton Wealth Management has adopted a Code of Ethics (the "Code"). Our Code reflects our expectations of appropriate ethical conduct by our employees. The Code provides guidance and specific standards of conduct for situations where violations, inadvertent or otherwise, could occur in the conduct of business. Employees must avoid situations where their personal interests conflict with the interests of the company or our clients. The Code describes appropriate conduct surrounding gifts, outside employment, fiduciary appointments, political activities and personal investments and trading activities. In addition, the Code prohibits dishonest and fraudulent acts and reaffirms our commitment to client confidentiality. Every employee is required annually to sign a statement acknowledging that he or she agrees to follow the standards set forth in the Code. A copy of our Code of Ethics is available upon request.

Employees of the Company, from time to time, purchase or sell shares for their own accounts of some of the same publicly traded securities which are held in our clients' accounts. Given the large size of these publicly traded companies and the daily trading volume they experience, we do not believe there is a material risk that employees' personal trades placed at or near the time of client trades would in any way be detrimental to our clients. Our policy prohibits insider trading by any of our employees. In addition, employees may occasionally invest in private funds in which our clients are also invested. The Code is designed to provide that the personal

securities transactions, activities, and interests of the employees of Laird Norton Wealth Management, LLC will not interfere with making decisions in the best interest of our advisory clients. At the same time our Code allows employees to invest for their own accounts.

Laird Norton Wealth Management, LLC has a fiduciary relationship with all of its clients. We honor this duty to put our clients' interests first and strive to avoid even the appearance of a conflict of interest.

## 12. BROKERAGE PRACTICES

We have entered into a contract with Charles Schwab & Co. ("Schwab"), a registered broker-dealer, to act as the primary custodian and broker for clients' securities. If clients wish for Schwab to be their custodian, they will sign a separate contract with Schwab. Schwab provides custody and brokerage services, monthly reporting to clients, and daily electronic reporting to us and our clients (via web-based access). Each client maintains one or more separate accounts with Schwab for this purpose and pays Schwab directly for its custody and brokerage services. The amount of Schwab's fee is included in the contract clients sign with Schwab. We believe our selection of Schwab as custodian and broker is in the best interests of our clients because of the scope, quality and price of Schwab's services. Other custodians may be used at the direction of the client, with our consent, but which may incur other expenses, such as higher brokerage commissions.

## COMPENSATION

Laird Norton Wealth Management, LLC is independently owned and operated and not affiliated with Schwab. We do not receive any commissions, fees or other monetary compensation from Schwab. Schwab provides us with free software to access client account data, and access to its institutional trading and custody service, which are typically not available to Schwab retail investors. If Laird Norton Wealth Management, LLC did not receive some of these types of services from Schwab, it would purchase them elsewhere at additional cost. Because of this, a potential conflict of interest exists. However, Laird Norton Wealth Management, LLC believes that the overall benefit to its clients from the custody relationship with Schwab outweighs any potential conflict, and clients do not pay any higher commissions or other fees than those that would be charged by another broker dealer under similar circumstances. From time to time, Laird Norton Wealth Management, LLC utilizes, on an unsolicited and discounted or complimentary basis, research and other products and services provided by Schwab (other than execution in connection with client securities transactions). These products and services have economic value to our clients and also to us. These unsolicited products include practice management aids (consulting, publications, conferences and seminars) and compliance assistance.

Schwab generally does not charge separately for custody of client assets, but it is usually compensated by clients based on a percentage of assets held in a client's account ("asset based pricing") or by commissions on trades.

## BEST EXECUTION

Laird Norton Wealth Management, LLC has the discretion to select broker-dealers to be used to process trades in client accounts. We exercise this authority when purchasing and selling mutual fund shares for a client and when acting on client direction to sell securities that are not

part of the client's assets managed by third-party investment managers. Third-party managers typically determine the broker-dealers to be used to trade securities in the client accounts they manage. Laird Norton Wealth Management, LLC generally does not invest client assets in mutual funds subject to a sales charge paid to broker-dealers. We use Schwab when we have the ability to select the broker-dealer, but we may also direct that securities trades be executed by other broker-dealers. In all cases, we attempt to obtain best execution for trades in client accounts, including by aggregating client transactions. We believe best execution includes not only price, but also account access, reporting and related services provided by the custodian. Third-party investment managers making trades on behalf of our clients are responsible for obtaining best execution for those trades.

### 13. REVIEW OF ACCOUNTS

At least once per calendar year, Client Service teams conduct a review of all assets in each managed client portfolio to evaluate whether they are appropriate, individually and collectively, for the client. This process includes a review of whether the investments are consistent with client objectives, risk tolerance and time horizon, along with other administrative matters. Any exceptions noted in the reviews are escalated to the Compliance Department for review.

Quarterly performance reports are prepared and reviewed by Client Service teams before they are delivered to our clients. Laird Norton Wealth Management, LLC encourages regular client meetings to review these performance reports. Clients also receive an annual written report with tax information and account performance. We meet with clients to review their asset allocation strategy as frequently as deemed appropriate and generally at least once a year. Formal account reviews may also occur at a client's request or when we are informed of material changes in a client's circumstances.

In addition, clients receive reports directly from Schwab (and any other custodian used for accounts we manage) at least quarterly that include the securities positions held in the account and the transactions during the period. Clients are encouraged to compare these statements to reports they receive from us on a regular basis. Custodians also provide clients with additional reports, trade confirmations and tax information such as 1099s and 5498s. Clients invested in private funds or other similar investment vehicles generally receive financial statements directly from the fund.

### LNWM RENEWABLE POWER FUND

Review of the LNWM Renewable Power Fund, L.P. consists of an analysis of the underlying Blackrock investments (when available) and performance to-date in light of the Fund's investment objective, and portfolio risk exposure, as well as an evaluation of any appropriate changes to be implemented with respect to the portfolio. Investors in our Fund receive from Laird Norton Wealth Management, LLC the Fund's annual audited financial statements. In addition, we generally provide written reports to investors that may include, among other things, unaudited values, performance data, information regarding the status of the investor's account and certain tax reporting information on an interim basis. The organizational and offering documents for the private Fund describe the nature and frequency for which private Fund investors receive information from us.

## 14. CLIENT REFERRALS AND OTHER COMPENSATION

Laird Norton Wealth Management, LCL has the ability to compensate certain non-employee individuals for the referral of clients. These individuals are referred to as “solicitors.” As of the date of this Brochure, Laird Norton Wealth Management, LLC does not utilize any solicitors. In the event that we do so in the future, we will have a written contract with the solicitor that specifies the amount of compensation he or she will receive. This compensation would not affect the fees that any client pays to us. Any clients referred to us by a solicitor will be provided with a written disclosure with details of the compensation arrangement between the solicitor and Laird Norton Wealth Management, LLC before they sign a contract with us.

## 15. CUSTODY

When clients hire us to provide wealth management services we often take custody of their investment assets. This means that we have the ability to trade in a client account at Schwab or another qualified custodian. In addition, clients regularly give us the authority to transfer cash from one account to another for investment in a different fund or with a different manager. Clients generally give us the authority to withdraw fees from their accounts. Clients may also give us the authority to transfer cash or securities out of an account at their direction.

A qualified custodian, most often Schwab, will send regular statements, at least quarterly, showing the assets held in an account and all the transactions in the account during the statement period. Clients should carefully review these statements to be certain that they understand them and to be sure the assets and transactions reported are what they expect them to be. Laird Norton Wealth Management, LLC’s performance reports and qualified custodian statements may differ based on accounting procedures, reporting dates, valuation methodologies or timing of certain securities transactions.

## LNWM RENEWABLE POWER FUND

Laird Norton Wealth Management, LLC is the General Partner and Investment Adviser to the Fund. As such, we have the power and authority to access and distribute client funds and or securities from the Fund. This ability to access client funds deems us to have custody of your assets and requires us to comply with specific requirements as outlined in Rule 206(4)2 under the Advisers Act – the Custody Rule.

In addition to quarterly capital account statements, investors in the Fund will receive a copy of the Fund’s audited financial statements, prepared in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the fund’s fiscal year end.

We encourage investors in our Fund to review carefully the audited financial statements of the Fund upon receipt and compare them to the information provided in the Laird Norton Wealth Management, LLC capital account statement.

## 16. INVESTMENT DISCRETION

Laird Norton Wealth Management, LLC usually receives discretionary authority from its clients at the outset of an advisory relationship, as confirmed within the signed Investment Advisory Agreement. The Investment Advisory Agreement clients sign with us generally gives us the discretion to invest in one or more accounts, including accounts managed by sub advisers chosen by us. Discretion means that, without having to obtain prior client approval, we will

execute investment transactions in a portfolio in order to implement the investment policy we have developed with a client. Investment transactions include executing specific purchase, sale or other securities transactions, and establishing specific investment accounts. Investment discretion does not include the ability to obtain possession of the securities in a portfolio other than to process transactions in those securities, including the movement of securities or cash from one portfolio account to another registered in the client's name.

In all cases, such investment discretion is to be exercised in a manner consistent with the stated investment objectives for a portfolio. When selecting securities and determining amounts for investment we are guided by an Investment Policy Statement and other restrictions and requirements clients have provided to us. At all times, clients retain the authority to provide us with direction regarding investments including limitations regarding types of securities and the timing of transactions.

If we have not been granted discretionary authority with respect to certain accounts or investments, we cannot execute any transactions without the client's prior approval.

## 17. VOTING CLIENT SECURITIES

Proxies for securities in client accounts can be voted by the client, by a third-party investment management sub-adviser or by Laird Norton Wealth Management, LLC. To that end, we have engaged ISS, a proxy service vendor, to provide proxy voting and recordkeeping services for clients' publicly traded securities over which we have discretionary management responsibility. In accounts where sub-advisers manage individual securities, those sub-advisers are responsible for voting the proxies.

We do not recommend the stocks or bonds of individual companies, and accordingly, do not perform research on any aspect of these companies including management policies, governance or other proposals that may be the subject of proxy voting. Therefore, Laird Norton Wealth Management LLC's proxy voting responsibilities will generally arise in connection with broadly diversified exchange traded funds and mutual funds that we may recommend to clients from time to time.

Through ISS, Laird Norton Wealth Management, LLC records all votes, maintains all proxy voting-related records and monitors for the timely submissions of all proxies. We review our Proxy Voting Policy on an annual basis.

If clients wish to vote their own proxies, we will work with them and Schwab, or other custodian, to arrange for notice to be provided regarding upcoming votes. At any time, clients may contact their Client Service team to direct a vote on an ad-hoc basis. We will use our best efforts to vote the proxy as directed but instructions received too close to the vote or meeting date may not be able to be fulfilled.

Laird Norton Wealth Management, LLC recognizes that conflicts of interest exist, or may appear to exist, in certain circumstances in the voting of proxies. We believe that such conflicts of interest concerning public companies, whether perceived or real, are significantly diminished through the proxy voting research and execution provided by ISS.



Clients may request information on how we voted specific proxies in their account. In addition, clients may request a copy of our Proxy Voting Policy by contacting their Client Service team.

## 18. FINANCIAL INFORMATION

Laird Norton Wealth Management LLC, and its parent company, obtain annual audited financial statements from a nationally recognized third-party accounting firm. Under no circumstances will we require or solicit from any client prepayment of more than \$1,200 more than six months in advance. We are fully able at all times to meet our contractual commitments.