



**FORT VANCOUVER**  
INVESTMENT MANAGEMENT, LLC

## FORM ADV PART 2A BROCHURE

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This brochure provides information about the qualifications and business practices of Fort Vancouver Investment Management, LLC. If you have any questions about the contents of this brochure, please contact us at (360) 823-0477 or [public@fortvancouverim.com](mailto:public@fortvancouverim.com). Fort Vancouver Investment Management, LLC is a registered investment advisory firm with the Securities and Exchange Commission. Registration of an investment adviser does not imply any level of skill or training. The information in this brochure has not been approved by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Fort Vancouver Investment Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). FVIM's IARD number is 157019.

March 25, 2020

## ITEM 2 - MATERIAL CHANGES

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to Clients as required by SEC Rules. This Brochure dated March 25, 2020 updates our previous Brochure and is prepared according to the SEC’s requirements and rules. Material changes are as follows:

Item 5 – Updated fee information for new Investment Management Clients.

Copies of this brochure may be requested by contacting Fort Vancouver Investment Management, LLC at (360) 823-0477, or by email to [public@fortvancouverim.com](mailto:public@fortvancouverim.com).

Additional information about Fort Vancouver Investment Management is also available via the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website also provides information about any persons affiliated with Fort Vancouver Investment Management who are registered, or are required to be registered, as investment adviser representatives of Fort Vancouver Investment Management.

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## **ITEM 4 - ADVISORY BUSINESS**

Fort Vancouver Investment Management, LLC ("FVIM" or "we") is a fee-only investment advisor based in Vancouver, Washington. FVIM was founded in 2010 by Robert Pool. We specialize in investment and wealth management.

As a fee-only advisory practice, we receive compensation only from our clients. We do not sell any financial products, do not collect sales commissions, and do not accept referral fees. We receive no benefits from custodians/broker-dealers based on client securities transactions (so-called "soft dollar benefits").

### **Investment Management**

FVIM provides investment management services. We manage portfolios that often consist of multiple types of accounts, which may include joint, trust, IRA, etc. Portfolios are constructed in a manner that is appropriate for our client's age and life circumstances.

Our investment philosophy is grounded in Modern Portfolio Theory, which refers to the process of reducing risk in a portfolio through systematic diversification across and within asset classes. We typically adhere to a passive style of investing and, thus, recommend passive, asset-class mutual funds and exchange-traded funds, but may use actively managed mutual funds. FVIM typically does not recommend individual stocks or bonds.

FVIM analyzes mutual funds that are recommended to clients based on the fund's total operating expenses, portfolio turnover, investment objective and investment restrictions and limitations. We typically recommend that clients invest in no-load institutional mutual funds including funds managed by Dimensional Fund Advisors (DFA), Vanguard and Schwab that have low operating expenses, low portfolio turnover, below-average capital gains distributions and a fundamental investment objective of investing in a particular asset class. DFA funds generally are available for investment only by clients of registered investment advisors, and all investments are subject to the approval of the advisor. This means that you may not be able to make additional investments in DFA funds if you terminate your agreement with FVIM, except through another advisor authorized by DFA.

By developing a personalized investment strategy for each client, we are able to help our clients manage both their short-term and long-term financial objectives.

This process includes the construction of a well-diversified portfolio consistent with the client's appetite for risk in conjunction with an ongoing assessment of the portfolio's performance. The investment strategy is monitored continually to ensure alignment with the client's long-term goals and financial objectives.

We do not sponsor or participate in any wrap-fee programs.

Per CCR Section 260.238 (k), FVIM will disclose material conflicts of interest regarding FVIM, representatives or any of our employees which could be reasonably expected to impair the rendering of unbiased and objective advice.

As of December 31, 2019, FVIM managed \$117,012,129 in assets, all on a discretionary basis.

## **Retirement Planning**

FVIM offers retirement planning for a fixed fee. This analysis reviews retirement planning, asset allocation, investment strategy among other analyses. FVIM will provide the client with a written report. The client will be responsible for executing any recommendations made by FVIM unless they choose to hire FVIM as their investment manager.

## **ITEM 5 - FEES AND COMPENSATION**

### **Investment Management Clients**

Our fees for investment advisory services are as follows:

- 1.1% per annum up to \$500,000 under management, and
- 0.9% per annum for \$500,000 to \$1,000,000 under management, and
- 0.7% per annum for \$1,000,000 to \$5,000,000, and
- 0.5% per annum on amounts over \$5,000,000.

Our fees are calculated in arrears and are typically automatically deducted directly from our clients' brokerage account(s) on a quarterly basis in January, April, July and October. At the time fees are deducted each quarter, we provide clients with a fee calculation based on the fee schedule they agreed to in their service agreement and the client's portfolio balance at quarter end along with their quarterly reports. In cases where fees are not automatically deducted from a client's account, a bill is sent and fees are due upon receipt. At our discretion, some assets may be excluded from the fee calculation. Lower fees for comparable services may be available from other sources.

Fees may be amended from time to time by FVIM. If changes do occur, our clients will be required to sign a new service agreement or an amendment to the service agreement.

In some cases, clients may receive the same services at a reduced rate or on a *pro bono* basis. This may be available for immediate family members or other scenarios on a case-by-case basis.

FVIM or the client may terminate the service agreement at any time by written notice to the other party. Fees will be prorated through the last date services were rendered and are due immediately upon receipt. Clients may terminate services within five (5) business days of signing the service agreement without penalty.

In addition to our investment advisory fees, client portfolios may be subject to fees charged by mutual funds and exchange traded funds and custodial expenses such as transaction fees.

We do not charge our current investment management clients extra fees for financial planning as this service is included in the investment management fee.

## **Retirement Planning**

FVIM charges a flat fee of \$1,000 for their Retirement Planning services. The fee is based on the estimated time FVIM expects to spend on the analysis. Our process includes working with the client to gather financial data, discuss goals in retirement, analyze current financial condition, develop an investment strategy to help the client work toward the goals and provide a written report. The client will be responsible for executing any recommendations made by FVIM unless they choose to hire FVIM as their investment manager. FVIM may negotiate this fee from time to time. Once retirement planning services are complete, the client will receive

an invoice and fees are due upon receipt. If, upon completion of FVIM's retirement planning services the client chooses to hire FVIM for ongoing investment management services, FVIM may waive the retirement planning fee.

## **ITEM 6 - PERFORMANCE BASED FEES**

FVIM does not charge fees based on performance.

## **ITEM 7 - TYPES OF CLIENTS**

Our services are offered to individuals, trusts, pension plans, non-profits, profit sharing plans and others. Most of our clients are individuals and families.

Our services are best suited for clients with \$250,000 or more in investable assets. Portfolios may be comprised of multiple account registrations, including joint, trust, IRA, 401(k), 403(b), other retirement accounts, minor children's accounts or others.

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

### **Asset Allocation**

Our investment management strategy takes an asset allocation approach. Studies show that asset allocation, which is the mix of different asset classes such as stocks, bonds, real estate, cash, etc., is the primary factor in investment returns.<sup>1</sup>

Each client portfolio maintains a target asset allocation. At minimum, client portfolios are reviewed quarterly to evaluate the extent to which the actual allocation deviates from the target allocation. Where the deviation is considered excessive, FVIM will take the appropriate steps in order to bring the actual allocation back within an acceptable range of the target allocation. This process is referred to as "rebalancing" and is utilized with the intent of helping to maintain an expected level of risk for the portfolio which should be more consistent over time.

FVIM's asset allocation decisions, with respect to stocks versus bonds, are primarily derived from the cash flow needs of our client. Therefore, the client's investment time horizon will greatly determine the overall structure of the portfolio. For example, clients that are currently drawing an income from their portfolio will have a portfolio structured with less volatility than a client that may not need to draw an income for many years.

Typically, our clients are investing for the purpose of keeping a sustainable income throughout their joint life expectancy. In order to give them a higher probability of accomplishing this goal, our clients understand the need to take some risk. To address this, we strive to achieve an appropriate balance between stable value assets (such as bond funds) and long-term growth assets (primarily equity funds). Through our consultative approach, our clients understand that even with a properly diversified portfolio the equity allocation can vary widely, as much as 25% or more in a given year.

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<sup>1</sup> Source: Dimensional Fund Advisors Study (2002).

## **Security Selection**

Once our client's asset allocation is determined, FVIM looks for appropriate investments available for each asset class. We typically use mutual funds and ETFs that offer broad diversification. Generally, we utilize investments that are readily marketable, and that have lower overall cost and high tax efficiency.

When we manage a client's 401(k) or other retirement assets, we may be limited to the investment choices available within an employer-sponsored plan. In these cases, we look for the best options in the plan and aim to balance the retirement account with the other accounts we manage. When working with our clients' assets, we manage their portfolio as a whole, rather than at the account level in order to minimize trading and tax costs.

Most assets managed by FVIM have a long-term time horizon. We view inflation as a type of risk and attempt to grow our client portfolios in real, inflation-adjusted terms. Our focus on long-term returns means that there will be some short-term volatility. As a result, short-term losses are to be expected periodically. And, of course, there is no guarantee that the strategies will prove successful, even over the long term.

We believe that frequent trading within an account can have a negative effect on overall return; therefore, we try to avoid frequent trading in our clients' accounts. However, there are times when it is advantageous to place trades more frequently (i.e. taking tax losses).

## **Tax Management**

Our client portfolios may consist of multiple accounts with differing tax treatments of gains, interest, dividends and withdrawals. We attempt to minimize the long-term impact of taxes by taking advantage of the various tax-favored investments available. We also harvest tax losses, postpone a gain to achieve more favorable tax rates or may recommend a Roth conversion.

## **ITEM 9 - DISCIPLINARY INFORMATION**

Neither FVIM nor any of our advisors have ever been involved in any events that have resulted in disciplinary actions from regulators, courts or the Certified Financial Planner Board of Standards.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

FVIM is not registered with the Financial Industry Regulatory Authority (FINRA) to receive commissions on investment product sales. In addition, none of our advisors have any relationship or affiliation that is potentially in conflict or material to our advisory business, such as that of independent broker-dealer, accountant, insurance representative, or real estate broker. Our only source of revenue comes directly from our clients. Please see the Fees and Compensation section for more details.

## **ITEM 11 - CODE OF ETHICS**

Our advisors and staff take our fiduciary duty very seriously, which guides us to put our clients' interests ahead of our own. We have adopted a Code of Ethics which deals with general ethical principles, client confidentiality, reporting personal trading, gifts and more. A copy of our Code of Ethics is available upon request.

FVIM and our individual employees have the option to buy and sell securities identical to those securities bought and sold for our clients in their own accounts. It is our policy that we must always put our clients' interest first and must not take advantage of our position.

## ITEM 12 - BROKERAGE PRACTICES

### Recommended Firms

All client assets are held with outside custodians (third parties that have actual possession of our clients' assets). FVIM primarily uses Charles Schwab & Co., Inc. ("Schwab" or "Schwab Institutional"). In rare circumstances, there may be a need to hold client assets elsewhere, such as insurance companies Great West and Nationwide. There are also occasions when a trustee requires assets to be held at a different custodian, such as Jefferson National.

When recommending a custodian (also known as a broker), we take into account a number of factors which may include custodial fees charged by the broker, commission rates, record keeping and reporting capabilities, among others. When we suggest a broker, we will attempt to minimize the total cost for all brokerage services paid by the client. However, a suggested broker may charge a higher fee for a particular type of service, such as a commission rate, than can be obtained from another broker.

The brokerage firms that we recommend are not affiliated with FVIM in any way. These firms may provide FVIM and our clients' access to their institutional trading and custody services which are typically not available to individual investors. Generally, these services are available to independent investment advisors on an unsolicited basis, at no charge to them as long as they maintain certain minimum levels of client assets at the brokerage firms. Some of the services provided to FVIM include brokerage, custody, research and access to mutual funds and other investments that may not be available to an individual investor or may require a significantly higher initial investment.

Brokerage firms also have products and services that benefit FVIM, but may not benefit our clients' accounts directly. Some of these products and services assist us with managing and administering our clients' accounts. Some examples of these products and services include:

- Software and other technology that provide access to our client account data (i.e. trade confirmation and account statements).
- Facilitating trade execution (and allocation of aggregated trade orders for multiple client accounts).
- Providing research, pricing information and other market data.
- Facilitating payment of FVIM's fees from our clients' accounts.
- Assisting with back-office functions, recordkeeping and client reporting.

The brokerage firms may also provide FVIM with consulting, publications, conferences on practice management, information technology, marketing and regulatory compliance.

Research products and services we receive from Schwab may include the following:

- Financial publications.
- Information about particular companies and industries.
- Research software and other products or services that provide appropriate assistance to FVIM in the performance of its investment decision-making responsibilities.

These research products and services are provided to all investment advisors that use Schwab Institutional and are not considered to be paid for with soft dollars. ("Soft dollar" arrangements are defined as the receipt of research or other products or services, other than execution of trades, from a broker-dealer or a third

party in connection with client securities transactions.) FVIM does not have a contract in place regarding any soft dollar arrangements with our custodian, Charles Schwab.

We review the relationships we have with our custodians on a regular basis to ensure that our clients receive good value, execution and services. When performing this review, we weigh the costs and benefits of moving accounts to other custodians.

### **Client-Directed Brokerage**

Because client-directed brokerage can make it difficult for us to effectively negotiate brokerage compensation and obtain favorable net price and execution, we typically do not allow clients to direct brokerage.

### **Trade Aggregation**

FVIM is authorized by our clients to use our discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and other transactions in the same or similar securities or instruments for other clients of ours. Many securities that we recommend are mutual funds which trade at one price at the end of each day. Other securities, such as ETFs, may trade at different prices throughout the day. When we place trades in ETFs, we may attempt to aggregate orders together so that our clients receive the same price and there is not potential favoritism. Since it is typically not possible to conduct a single trade for all client positions, we have procedures in place to ensure that clients are not favored based on their portfolio size or any other factor.

## **ITEM 13 - REVIEW OF ACCOUNTS**

FVIM reviews each of our clients' portfolios a minimum of quarterly. A review may also be triggered when there is a change in client circumstances, deposit or significant withdrawal into or from a client's account or securities are transferred. During a review, accounts are analyzed by an advisor and the following areas are assessed:

- Accounts are rebalanced to ensure proper asset allocation.
- Portfolios are reviewed to ensure they are managed in a tax-efficient manner.
- Individual portfolio performance is in line with market expectations.

On an ongoing basis, we continually research and monitor all positions in our clients' accounts. These positions are maintained or sold based upon this ongoing analysis.

In addition to the reports sent by the custodian (such as Schwab), we provide our clients with Billing Statements and Performance Reports each quarter. Our Privacy Policy is sent to all clients annually.

Our advisors usually meet with clients at least once per year either in person, on the phone or via an online meeting. The purpose of these meetings is to provide our clients and advisors the opportunity to review their accounts, go over any questions the client may have, discuss a client's changing situation or financial goals and, when appropriate, update their retirement plan.

We encourage our clients to contact us at any time with any questions, concerns or to update us as financial situations and goals change. We are available by phone, e-mail or to meet in person.

## **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

We do not compensate anyone outside of FVIM for referrals of new clients.

## **ITEM 15 - CUSTODY**

FVIM's clients' accounts are held by Schwab, a qualified custodian. In general, except to withdraw fees and third-party movements, Fort Vancouver does not have custody of the assets in the account and shall have no liability for any loss or other harm to any property in the account. This includes harm resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian. We cannot ensure that when harm is caused whether or not the full amount of loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. SIPC provides only limited protection for the loss of property held by a broker-dealer.

## **ITEM 16 - INVESTMENT DISCRETION**

FVIM accepts discretionary authority to manage client assets. This authority is authorized by our clients through our service agreement and in their brokerage account applications. Discretionary authority allows us to quickly and proactively manage our clients' accounts by giving us authority to perform the following tasks:

- Placing trades in clients' accounts.
- Deducting client fees.

Allowing FVIM to have discretionary authority on your accounts, *does not* allow us to:

- Change the address or beneficiaries on your accounts.
- Withdraw funds from your account, except client fees.

## **ITEM 17 - VOTING CLIENT SECURITIES**

FVIM invests in many securities that allow shareholders to vote on various issues, typically at an annual shareholder meeting. Investors who cannot attend the meeting have the ability to vote by proxy. It is our policy to not vote client securities, but we are available to help clients with questions they have regarding ballot items. Clients typically receive annual proxy forms from the custodian where their assets are held.

## **ITEM 18 - FINANCIAL INFORMATION**

The SEC requires certain firms to provide financial information if they require pre-payment of fees. Since FVIM bills fees in arrears, we are exempt from this requirement. FVIM does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. In addition, FVIM does not have any financial condition (including no prior bankruptcies or other financial complications) that is likely to impair our ability to meet our contractual commitments to our clients.

Due to the nature of our services, an audited balance sheet is not required in this disclosure document. FVIM does not have financial conditions that require further disclosure.