



Northwest Capital Management, Inc.

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

CRD#: 108091

## Form ADV Part 2 Brochure

Item 1

March 26, 2021

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This brochure provides information about the qualifications and business practices of Northwest Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us by phone at 503-597-1616 or by email at [service@nwcm.com](mailto:service@nwcm.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Northwest Capital Management, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Northwest Capital Management, Inc. is 108091.

Northwest Capital Management, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

In the event Northwest Capital Management, Inc. begins to provide advisory services under a verbal agreement and prior to the execution of a written advisory agreement, our agreement to provide you services cannot be assigned by us without your prior consent.

## Item 2: Material Changes

### *Summary*

We have modified this brochure to update you on our Brokerage Practices and the resulting potential for conflicts of interest which might result in the management of your assets. Please see Item 12, Brokerage Practices, page 18.

NWCM encourages you to read this Brochure carefully and to call us with any questions you might have. Our previous Brochure was dated March 30, 2020.

Pursuant to federal and state regulations, we will ensure that Clients receive a summary of any material changes to this Brochure within 120 days of the close of NWCM's fiscal year end, along with either a copy of this Brochure or an offer to provide the Brochure. Additionally, if NWCM experiences material changes in the future, we will send you a summary of our "Material Changes" under separate cover. For more information about our firm, please browse to [www.NWCM.com](http://www.NWCM.com). Additional information about NWCM and its investment adviser representatives is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). A link to this website is available at the bottom of our Homepage at [www.NWCM.com](http://www.NWCM.com).

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## Item 4: Advisory Business

Northwest Capital Management, Inc. is an investment management firm. We are about fifteen people who research investment options, manage Client portfolios, advise and consult to ERISA<sup>1</sup> and non-ERISA retirement plans, undertake personal financial planning, and provide performance reporting—all part of an ongoing effort to help investors achieve their investment goals.

Some of our Clients are individuals. Their investment goals can include financial security and a comfortable retirement. Clients who are retirement plan sponsors (and plan fiduciaries) generally want best-of-class investment options, effective participant education, assistance with regulatory compliance, and relief from fiduciary liability. Our Institutional Clients have important corporate and charitable objectives to develop, maintain, and finance. We are a Certified B Corporation®<sup>2</sup>. At the time of our certification, we were one of less than 2,000 corporations world-wide which have met the highest standards of verified social and environmental performance, public transparency, and legal accountability; and, most important of all, which aspire to use the power of business to solve social and environmental problems. We, in United States, face a growing social crisis of people without adequate savings to afford a secure retirement. Many of our investor educational efforts will be directed toward helping the uninitiated better understand the challenges, opportunities, and necessity of investing for the future.

The firm was founded by Fred Payne. First working with investors in 1985, Fred increasingly saw the importance of a fee-based advisory business and offered such services exclusively starting in 1990. In April 1998, Fred incorporated his investment practice as Northwest Capital Management, Inc. Brent Petty joined Fred in 2005, assumed leadership of the firm's retirement plan consulting business, and became NWCM's president in 2010. A sale occurred effective February 29, 2020 in which Fred sold all his shares in NWCM to Brent, making Brent the controlling owner of NWCM and ensuring the long-term, fiduciary stewardship of NWCM. Fred has not retired and continues working with NWCM under a long-term employment contract. Much of his corporate duties have been eliminated, allowing him to focus most of his time on Client service. Fred remains a voting member of NWCM's Investment Committee, serves as Secretary and Treasurer, and functions as Chief Compliance Officer. Fred, like all of us at NWCM, is enthusiastic to provide answers to, and solutions for, our Clients' most basic question: *How do I invest my money to achieve my goals?*

### Types of Advisory Services

Without any qualifying statements, **Northwest Capital Management, Inc. always acts as a fiduciary** in our dealings with Clients.

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<sup>1</sup> ERISA is an acronym for the Employment Retirement Income Security Act of 1974, federal legislation that governs most employee benefit programs.

<sup>2</sup> State of Oregon statutes require Oregon-registered B Corps to adhere to recognized standards for defining, reporting and assessing its social and environmental performance. To evaluate NWCM's compliance to such standards, we subscribed to standards established by B Lab, a non-profit organization that certifies benefit corporations like NWCM. We are charged annually by B Labs to use the Certified B Corp® trademark and to undertake a re-evaluation of our practices every three years.

We provide a wide range of services to three categories of investors:

1. Our Institutional Clients contract with us for such services as asset allocation studies, manager searches, investment management and performance reporting.
2. Retirement Plan Sponsors ask us to help them evaluate their existing service providers, or to undertake a search for new ones. They ask us to evaluate and monitor the Investment Alternatives offered to their plan participants. We make recommendations about the continued suitability of an Alternative or its replacement. Most often, Plan Sponsors ask us to serve in a legal capacity as an Investment Manager as defined by the Employee Retirement Income Security Act of 1974 (“ERISA”) whereby Retirement Plan Sponsors delegate to us the discretionary authority to identify, monitor and replace their plans’ Investment Alternatives. Through this delegation, Plan Sponsors achieve important statutory relief of personal liability. Sponsors can also have us manage Model Portfolios and provide investment education to participants.
3. In addition to investment management, our Private Clients look to us for help with financial planning, a process in which we enumerate and quantify investment objectives. Typical financial objectives include saving enough money for retirement, funding children’s college education, and achieving financial independence. Given a combination of time, capital, risk tolerance and an expectation for return, we evaluate various scenarios. Clients can then identify the scenario that is most acceptable and appropriate to their circumstances. Once achievable and realistic investment objectives are defined, we make specific recommendations for the investment of assets among cash, stocks and bonds and other financial instruments. Such recommendations might include the purchase, sale or holding of securities.

Financial planning services are delivered with the help of our Big Picture Study® internet site. Financial planning services can include advice on tax management and estate planning. In-depth, detailed advice in these areas is normally offered in conjunction with your attorney or accountant. (We can provide more comprehensive planning upon request.) We do not sell life insurance or annuities; however, we frequently recommend that Clients own a certain amount of life insurance, or that they consider some benefits of investing within an annuity. We can if asked recommend a firm from which Clients can purchase insurance or an annuity. We do not receive commissions or referral fees for this service.

## **Investment Management Approach**

Northwest Capital Management, Inc. historically has managed “fund of fund” portfolios, investing in various mutual funds (ones we consider “best of class”) to obtain exposure to different asset classes and management styles. As an alternative to mutual funds, we purchase exchange-traded funds (“ETF”) or collective trusts. In the income-oriented accounts of Clients, we can buy coupon bonds or insured certificates of deposits, generally holding these investments until their maturity.

Certain Clients come to us with ownership of stock positions—long-term holdings whose sale would cause significant tax consequences. Or these securities might have some sentimental value to them, e.g., stock in a company at which they spent their working career. When Clients do not wish us to sell a specific security, we can build a portfolio around it by minimizing security holdings in that stock’s industry sector or in its market capitalization. Clients can always impose restrictions on our investing in certain securities or types of securities.

The mix of cash, stocks and bonds primarily determines the risk and reward characteristics of an investment portfolio. Getting the correct mix of stocks versus bonds and cash is imperative. Within the mix of stocks and bonds, we see our job as investing in those securities which our research identifies as our “best ideas”, be they individual

securities, indexed funds or actively-managed funds. We undertake research into the investment capabilities of a fund's manager. We need a strong conviction that throughout a market cycle the security can add value to a diversified portfolio across asset classes, here in the U.S. and abroad. We want the portfolio to include stocks of different market capitalizations, investment strategies, geographic concentrations, credit quality and varying fixed income durations. We sometimes take an active approach to our fund allocations, over- or under-weighting different securities given our economic and market forecasts.

When providing services to Retirement Plan Sponsors and Institutional Investors, we are generally guided by a Statement of Investment Policy ("SIP") which states, among other things, the risk parameters, investment objectives, and the minimum performance criteria and measurable benchmarks that each security must generally meet. We use these criteria and benchmarks (both quantitative and qualitative) to narrow the universe of potential portfolio investments. The SIP can also impose restrictions on our investing in certain securities or types of securities.

Most Private Clients authorize us to act with discretion. When managing their portfolios, we base our trading decisions on the same disciplined security analysis we do with Retirement Plan Sponsors and Institutional Clients; however, we do not employ SIPs. In our investment and financial planning activities, we help Private Clients decide upon a Target Allocation of Equities versus Fixed Income securities that controls the composition of the portfolio—particularly as it impacts their cash flow needs for income. Given what are often "fluid" financial circumstances, this Target Allocation can change frequently. In our quarterly reporting to Private Clients, we confirm the Target Allocation that is the basis for the investment strategy we are currently implementing; and, we compare the Portfolio's actual allocation of Equity and Fixed Income securities to the Target Allocation.

We can exercise discretion for the selection of specific securities to be owned within the Equity and Fixed Income allocations of Private Client portfolios only if the resulting portfolio represents prudent diversification given such factors as capitalization, industry group, geographic region, bond duration, credit quality and other generally accepted industry criteria. We do not engage in any principal or agency cross-transactions.

In addition to the larger portfolio accounts which we manage, some Clients might have smaller accounts we do not actively trade. For these accounts, we typically provide minimum reporting to track its value.

## **Personalized Investment Services**

We offer an investment service we call Signature Portfolio Strategies, a comprehensive investment approach that has as its foundation our financial planning services. Using our Big Picture Study® online software, we analyze your circumstances and resources to determine achievable financial goals such as saving for the education of children, retirement income, tax reduction, financial independence, philanthropy and wealth transfer. (The Big Picture Study® website is available for you to log into 24/7 and can be updated daily to reflect the values of, and transactions in, their various accounts regardless of custodian.) Given this analysis, we implement investment strategies which can give you confidence in their financial success.

Your investments may be spread among several brokerage accounts, such as trusts, IRAs, Roth IRAs, 401(k) plans, and taxable accounts. A Signature Portfolio can incorporate some or all accounts into one strategically coordinated investment portfolio. A Signature Portfolio can own indexed and actively-managed funds, exchange-traded funds, individual stocks and bonds, and alternatives. You might have investments within your company's 401(k) plan

where investment options are typically constrained. Such securities are given investment weight within a Signature Portfolio as if they were one of our discretionary selections.

For each Signature Portfolio, we produce a performance report that can consolidate investments from multiple Client accounts as if they were owned in one account with one investment objective. (You access our performance reports via the Internet unless special arrangements are made for mailing reports.)

In 2017, we suspended an investment service called Portfolio Bright which was associated with Institutional Intelligent Portfolios™, an automated investment management solution facilitated by Schwab Wealth Investment Advisory Inc. and its affiliates. In its place, we offer a proprietary investment service called Core Portfolio Strategies.

Using indexed funds and exchange-traded funds (ETFs) to keep expenses and trading costs low, Core Portfolios (as do Signature Portfolios) will own securities here in the U.S. and overseas, with different market capitalizations, some with a value or a growth bias, in developed and emerging markets, and bonds with differing maturities, credit quality and currency risks—all designed to achieve meaningful and prudent diversification. Core Portfolio accounts differ from Signature Portfolio accounts in that Core Portfolios:

1. Will not own individual stocks or bonds;
2. Are limited to a single brokerage account; and
3. Whereas the form of quarterly reporting is similar, reports only encompass one brokerage account.

Our determination of a suitable investment strategy for a Portfolio Bright account was generally limited to the answers Clients would give to a questionnaire as part of the online enrollment process. For our Core Portfolio Strategies, we offer, in addition to some online tools, one-on-one discussions with you to help determine which of the many Core Portfolio strategies is most appropriate. Given the very low fee structure of our Core Portfolio Strategies service, we must limit the scope of financial planning services that we otherwise make available to Clients with a Signature Portfolio Strategy.

We do not participate in “wrap fee programs.” In a wrap fee program, all administrative and management fees are paid with one fee. The fees for our approach to the management of your assets are not “all inclusive.” Fees of the mutual funds in which we invest are variable. Sometimes transaction fees or custodial fees will apply.

You will sign an investment advisory agreement with us prior to our affecting any trades in your account. The agreement spells out your and our obligations in the relationship, our trading authority and our fees. Each of us can terminate the agreement for any reason upon 30-days written notice.

Our Advisory Agreement includes terms that will be binding on and will inure to the benefit of your heirs, executors, personal representatives, successors and assigns. If you enter into our Agreement in your capacity as a trustee of a trust, you will agree that our advisory contract, including any discretionary trading authority you have granted to us, and including any instructions you have given us regarding the assets or trading in your account, will be binding on, and will inure to the benefit of, any successor trustee of the trust. We will continue to manage the assets in your account after you are no longer the trustee of the trust (whether by reason of death, resignation or otherwise) until the successor trustee terminates the Agreement upon a 30-day written notice.



## Assets under Management

As of December 31, 2020, we managed or advised on \$5,660,880,241 of assets for Clients. The table below categorizes this amount by Client type and the amounts managed with discretion versus without discretion.

Assets Under Management			
Client Type	Discretionary	Non-Discretionary	Totals
Institutional Clients & Retirement Plan Sponsors	\$1,111,858,250	\$4,027,349,009	<b>\$5,139,207,259</b>
Private Clients	\$488,313,864	\$33,359,118	<b>\$521,672,982</b>
<b>Total:</b>	<b>\$1,600,172,114</b>	<b>\$4,060,708,127</b>	<b>\$5,660,880,241</b>

Most of the retirement plans we advise are participant-directed, meaning that the participants can exercise control over their accounts. (When participants fail to make investment choices, their accounts are invested within a “default” Investment Alternative such as a Model Portfolio.) The primary responsibility for identifying the Investment Alternatives from which participants construct their portfolios, or for constructing the Model Portfolios in which they can invest their account balances, is that of the plan’s fiduciaries, e.g., most frequently us, but at other times, the Plan’s Investment Committee.

When plan fiduciaries engage us to participate in this decision-making, we become co-fiduciaries to the Plan, i.e., we are subject to the fiduciary responsibility standards of the Employee Retirement Income Security Act of 1973 (“ERISA”). We can be retained either as an ERISA §3(21) fiduciary or a §3(38) fiduciary. When the plan fiduciaries have delegated discretionary authority to us to determine both the list of Investment Alternatives and the investment allocations of Model Portfolios, we act in the capacity of a §3(38) fiduciary or “Investment Manager”.

A §3(38) Investment Manager offers important statutory relief of fiduciary liability to the plan’s trustees and investment committee. Retirement Plan Sponsors cannot claim this statutory relief when engaging us as a §3(21) fiduciary.

When calculating the market value of assets we manage with discretion, we make no distinction between assets managed with discretion for Private and Institutional Clients and those assets under our supervision as a §3(38) Investment Manager for retirement plans.

## Item 5: Fees and Compensation

We charge fees for our services in one of three ways:

1. A fee based on the amount of assets in your portfolios;
2. A fixed dollar amount; or,
3. An hourly rate.

Most often, our fees are asset-based. We include in our Advisory Agreement a table like the one below that defines “tiers” of market value and a corresponding advisory fee rate.

Tiered Market Values	Tiered Fee Rates
\$1,000,000 or less	1.00%
\$1,000,001 to \$2,000,000	0.75%
\$2,000,001 to \$5,000,000	0.50%
Greater than \$5,000,000	0.40%

The table above reflects our standard fee rates. This schedule or a variation will be used in calculating the advisory fee we will charge you:

1. We first determine the market value of your account as of the last day of the prior calendar quarter. If our first bill for services is for a partial quarter, we can at our option use as the market value your portfolio’s average capital base during that partial quarter.
2. We calculate the amount of your portfolio’s market value falling within each tier as set forth in the Table.
3. We then multiply each tier of your portfolio’s market value by its corresponding Tier Fee Rate.
4. The results of each calculation from Step 3 are totaled to determine our Annual Advisory Fee.

Your quarterly asset-based payment to us will be one-fourth of the amount calculated in Step 4 above (subject to any minimums, maximums or other adjustments set forth in our Advisory Agreement).

Consider this example of our asset-based fee calculation. Assume your portfolio was valued at \$2,500,000 at the end of the prior calendar quarter. We would calculate a blended rate as follows: 1.00% of the first \$1,000,000 of portfolio value (or \$10,000); 0.75% of the next \$1,000,000 of portfolio value (or \$7,500); and, 0.50% on the balance (or \$2,500). The total of these three calculations is \$20,000. One-fourth of \$20,000, or \$5,000 for the calendar quarter. The resulting “blended” fee computes to an annual advisory percentage rate of .80%.

Our fees are variable given such criteria as degree of complexity, geographic location, your tenure as a Client, etc. There are also occasions in which our fees are greater than the use of the above table would compute. This usually occurs when there is a start-up retirement plan or an unusually large commitment of time to financial planning is contemplated. In these instances, we can add additional tiers, adjust the dollar amount of tiers and the corresponding percentages, add a base fee, or impose a minimum fee to cover a scope of services disproportionate to the dollar value of assets in the portfolio. A maximum fee may also apply. Our fees are negotiable, including all factors in our fee calculations.

The Annual Advisory Fee for smaller portfolios can be higher as a percentage rate than the rate charged for larger portfolios. However, larger accounts pay a larger dollar amount of fees. **All factors in the calculation of your fee are spelled out clearly in our Advisory Agreement.**

Fees for institutional Clients (retirement plans, foundations and endowments) are charged an asset-based fee, a flat fee retainer, a project fee, or an hourly rate. The methodology of compensation varies based upon the type of Client and the scope of engagement.

We calculate the value of your accounts based on the share value as reported by an independent pricing service. If you deposit assets after the beginning of the quarter, no additional fee for the current quarter is assessed. Likewise, no fee is credited to you for the current calendar quarter should any withdrawals from the portfolio occur after the beginning of the calendar quarter. Nor is any adjustment made for fluctuations in the account value during the quarter.

Fees can be deducted from your investment account(s). Our Advisory Agreement with you—as well as the custodial agreements you will sign—authorize us to submit for payment of our fees directly to the custodian. The custodian debits the fees from your account(s) and sends those amounts to us. You may, if preferred, pay our quarterly fees by check. In such cases, we will send you an invoice. If you fail to pay this invoice, our Advisory Agreements authorizes us to deduct delinquent fees.

You will receive a periodic (quarterly, if not monthly) account statement from the custodian, reflecting among other things, any fees withdrawn by the custodian and paid to us. Clients are urged to compare statements received by their custodian to any statements/reports sent by us.

Occasionally we charge an annual, fixed-dollar fee for investment managements services instead of an asset-based fee. This fee is also charged pro-rata each quarter. We can also charge you an hourly fee not to exceed \$400 per hour for specific consulting assignments. A flat fee can be quoted based upon the estimate of hours involved multiplied by the appropriate hourly rate. A retainer can be required equal to 50% of the estimated fee. The retainer is only for services we will provide within six months from the date of payment. The balance of payment is due upon completion of the work. We can bill monthly or quarterly based on our progress towards completion of the project.

If you engage us for only Big Picture Study® financial planning services, this service will provide you with ongoing access to our online financial planning software during the you contract with us financial planning services. In the first year and upon the start of our services, we will charge up to 50% of the annual fee. The balance of the fee will be charged pro rata starting no later than in the third calendar quarter. Starting in the second year, the flat fee is prorated and payable quarterly. If you also engage us for Signature Portfolio Strategy services, the fee for Big Picture Study® financial planning services can be reduced, prorated and payable quarterly.

Very comprehensive financial planning is available from us. The scope of these services and our compensation will be agreed to in advance.

We are not compensated on a share of capital gains or capital appreciation of any portfolio's investments. However, capital gains and appreciation can increase the value of the portfolio on which our fee is based. We can enter into consulting contracts in which a portion of our fee is determined by the savings our work might produce, e.g., a lower-cost plan record keeper.

We can charge fees for services to be provided in the current calendar quarter as early as the first month of that quarter. The exact timing of mailing invoices or deducting fees is a function of our workload.

You can terminate our services upon a 30-day written notification, mailed or faxed to our offices. (We in turn can also terminate the Agreement upon a 30-day written notice to you.) If the advisory contract is terminated mid-quarter and our invoice has already been paid, you will receive a prorated refund for the time during the quarter in

which our services were not provided. If our invoice has not yet been paid, we will be entitled to payment of fees for the prorated period of the quarter in which we provided services.

Our compensation is solely as described in this Brochure and as fully disclosed by contract with you. We receive no other compensation, either direct or indirect, other than what you pay to us.

You may be a retirement plan sponsor. One or more of the mutual funds in your Plan's portfolio can pay "revenue sharing". Revenue sharing is money that mutual funds pay to broker/dealers or service providers. The securities licensing of NWCM does not permit fund companies to pay revenue sharing to our advisory firm, but they can pay it to the custodian of plan assets. Whenever possible, our procedures are to have any available revenue sharing paid directly into the Plan's trust account. This revenue sharing can be used as a credit against fees charged by Plan service providers such as us. Even if revenue sharing exceeds expenses, we do not receive additional compensation. Revenue sharing in excess of expenses in any billing cycle often is used to offset future invoices.

The portfolios of all non-qualified retirement accounts—which include IRAs—do not receive revenue sharing. Nor do all qualified retirement plan Clients receive revenue sharing. Upon engagement of our services, we will indicate if revenue sharing is available to you. If revenue sharing is not available to you, it is not paid to us.

## **Additional Fees and Expenses**

We very rarely purchase a mutual fund that involves an up-front sales charge or a contingent-deferred sales charge. A "ticket charge", however, can apply. In these instances, the portfolio's custodian retains such transactions charges. Please refer to section Brokerage Practices, Item 12.

Certain funds charge a Short-Term Redemption Fee ("STRF") if shares we purchase are subsequently sold within a specified period, e.g., 90 or 120 days. For Private Clients, we do buy funds subject to STRFs if we expect to hold that fund beyond the STRF period. If the STRF might apply, we purchase the fund only if the combination of the STRF and the internal expense ratio is low. For Retirement Plan clients, the funds included within the Plan's Investment Menu or within Model Portfolios might charge STRFs.

Each mutual fund, Exchange Traded Fund ("ETF"), or similar security in which your assets are invested also pays its own separate investment advisory fees and expense payments to other independent and unaffiliated investment advisers or service providers. This is commonly called an "expense ratio". We purchase mutual funds and other securities that you have the option to purchase directly from the sponsor, exchange, or an unaffiliated broker/dealer without paying an advisory fee to us. However, if you make such a direct purchase, sales charges might apply. You might not qualify for a lower cost, institutional class share, and you would not receive our services.

Our purchase of bonds and other types of securities may involve a "dealer" mark-up that is passed on to you. We do not receive any compensation from such mark-ups. Certain types of accounts can be custodied at a trust company. Trust companies charge you fees for custodial and trust services.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

No employee of or person affiliated with us nor NWCM accepts "performance-based fees". Performance-based fees are a share of capital gains or capital appreciation of the assets of your portfolio. Such performance-based

compensation can give rise to conflicts of interests. We at NWCM strive diligently to eliminate conflicts of interest when providing services to you.

## **Item 7: Types of Clients**

We provide services to Private Clients (individual investors), Institutions, local Government and Agencies, and Retirement Plan Sponsors. Our business model prefers Clients with large portfolios, but we provide services to individuals with small account balances. Often these individuals are the family members of long-established Clients or the participants of retirement plans for whom we provide participant education.

We will regularly take on Clients comprising “start-up” retirement plans. From our experience, small retirement plans often grow into large retirement plans. We are happy to begin a relationship with you at the inception of the Plan.

Similarly, we have established advisory relationships with Private Clients just getting started in their careers. If an individual will regularly contribute additional money into their investment account, we enthusiastically provide advisory services to that Private Client. Happily, many such accounts have grown into sizeable portfolios.

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

We believe that *how you should invest your money* is determined by *when you need to spend that money*. The sooner the date money is needed, the more conservative the investment should be. Many Clients believe a seven to ten-year time horizon determines if equities or fixed income securities are most appropriate. Seven to ten years historically has been sufficiently long enough to invest in equities to have a reasonable expectation of being paid for the risk the investor is taking. By helping you determine the cash flows needed from your portfolio, we can recommend an appropriate mix of equities versus fixed income securities.

Regardless of our opinions as an investment adviser on the subject of investment risk, your opinion matters the most. Your temperament to tolerate investment risk is the overriding consideration for determining the mix of equities versus fixed income securities in the portfolio: the portfolio’s Target Allocation.

We will regularly confirm the Target Allocation in our quarterly performance report as this target might change given your circumstances and risk temperament. By contract, you will allow us to deviate plus or minus up to ten percentage points from that Target Allocation.

Of the mutual fund investments owned within a portfolio, the allocation of equities versus fixed income investments is often subject to the discretion of each funds’ investment manager. Given that discretion, deviations from the portfolio’s Target Allocation can result. Disparate performance among securities can also cause the Portfolio’s Target Allocation to fall outside an acceptable range. In either of these two instances, we will periodically rebalance securities within the Portfolio to restore its allocation to within its acceptable Target range.

Once a Target Allocation is determined, we can make some investment decisions. Relative to the Target Allocation and targets for various asset classes per our internal modeling, do we want to stay at targets? Or do we over-weight or under-weight U.S. versus foreign stocks? Should we favor different market capitalizations? Large versus small? Emerging markets versus developed markets? Value versus blend versus index management styles? Geographic or

industry sector concentration? Short or long maturities? Government or corporate securities? High or low credit quality?

Once we make these tactical decisions, we can invest the portfolio with our “best ideas” of securities. Our tactical decisions do not result in what would be called “frequent trading.”

Our research staff undertakes a regular process of security evaluation and monitoring to determine our “best ideas”. We strive to concentrate the investments of our Clients in a relatively small number of securities. The percentage of any individual Client’s portfolio invested in these select securities will vary from Client to Client depending on each Client’s investment objectives and risk tolerance. The narrow list of securities allows us to best leverage our analytic resources to undertake regular research of these securities.

Despite our best efforts at economic research, market forecasting, and security research, we can be mistaken in our judgment. The consequences of being wrong are that we can under-perform the financial markets, and you can make less money than you should have given the indexed returns of the financial markets. We seek to minimize this downside risk through asset allocation with judicious minimum and maximum constraints that keep us from “betting the farm” on any one tactical decision.

Your portfolio can include mutual funds which invest in very volatile assets such as commodities, precious metals or emerging markets equity or debt. We do not over-weight a portfolio to these markets — and with the most conservative of investors, we attempt to minimize exposure to these asset classes. However, we believe that holding some portion of these assets can be beneficial to a portfolio.

Investing in securities involves a significant risk of loss that you should be prepared to bear. Our investment recommendations are subject to various markets, currency, economic, political and business risks, and such investment decisions will not always be profitable. You should be aware that there can be a significant loss or depreciation to the value of your account, and that at any given time, the value of your portfolio can be worth less than the amount invested. There can be no assurance that an investment will achieve its investment objective and no inference to the contrary should be made. Past performance of investments is no guarantee of future results.

You are advised to, whenever practical, only commit assets for management that can be invested for the long-term. Volatility from investing can occur, and all investing is subject to risk. Consequently, the value of an investment can at any time be worth less than the amount initially contributed.

### **Risks Involved Types of Securities Recommended by the Firm**

In general, all investments are subject to risks. For example, the market value of equity securities will generally fluctuate with market conditions. Securities of small and medium sized companies often have greater price volatility, lower trading volume, and less liquidity than the securities of larger, more established companies. Prices of equity securities tend to fluctuate over the short term because of factors affecting the individual companies, industries or the security market. The market value of bonds will generally fluctuate inversely with interest rates and other market conditions prior to maturity and will equal par value at maturity. Interest rates for bonds can be fixed at the time of issuance, and payment of principal and interest can be guaranteed by the issuer.

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Some additional investment risks you should be aware of include are the following (which is not all inclusive):

- **Stock market risk**, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Equity securities generally have greater price volatility than fixed income securities.
- **Sector risk**, which is the chance that significant problems will affect a specific sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- **Issuer risk**, which is the risk that the value of a security can decline for reasons directly related to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods or services.
- **Non-diversification risk**, which is the risk of focusing investments in a small number of issuers, industries or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.
- **Growth investing risk**, which is the risk that the prices of growth stocks can be more volatile than other stocks and can be more sensitive to changes in current or expected earnings than the prices of other stocks.
- **Value investing risk**, which is the risk that value stocks will not increase in price, will not issue the anticipated stock dividends or can will decline in price, based upon the market's belief of the issuer's intrinsic worth. Value stocks are typically less volatile than growth stocks but will lag growth stocks in an up market.
- **Smaller company risk**, which is the risk that the value of securities issued by a smaller company can go up or down, sometimes rapidly and unpredictably as compared to more widely held securities. Investments in smaller companies are subject to greater levels of credit, market and issuer risk.
- **Short sale risk**, which is the risk of entering into short sales, including the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale can fail to honor its contract terms, resulting in a loss.
- **Interest rate risk**, which is the risk that bond prices overall will decline because of rising interest rates. Similarly, the income from bonds or other debt instruments can decline because of falling interest rates.
- **Credit risk**, which is the risk that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline.
- **Exchange Traded Fund (ETF) risk**, which is the risk that investment return, price, yield, and net asset value (NAV) of an ETF will fluctuate with changes in market conditions. An investment in an ETF is subject to risk, including the loss of principal. Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. ETFs are also subject to secondary market trading risks. Although shares of an ETF will be listed for trading on an exchange, there can be no guarantee that an active trading market for such shares will develop or continue. The trading prices of an ETF's shares fluctuate continuously throughout the trading day based on market supply and demand, which cannot correlate to NAV.
- **Management risk**, which is the risk that the investment techniques and risk analyses applied by us will not produce the desired results and that legislative, regulatory, or tax developments can affect the investment techniques available to us. There is no guarantee that your investment objectives will be achieved.

We do not represent, guarantee or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or

declines. You should not be surprised that the financial markets go down. When the financial markets go down, and by how much, that is the surprise.

## **Item 9: Disciplinary Information**

There have been no legal or disciplinary events of any sort pertaining to the advisory business of NWCM. No members of our staff have been involved in any legal or disciplinary events of any sort relating to their involvement in the securities industry, nor has any staff member resigned, or otherwise relinquished his or her attainment and designation of a professional designation or securities license in anticipation of such a proceeding.

## **Item 10: Other Financial Industry Activities and Affiliations**

Our advice and services can have a significant impact on your ability to achieve your investment objectives. We take seriously our responsibilities. We are fully aware of the trust you will place in our competence. We work hard to be deserving of that trust.

Our ability to deliver services without conflict of interest, and our independence from any mutual fund company, bank, insurance company or other financial firm of any sort, are essential for us to be deserving of your trust. Neither NWCM nor any management person or employee of our firm is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

We occasionally might recommend or select other investment advisers for you. In no instance do we subsequently receive monetary compensation directly or indirectly from those advisers. Such recommendations create no conflict of interest.

For a list of our Supervised Personnel, please request the Part B Supplement to this Brochure.

## **Conflicts of Interest**

We continue to aspire to meet the standards of the “Fiduciary Rule” promulgated by the Department of Labor and the Securities and Exchange Commission. We have always served according to guidelines ascribed to the Impartial Conduct Standard of the DOL’s rule:

1. We must act in the “best interest” of our Clients, satisfying the prudent man standard without regard to our financial or other interests.
  2. Our aggregate compensation must be considered “reasonable” compensation.
  3. Our statements about transactions, fees and compensation, material conflicts of interest and any other matters relevant to investment decisions must not be materially misleading at the time they are made.
- Failure to disclose a material conflict of interest is deemed to be a misleading statement.

In addition, several of us hold professional credentials such as CFP® and CFA, each of which requires that the holder of the certification ascribe to a code of ethics.

As a fiduciary, we will disclose all known and possible conflicts of interest of which we are aware.

Being a level-fee adviser—meaning our compensation is flat fee or asset-based—the potential for conflicts of interest when recommending or affecting effecting trades do exist (but we believe are greatly minimized). As an



example, a conflict of interest might become potential should we recommend that you place or keep assets under our management versus other options such as paying off a debt.

We review the relationship of our firm with the issuer of each security to determine if NWCM or any of our employees have any financial, business or personal relationship with the issuer.

We access a variety of services from multiple brokerage firms and mutual fund companies (as described further in the section titled Brokerage Practices) which benefit us because we do not have to produce or purchase them. Access to these services can be contingent upon us committing a specific amount of business to these brokerage firms as assets custodied or assets invested. *Does NWCM have an incentive to recommend that Clients maintain their accounts with a specific brokerage or fund company given our receipt of services that seemingly only benefit our business rather than based on your interests in receiving, for example, the best value in custody services, the most favorable execution of their transactions or the best fund management?* This is a potential conflict of interest.

Because the required minimum amount of assets custodians or fund families is so low compared to the amount of assets we do manage, routine investment decisions of ours will generally meet these minimums. We do not believe maintaining a minimum asset amount to avoid our having to pay for certain services is a material conflict of interest. We also believe that our recommendations of a custodian/brokerage firm as custodian and broker is in the best interests of our Clients—a recommendation primarily supported by the scope, quality, and price of that brokerage’s services to Clients and not those services that benefit only us.

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

Financial advisers, whether members of an SEC-registered advisory firm, stockbrokers, mutual fund salespersons or insurance agents, can have a conflict of interest when advising and making recommendations to Clients. Often that conflict of interest results in varying amounts of compensation. But conflicts of interests can arise in other ways. We are bound by the Security and Exchange Commission’s Rule 204a-1 to establish a Code of Ethics. We interpret the relative sections of the Advisers Act to mean we have an affirmative duty of utmost good faith to act solely in the best interest of our Clients. Under various sections of the Advisers Act, We and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct.

Our Code of Ethics subjects the firm and our employees to these obligations when dealing with Clients:

1. To have a reasonable, independent basis for the investment advice provided;
2. To obtain best execution for your transactions when we direct brokerage transactions for you;
3. To ensure that investment advice is suitable to meeting your individual objectives, needs and circumstances; and
4. To be loyal to Clients.

Our Code of Ethics makes certain that the high ethical standards that we have long maintained continue to be applied. The Code prevents activities which can lead to, or give the appearance of, conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. Among other purposes, this Code governs personal securities trading activities in the accounts of our employees. The Code is based upon the principle that we owe a fiduciary duty to Clients to conduct our affairs, including our personal securities transactions, in such a manner as to avoid:

1. Serving our personal interests ahead of those of Clients;
2. Taking inappropriate advantage of our position with the firm; and
3. Any actual or potential conflicts of interest or any abuse of our position of trust and responsibility.

The employees of our firm can acquire, increase, decrease or dispose of portions of investments while such are being acquired, held or disposed of for you.

If you would like a copy of our Code of Ethics, we would be pleased to furnish one.

In our business, we do not recommend certain securities in which our firm or our employees have a material financial interest. For instance, we would not solicit investments in a partnership of which we were a general or limited partner.

NWCM regularly requires of its employees the disclosure of investment transactions in their personal investment portfolios. Except in trades involving any one security in less than 1,000 shares and less than \$20,000 of value in total per week, we require that employees seek advance approval from our Chief Compliance Officer before they can trade in certain securities; or we require that they be traded through our Operations department. There are exceptions to this reporting and advance approval requirement — even with securities that we also invest in on behalf of our Clients. Such investments include the following:

1. Securities which are the direct obligations of the Government of the United States;
2. Bank and checking accounts (including money market accounts), e.g. bankers' acceptances, bank certificates of deposit, commercial paper and repurchase agreements;
3. Shares of open-end mutual funds (including money market funds), unless We or a controlled affiliate acts as the investment adviser or principal underwriter for the fund; and
4. Unit investment trusts, if the unit investment trust is invested exclusively in unaffiliated mutual funds

We perform investment advisory services for various Clients and can give advice and act for you which can differ from advice given to other Clients, or from the timing or nature of action taken for other Client accounts. Our policy is to allocate investment opportunities to your account on a fair and equitable basis relative to all Clients. We will have no obligation to initiate or to recommend the purchase or sale by you of any security or other asset which our employees or other Clients can purchase, hold or sell.

## Item 12: Brokerage Practices

“Soft dollars” had been a means by which an advisory firm with stock-trading commission revenue paid for research or other services, as opposed to paying with its own cash resources—an option NWCM did not pursue given that it traded very little stocks and invested Client assets primarily in mutual funds and Exchange Traded Funds (ETF). In the highly competitive world of finance within which we all operate, most stock trades can be executed with no or very little commission charge. Mutual fund and Exchange Traded Funds are becoming prominent investment vehicles. Wall Street brokerage firms are now competing for the Client mutual funds and ETF investments of advisory firms like NWCM in order to earn revenue on the spread between a bid and ask price or from fund managements fees.

NWCM sees this competition for Client dollars by Wall Street Brokerage firms from several perspectives:

1. Competent custody services with “value added” services to the RIA;
2. No-cost, preferred access to firm research for RIAs who have the potential to invest large dollars within mutual funds and ETFs; and

3. In-depth portfolio analysis and specialized research services for the RIA who invests large Client dollars in the investment products of a Wall Street brokerage's mutual funds and ETFs.

At NWCM, we feel the obligation to leverage the large dollar amount of assets under our management to enhance our decision-making process when investing Client assets. We, of course, need to manage any potential conflicts of interest such leverage entails and make sure we are fulfilling our fiduciary duty to clients.

## Custody

Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer, bank or trust company. Several brokerage firms and trust companies have developed service capabilities that cater to independent advisory firms like us. We seek to use a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including the following:

1. Capability to execute, clear, and settle trades (buy and sell securities for the account);
2. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
3. Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETF], etc.);
4. Quality of services;
5. Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.)  
And willingness to negotiate the prices;
6. Reputation, financial strength, and stability;
7. Prior service to us and our other clients; and
8. Availability of other products and services that benefit us, as discussed elsewhere in this Brochure

We are independently owned and operated and are not affiliated with any brokerage firm, custodian, mutual fund, bank or trust company. Custodians will hold your assets in a brokerage account and buy and sell securities when we or you instruct them to. While we might prefer one custodian over another, you choose the custodian. Clients open accounts with a custodian by entering into an account agreement directly with them. We do not open the account for you, although we can help. Regardless of the custodian of your account, we can still use other brokers to execute trades for your accounts as described elsewhere in this Brochure.

We place great importance on our ability to electronically receive information on account transactions. Our electronic link to the custodian might cause you to incur higher custodial expenses. However, if a lower cost custodial option would necessitate our tracking investment activity manually, we might charge you a higher advisory fee. That higher advisory fee could be greater than the savings of custody expenses.

Custodial and transaction costs associated with the management of your investment account are charged by the custodian to the account during a transaction or on some regular calendar basis. If custodial or trading expenses are billed to us, we secure reimbursement from you. We do not receive any monetary payment from the transaction fees you might be charged by the custodian.

All Client accounts are held in your name. You do not surrender ownership of the cash and securities comprising the account's assets. You retain all rights under federal securities law to proceed directly against the issuer of any underlying security in the Account. Holding your securities in nominee name is done so only for ministerial

purposes. Your beneficial interest in a security does not represent an undivided interest in all securities held by the custodian but represents a direct and beneficial interest in the securities in the account.

We might refer you to a third-party investment adviser or insurance company who provides a specialized service which we do not provide, yet which is a service from which you might benefit. Examples would be a municipal bond manager who actively trades securities or an annuity company.

In very few occasions and circumstances, we maintain custody of your assets that we manage. Nevertheless, we may be deemed to have custody of Client assets because you give us authority under certain circumstances (as discussed elsewhere in this Brochure) to withdraw assets from your account.

Because we have a very large dollar amount of Client assets at several custodians, we feel we receive extra attention and support from their service teams and management. We benefit operationally from the especially good service these firms provide us. A custodian's commission rates, asset-based fees, and flat fees applicable to our Client accounts might sometimes be negotiated based on our commitment to maintain Client assets in accounts at that custodian. This commitment benefits our Clients because the overall commission rates and other fees you pay are lower than they would be if we had not made the commitment. We believe we have an obligation to leverage the assets our firm services to benefit our Clients; in this case, it means great service support from the custodian.

The business of certain custodians is serving independent investment advisory firms like us. They provide us and our Clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to retail customers. These custodians also make available various support services. Some of those services help us manage or administer our Clients' accounts, while others help us manage and grow our business. Such support services are generally available on an unsolicited basis (we do not have to request them) and at no charge to us.

Custodians also make available to us other products and services that benefit us but which might not directly benefit you. Indirectly, these products and services assist us in managing and administering your accounts, including investment research, both their own and that of third parties. We can use this research to service all or a substantial number of our Clients' accounts, including accounts not maintained at a specific custodian. In addition to investment research, custodians also make available software and other technology that:

1. Provide access to Client account data (such as duplicate trade confirmations and account statements);
2. Facilitate trade execution and allocate aggregated trade orders for multiple Client accounts;
3. Provide pricing and other market data;
4. Facilitate payment of our fees from our Clients' accounts; and
5. Assist with back-office functions, recordkeeping, and Client reporting.

Custodians also make available services that generally benefit only NWCM--services intended to help us manage and further develop our business enterprise, such as:

1. Educational conferences and events;
2. Consulting on technology, compliance, legal, and business needs;
3. Publications and conferences on practice management and business succession; and
4. Access to employee benefits providers, human capital consultants, and insurance providers.

Custodians can provide some of these services themselves. In other cases, they will arrange for third-party vendors to provide the services to us. Custodians can also discount or waive their fees for some of these services or pay all or a part of a third party's fees. Custodians can also provide us with other benefits, such as occasional, nominal business entertainment of our personnel.

## Access to Third Party Research

In the not too distant past, investment research—either on the economy in general, on the financial markets, or specific securities—from the major Wall Street research firms was only available upon payment of a fee or under a soft-dollar arrangement. Access to this research is considered valuable to NWCM because it precludes the need for us to retain a staff to duplicate this research—costs that NWCM might not otherwise afford. Currently, this research and highly specialized investment services are more readily available without cost or a soft-dollar arrangement to firms like NWCM because of one or more of three possibilities:

1. NWCM can potentially invest client assets in the products, e.g., mutual funds or ETFs, of the research company;
2. NWCM has invested client assets in the products of the research company; and
3. NWCM will commit to investing a certain dollar amount of client assets in the products of the research company.

Availing ourselves of this research and specialized investment services for the reasons above are a potential conflict of interest if the investment products into which we subsequently direct Client assets are inferior to other investments we might have otherwise made had we not secured this research or services at no- or low-cost. We feel the obligation to leverage the large dollar amount of assets under NWCM's management to secure such third-party research and services in an effort to enhance our decision-making process when investing Client assets. However, we will only access this research if the investments in which we will subsequently invest meet criteria for investments we have independently established without regard to the availability of no- or low-cost services. When making investment decisions and recommendations, we must make certain we are fulfilling our fiduciary duties.

## Client Referrals

Occasionally we refer you to a third-party investment adviser or company who provides a specialized service which we do not provide, yet which is a service from which you might benefit. Examples are a municipal bond manager who actively trades a portfolio of individual coupon bonds (as opposed to a mutual fund) or an annuity company. Sometimes we have asked this adviser to comment on our Clients' individual municipal bond holdings. This adviser can occasionally solicit us to purchase a municipal bond offering which it considers attractive and suitable for our Clients. We do not receive any compensation for these referrals.

We have received referrals from custodial/brokerage firms involving retirement plan sponsors who have issued Requests for Proposals (RFPs) for advisory services. If we are subsequently retained as an investment adviser, the Client might ask us to evaluate the custodian who may have given us the referral. Our process for replacing a custodian is quite disciplined and transparent, with all information given to the Client who will make the decision about retaining or replacing a custodian. We believe our process minimizes what otherwise is a potential conflict of interest for having received the referral.

## Directed Brokerage

Our business might involve the execution of trades that is a traditional brokerage service. The net asset value at which we settle mutual fund trades at a custodian is normally the same share price we would receive at any other brokerage or trust company.

We almost always execute trades with the custodian of your account. If we are purchasing exchange-traded securities for multiple Clients, our practice is to aggregate those trades in one “block” with each Client trade being settled at an average price.

In certain instances, we can purchase fixed income securities from a dealer other than one with the custodian of our Client’s accounts. At our discretion we select a broker to affect such trades. If such a trade is made for multiple Clients, we will aggregate these purchases and sales in one trade, settling the trade in the individual accounts of our Clients at each custodian. When transactions are aggregated in this fashion, an average of all trades will be calculated, and each Client will be charged that average price as the cost of the transaction.

## Item 13: Review of Accounts

For accounts in which we have trading authority, electronic links generally exist to the account’s custodian. Our account records are reconciled daily with the custodian’s records to reflect all transactions and current pricing. Some accounts must be manually updated upon our receipt of monthly or quarterly custodial statements. For some accounts, we are only updating market or account values.

You can access your account(s) directly and daily online through an Internet portal maintained by the custodian(s) of your account(s). NWCM also provides an Internet portal through which our Private Clients can access their accounts daily —as well as performance data.

Client accounts are reviewed no less than once per calendar quarter by a NWCM Consultant. A review of a specific account will occur any time you so request. Reviews are not put in writing unless you so request.

We offer you the opportunity to have your financial plan set up on an online software service we call Big Picture Study®. The Big Picture Study® is accessible to you via the Internet 24/7. This website is routinely reviewed by our Consultants and our staff. Because the website logs your access into the site, we frequently will later review your site and data you may have entered.

We have attempted to concentrate the investments of our Clients in a relatively small number of securities. The percentage of any individual portfolio invested in these securities will vary from Client to Client, depending on each Client’s investment objectives. But the narrow list of securities allows us to best leverage our analytic resources to undertake regular research of these securities.

Our research department regularly reviews our Client security holdings — not the accounts themselves, just the holdings most Clients own. Once each week an Investment Committee meeting is scheduled to discuss certain securities, investment strategies and market outlooks. From the discussions in these meetings, our consultants can make decisions about the management of Clients’ accounts.

Currently, investment decisions are made only by a few of the firm's Consultants. Other Supervised Personnel are in support roles. For a list of our Supervised Personnel, please request the Part B Supplement to this Brochure.

Clients receive statements from the custodian at least quarterly, if not each month. We also send to most of our Clients statements that include, at a minimum, a Market Commentary and an appraisal showing investment basis and current market value. Depending on the account and its relative size, we provide additional content such as:

1. A calculation of the account's rate of return over various time periods;
2. A listing of all purchases and sales, excluding reinvested dividends and money market transactions; and
3. The change in market value security by security and their rates of return.

We do not track daily the market values of the accounts for some Retirement Plan Sponsors and Institutional Clients. Our advisory services extend only to monitoring the performance of the securities within the plan. The reports we send in these instances are performance evaluations of the investment options.

## Item 14: Client Referrals and Other Compensation

No third party provides us any monetary payment for any investment advice or other advisory services we furnish to our Clients. (Please see the section Brokerage Practices, Item 12, for a comprehensive discussion on indirect benefits we might receive from custodians and Wall Street firms.) The only source of income we receive is that paid directly by our Clients and as fully disclosed to them.

We can enter into Employment Agreements with certain employees in which deferred compensation will be paid to them for a period after termination of their employment. We can base this deferred compensation on the ongoing fee revenue specific Clients pay us. Upon termination of their employment, no information of any sort is given to these employees about Clients. We respect the privacy of our Clients in all matters.

## Item 15: Custody

Our Clients establish investment accounts at qualified custodians such as Charles Schwab or its banking company. These accounts are registered in your name. Although we are not a party to the account agreement between you and the custodian, the account agreement grants us—with a few exceptions—trading authority on the account. You can also allow us to deduct our advisory fees from the account unless other arrangements have been made for payment.

The custodian will send to you an account statement at least once per calendar quarter. You will also have online access to your accounts directly with custodians. We can send to you a quarterly statement of our own design. We urge our Clients to compare our account statements to those of the custodians.

We receive daily electronic downloads directly from the custodians for most of our Client accounts. These downloads provide us with transaction data and position files so that we can reconcile and balance the account data we maintain within our databases. In certain instances, we use a third-party service called ByAllAccounts to receive electronically transaction data and position files for accounts to which we cannot directly link. Our account statements and those that you receive from your custodians should agree.

Differences in the account statements might be due to a minor difference in the price of a security. We use third-party pricing services we consider accurate and reliable. Where the price can differ, the number of shares should be the same.

Another difference in the account statements can come from posting dividends. Some mutual fund companies and individual securities pay their dividends days after the record date (the date that determines who is entitled to the dividend). We post all dividends on the declared pay date. That pay date can be before the cut-off date for the printing of the custodian's statements, but the actual receipt of the dividend could be later. For instance, the pay date might be December 31 and properly the recording of that dividend should be as of December 31. However, the custodian may not receive the dividend until January 4 and the custodian might have already printed the December statements. Receipt of that dividend will be reflected on the custodian's January statement with a December 31 pay date. Often the statement you receive from us for December (in this example) will include that dividend, causing a difference in the two statements.

If you see a discrepancy between the custodian statements and our statements, call us and we will always explain or correct the discrepancy.

Pursuant to the Investment Advisers Act of 1940, we are deemed to have "constructive custody" of your funds if we have the authority and ability to debit our fees directly from your accounts. Additionally, you might sign a Standing Letter of Authorization (SLOA) that gives us the authority to transfer funds to a third party as directed by you in the SLOA. This is also deemed to give us custody. (As of December 31, 2020, we had constructive custody of 386 accounts because of a SLOA.) Custody is defined as any legal or actual ability by the Firm to withdraw Client funds or securities. Accordingly, we must:

1. Ensure Clients' managed assets are maintained by a qualified custodian;
2. Have a reasonable belief, after due inquiry, that the qualified custodian will deliver an account statement directly to you at least quarterly;
3. Confirm that account statements from the custodian contain all transactions that took place in your account during the period covered and reflect the deduction of advisory fees; and
4. Obtain a surprise audit by an independent accountant on your accounts for which the advisory firm which is deemed to have custody.

However, the rules governing the direct debit of Client fees and SLOAs exempts us from the surprise audit requirement if certain conditions (in addition to steps 1 through 3 above) are met. Those conditions are:

1. When debiting fees from Client accounts, we must have written authorization from Clients permitting advisory fees to be deducted from their accounts; and
2. In the case of SLOAs, We must: (i) confirm that the name and address of the third party is included in the SLOA, (ii) document that the third-party receiving the transfer is not related to us, and (iii) ensure that certain requirements are being performed by the qualified custodian.

The qualified custodian selected by you maintains actual physical custody of your assets. You will receive an account statements directly from the custodian to the email or postal mailing address that is provided to the custodian by you. You are encouraged to compare for accuracy information provided in reports or statements received by us with the account statements received from your custodian. It is not the custodian's responsibility to ensure that the fee calculation is correct.

If your funds or securities are inadvertently received by our firm, they will be returned to you immediately, or as soon as practical.



In some instances, we can act as a Trustee of your assets—a situation in which we clearly have custody and are subject to a surprise examination by an accredited audit firm. For more discussion of instances in which we have such custody, please see the Financial Information section of this Brochure.

## Item 16: Investment Discretion

We accept discretionary authority to manage the securities within the portfolios of our Clients. We prefer that our trading authority be discretionary; in many instances, we will require that our trading authority be discretionary. Logistically were we to first secure permission from each of our Clients to buy or sell a security, most of our energies would be directed towards securing that permission—time we believe is better spent on other aspects of managing your assets or providing other services. We think you should evaluate the quality of our investment advice with the benefit of 20-20 hindsight when reviewing the performance reports we send you. We do not believe that our Clients typically want to second-guess our research before a trade.

We believe that you should give permission for trades if your adviser earns commissions on those trades. However, we do not receive commissions of any sort. Nor is our compensation dependent on exercising trades for you. Our compensation is fee-based. We act in a capacity as a fiduciary when managing your assets. We effect a trade only because we think it is in your best interests. Because we are a fee adviser, we are not conflicted by the possibility of earning a commission when managing your assets.

Sometimes we might not exercise discretion—even in an account where you have granted discretion to us. An example of such an instance might be a trade that could cause a substantial taxable gain or loss. In certain circumstances, we will contact you before a trade. Another example is when you have called us and expressed concern over a portfolio's market exposure given uncertain and unsettling economic times.

We will not exercise discretion on accounts for which we do not have direct trading authority on the account. There are types of accounts—most often institutional accounts—where we do not exercise discretion. In those instances, we will make formal recommendations to an Investment Committee.

When you establish an account with its custodian, trading authority is generally given to us. You must give us permission in writing to exercise that trading authority on a discretionary basis. When accepting discretionary trading authority on a qualified retirement plan account, we will acknowledge our fiduciary status as an ERISA 3(38) Investment manager so that you can claim the statutory liability protection of ERISA §405(d)(1). In all instances for all accounts, we will act as a fiduciary.

For Retirement Plan Sponsors only, constraints on our discretionary authority are generally identified within a Statement of Investment Policy (“SIP”). The SIP sets forth the risk parameters, investment objectives, and performance benchmarks appropriate to your circumstances. The SIP further defines the asset allocation parameters of investment strategies, i.e., target, minimum and maximum exposures for various asset classes. The SIP specifies minimum performance criteria and measurable benchmarks that each security must generally meet for it to be considered and to remain as an investment within the portfolio. We narrow the list of potential portfolio investments based on these criteria and benchmarks (both quantitative and qualitative). The SIP can also impose restrictions on our investing in certain securities or types of securities.

For Private Clients, SIPs are not utilized. Instead, we and you agree to a Target Asset Allocation which serves as the primary basis for our portfolio managements. We report each quarter the Target Asset Allocation we are

currently pursuing. Despite the absence of a SIP, we employ the same security analysis in determining security selection as we do for the accounts of Retirement Plan Sponsors. We represent that your portfolio will be prudently diversified given such factors as capitalization, industry group, geographic region, bond duration, credit quality and other generally accepted industry criteria.

For some accounts that are not under our continuous supervision, such as some very small accounts, our reporting is limited to market value appraisals and asset allocation composition.

## **Item 17: Voting Client Securities**

We act as a fiduciary to our Clients. In that capacity, we have chosen to vote proxies for securities owned within our Client portfolios. We always attempt to vote these proxies consistent with your best economic interests.

We maintain written policies and procedures concerning the handling, research, voting and reporting of proxy voting and makes disclosures about the firm's proxy policies and practices. Our policies and practices include the following responsibilities:

1. Receive and vote Client proxies;
2. Disclose any potential conflicts of interest;
3. Make information available to Clients about voting proxies for their portfolio securities; and
4. Maintain relevant and required records.

### **Voting Guidelines**

Absent specific voting guidelines from you, our policy is to vote all proxies from a specific issuer the same way for each Client. You can place reasonable restrictions on our voting authority in the same manner that you can place such restrictions on the actual selection of account securities.

We will generally vote on proposals consistent with the recommendations of the security's Board of Directors unless we learn of conflicts of interest or other concerns raised by third parties.

If a material conflict of interest exists with your interests, we will pursue one or more of these actions:

1. Disclose the conflict to you;
2. Give you the opportunity to vote proxies yourself; and
3. Address the voting issue through other objective means, such as voting in a manner consistent with a predetermined voting policy or receiving an independent third-party voting recommendation.

We will maintain a record of the voting resolution of any conflict of interest.

### **Client Requests for Information**

You can request information from us regarding the proxy votes associated with securities in your account, or regarding our policies and procedures. In response to such a request, we send a written response to you with the information requested and the name of the issuer, the proposal voted upon, and how we voted your proxy regarding each proposal about which you inquired.

Our Chief Compliance Office has the responsibility for the implementation and monitoring of the firm's proxy voting policy, practice, disclosure and recordkeeping.

## Item 18: Financial Information

We do not require of any Client the prepayment of more than \$1,200 in fees six months or more in advance. If we required such, we would have to provide our Clients with a balance sheet of the most recent fiscal year of NWCM. Fred Payne currently serves as a trustee to non-family-related Clients. As a trustee, Fred can direct the distribution of assets from these trust accounts on his own authority consistent with the terms of a trust document. Given his powers as a trustee and given his affiliation with an investment advisory firm registered with the Securities and Exchange Commission, we are deemed to have custody of these trust accounts. Investment advisers with custody of Client assets generally must, among other requirements, provide their Clients with a balance sheet of their most recent fiscal year.

We are subject to an annual surprise audit by a certified public accounting firm for accounts in which we are a trustee. This audit report is filed with the Securities and Exchange Commission. Because of this audit, we need not provide our Clients with a balance sheet of our most recent fiscal year.

We are financially sound, with a long history of financial stability. We carry professional liability insurance in an amount not less than \$3,000,000.

We today represent the evolution of an investment practice started by Fred Payne nearly 30 years ago. We have built ourselves into the company we are because of the trust we have established with our Clients over the past quarter-century — trust earned and deserved by our unfaltering resolve to place our Clients' interests first.

### Privacy Policy

An essential element in the delivery of services to you is fulfilling the trust you extend to us. Ensuring the Privacy and Security of the information we have about your assets, personal situation and objectives is critical to our Mission as an Investment Adviser.

1. We keep your personal information in the strictest confidence;
2. We do not provide personal information to anyone outside our firm without your express instructions; and
3. We do not sell lists of our Clients; nor do we disclose your information to marketing companies.

All the personal information we collect is obtained directly from you, or from third parties at your express instructions. This information is necessary for us to deliver services for which you contract. Information is most often provided to us in direct conversations with you and/or upon your completion of applications for investment accounts that require name, address, Social Security numbers, dates of birth, and annual income. Information about transactions and security holdings is obtained from account statements or electronic downloads from custodians upon authorization from you.

We will only divulge private information about you appropriate in these situations:

1. When such information is necessary for the establishment and maintenance of an investment account or for providing contractual services;
2. When we must fulfill any legal or regulatory requirements imposed on us by the Securities and Exchange Commission and the Internal Revenue Service;
3. At your request, to facilitate the tax planning by your accountant and filing tax returns;
4. At your request, in response to inquiries from the Administrator of employee benefit programs; and,
5. To any other third party at your express written instructions.

Unless you expressly instruct us not to, we will post investment account and limited confidential data to third-party software providers for Internet-portal access, financial planning tools and portfolio rebalancing. Using SSL/TLS protocols (public-key cryptology), we transfer this information over secure servers to ensure that others cannot view or intercept your confidential information being transmitted over the Internet or stored in our databases. Security protocols for these third-party websites are established and maintained by vendors who utilize such proven technology as 256-bit encryption on established server facilities like Amazon Web Services.

For information stored on servers under our direct control, we have implemented security standards and processes—including physical and electronic safeguards—to ensure that access to Client information is limited to employees of our firm. We do not host at our offices any Internet website associated with our business. Remote access by employees to our network is achieved through VPN technology and a terminal server configuration using two-factor authentication. Confidential data is backed up each day to a geographically remote data storage facility.

The third-party websites we have setup for you can use "cookies"—a small data file that some web sites write to the user's hard drive when visited—to keep track of a user during an on-line session by allowing their servers to synchronize the visit to the data being delivered to the user. These cookies do not store nor transmit any personally identifiable information about you when on the Internet.

# BROCHURE SUPPLEMENT

## (Part 2B of Form ADV)

Form ADV Part 2B Item 1

March 26, 2021

### Scott T. Fisher

CRD No: **1427644**



**Northwest Capital Management, Inc.**

601 Union Street | Suite 2600

Seattle, WA 98101

Phone: 506.707.7599

Fax: 866.611.9560

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

This brochure supplement provides information about Scott Fisher that supplements the Northwest Capital Management, Inc.'s brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer, Fred Payne, at 503-597-1616 if you did not receive NWCM's brochure or if you have any questions about the contents of this supplement.

Additional information about Scott Fisher is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

*Form ADV Part 2B Item 3*

Year of Birth: 1957

### Formal Education after High School

- Bucknell University – BA Double Major – Biology & Economics - 1979

### Business Background for the Previous Five Years

- Aon Investment Consulting, a subsidiary of Aon Corporation (NYSE – AON)
  - Investment Consultant, Associate Partner 1997 – 2019
  - Retirement Plan Consultant, Vice President 1988 – 1997

### Certifications

#### Chartered Financial Analyst (CFA)

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute – the largest global association of investment professionals.

There are currently more than 150,000 CFA charterholders working in 163 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

**High Ethical Standards:** The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charter holders to: • Place their clients' interests ahead of their own • Maintain independence and objectivity • Act with integrity • Maintain and improve their professional competence • Disclose conflicts of interest and legal matters

**Global Recognition:** Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charter holders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

**Comprehensive and Current Knowledge:** The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

## DISCIPLINARY INFORMATION

*Form ADV Part 2B Item 3*

Scott has not been involved in any legal or disciplinary events of any sort relating to his involvement in the securities industry. Nor has Scott resigned, or otherwise relinquished his attainment and designation of a professional designation or securities license in anticipation of such a proceeding.

## OTHER BUSINESS ACTIVITIES

*Form ADV Part 2B Item 4*

None.

## ADDITIONAL COMPENSATION

*Form ADV Part 2B Item 5*

No person or entity other than Northwest Capital Management, Inc. provides an economic benefit to Scott for providing advisory services.

## SUPERVISION

*Form ADV Part 2B Item 6*

Northwest Capital Management, Inc. has an Investment Committee which is scheduled to meet weekly. Individuals who give advice to Clients are members of this Committee; the firm's research analysts are also members. At these meetings, the Committee makes decisions about

strategy and security selection. These decisions form the basis for all advice given to Clients. Scott is a voting member of the Investment Committee.

Research and performance reports reflect the decisions of the Investment Committee. Given how these reports are produced, a supervised person does not have the ability to modify the reports to reflect advice different from what has been approved by the Investment Committee.

Fred Payne (503-597-1621) is the firm's Chief Compliance Officer. He is primarily responsible for supervision of all advisory activities.



# BROCHURE SUPPLEMENT

(Part 2B of Form ADV)

Form ADV Part 2B Item 1

March 26, 2021

## Christopher Haddon

CRD No: 3059085



Northwest Capital Management, Inc.  
13333 SW 68<sup>th</sup> Parkway | Suite 230  
Portland, OR 97223  
Phone: 503.597.1616  
Fax: 866.611.9560  
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This brochure supplement provides information about Brent Petty that supplements the Northwest Capital Management, Inc.'s brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer, Fred Payne, at 503-597-1616 if you did not receive NWCM's brochure or if you have any questions about the contents of this supplement.

Additional information about Scott Haddon is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

*Form ADV Part 2B Item 3*

Year of Birth: 1965

### Formal Education after High School

- Ryerson Polytechnical University, Applied Geography, 1985-1989

### Business Background

- Northwest Capital, Inc. March 2020 to present
- Royal Bank of Canada March 2014 – Feb. 2020
- Transamerica Retirement Services June 2011 – Sept. 2013
- MassMutual Financial Services March 2008 – June 2011
- John Hancock Financial Services, Feb. 1995 – March 2008

## DISCIPLINARY INFORMATION

*Form ADV Part 2B Item 3*

Christ has not been involved in any legal or disciplinary events of any sort relating to his involvement in the securities industry. Nor has Christopher resigned, or otherwise relinquished his attainment and designation of a professional designation or securities license in anticipation of such a proceeding.

## OTHER BUSINESS ACTIVITIES

*Form ADV Part 2B Item 4*

None.

## ADDITIONAL COMPENSATION

*Form ADV Part 2B Item 5*

No person or entity other than Northwest Capital Management, Inc. provides an economic benefit to Chris for providing advisory services.

## SUPERVISION

*Form ADV Part 2B Item 6*

Northwest Capital Management, Inc. has an Investment Committee which is scheduled to meet weekly. Individuals who give advice to Clients are members of this Committee; the firm's research analysts are also members. At these meetings, the Committee makes decisions about strategy and security selection. These decisions form the basis for all advice given to Clients. Chris is a voting member of the Investment Committee.

Research and performance reports reflect the decisions of the Investment Committee. Given how these reports are produced, a supervised person does not have the ability to modify the reports to reflect advice different from what has been approved by the Investment Committee.

Fred Payne (503-597-1621) is the firm's Chief Compliance Officer. He is primarily responsible for supervision of all advisory activities.

# BROCHURE SUPPLEMENT

## (Part 2B of Form ADV)

Form ADV Part 2B Item 1

March 26, 2021

Joan Lintz

CRD No: 4626155



Northwest Capital Management, Inc.

13333 SW 68<sup>th</sup> Parkway | Suite 230

Portland, OR 97223

Phone: 503.597.1616

Fax: 866.611.9560

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

This brochure supplement provides information about Joan Lintz that supplements the Northwest Capital Management, Inc.'s brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer, Fred Payne, at 503-597-1616 if you did not receive NWCM's brochure or if you have any questions about the contents of this supplement.

Additional information about Joan Lintz is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

*Form ADV Part 2B Item 3*

Year of Birth: 1952

### Formal Education after High School

- Boise State University, Bachelor of Arts, History & Spanish, 1974
- University of Portland, Masters, Business Administration, 1983

### Business Background for the Previous Five Years

- Northwest Capital Management, Inc., VP Financial Planning, 3/2014 - Present
- Phillips & Company, Certified Financial Planner, 7/2013-2/2014
- McGee Wealth Management, Wealth Management Associate, 6/2009 -6/2013
- Advanced Wealth Management, Operations Manager. 10/2002 – 10/2008

### Certifications

#### Certified Financial Planner® (CFP®)

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

**Education** – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP

Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

**Examination** – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

**Experience** – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

**Ethics** – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

**Continuing Education** – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and

**Ethics** – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

## DISCIPLINARY INFORMATION

*Form ADV Part 2B Item 3*

Joan has not be involved in any legal or disciplinary events of any sort relating to her involvement in the securities industry. Nor has Joan resigned, or otherwise relinquished her attainment and designation of a professional designation or securities license in anticipation of such a proceeding.

## OTHER BUSINESS ACTIVITIES

*Form ADV Part 2B Item 4*

Joan is a member of the Board of Directors of Girl Scouts of Oregon and SW Washington. Joan is also the Managing Partner of a time share beach house on the Oregon Coast.

## ADDITIONAL COMPENSATION

*Form ADV Part 2B Item 5*

No person or entity other than Northwest Capital Management, Inc. provides an economic benefit to Joan Lintz for providing advisory services.

## SUPERVISION

*Form ADV Part 2B Item 6*

Northwest Capital Management, Inc. has an Investment Committee which is scheduled to meet weekly. Individuals who give advice to Clients are members of this Committee; the firm's research analysts are also members. At these meetings, the Committee makes decisions about strategy and security selection. These decisions form the basis for all advice given to Clients. Joan is not a voting member of the Investment Committee.

Research and performance reports reflect the decisions of the Investment Committee. Given how these reports are produced, a supervised person does not have the ability to modify the reports to reflect advice different from what has been approved by the Investment Committee.

Fred Payne (503-597-1621) is the firm's Chief Compliance Officer. He is primarily responsible for supervision of all advisory activities.

# BROCHURE SUPPLEMENT

## (Part 2B of Form ADV)

Form ADV Part 2B Item 1

March 26, 2021

### Christopher J. Martin

CRD No: **1976283**



**Northwest Capital Management, Inc.**

13333 SW 68<sup>th</sup> Parkway | Suite 230

Portland, OR 97223

Phone: 503.597.1616

Fax: 866.611.9560

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

This brochure supplement provides information about Chris Martin that supplements the Northwest Capital Management, Inc.'s brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer, Fred Payne, at 503-597-1616 if you did not receive NWCM's brochure or if you have any questions about the contents of this supplement.

Additional information about Chris Martin is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

*Form ADV Part 2B Item 3*

Year of Birth: 1960

### Formal Education after High School

- University of Puget Sound, Bachelor of Arts, Business Administration 1983
  - Finance Concentration, Minor in economics

### Business Background

- Northwest Capital Management, Inc., Financial Consultant, December, 2014 - present
- Morgan Stanley, Financial Advisor 2010-2014
- Pacific Coast Securities, partner, SVP Institutional Equity Sales  
1993-2010

## DISCIPLINARY INFORMATION

*Form ADV Part 2B Item 3*

Chris has not been involved in any legal or disciplinary events of any sort relating to his involvement in the securities industry. Nor has Chris resigned, or otherwise relinquished his attainment and designation of a professional designation or securities license in anticipation of such a proceeding.

## OTHER BUSINESS ACTIVITIES

*Form ADV Part 2B Item 4*

None.

## ADDITIONAL COMPENSATION

*Form ADV Part 2B Item 5*

No person or entity other than Northwest Capital Management, Inc. provides an economic benefit to Chris for providing advisory services.

## SUPERVISION

*Form ADV Part 2B Item 6*

Northwest Capital Management, Inc. has an Investment Committee which is scheduled to meet weekly. Individuals who give advice to Clients are members of this Committee; the firm's research analysts are also members. At these meetings, the Committee makes decisions about strategy and security selection. These decisions form the basis for all advice given to Clients. Chris is a voting member of the Investment Committee.

Research and performance reports reflect the decisions of the Investment Committee. Given how these reports are produced, a supervised person does not have the ability to modify the reports to reflect advice different from what has been approved by the Investment Committee.

Fred Payne (503-597-1621) is the firm's Chief Compliance Officer. He is primarily responsible for supervision of all advisory activities.

# BROCHURE SUPPLEMENT

## (Part 2B of Form ADV)

Form ADV Part 2B Item 1

March 26, 2021

Frederick J. Payne, Jr.

CRD No: **1290237**



Northwest Capital Management, Inc.

13333 SW 68<sup>th</sup> Parkway | Suite 230

Portland, OR 97223

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This brochure supplement provides information about Fred Payne that supplements the Northwest Capital Management, Inc.'s brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer, Fred Payne, at 503-597-1616 if you did not receive NWCM's brochure or if you have any questions about the contents of this supplement.

Additional information about Fred Payne is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

*Form ADV Part 2B Item 3*

Year of Birth: 1951

### Formal Education after High School

- University of Notre Dame, Bachelors of Arts, Philosophy, 1973

### Business Background

- Northwest Capital Management, Inc., Founder
  - Chief Compliance Officer, 06/1998 – Present
  - Secretary and Treasurer, 12/2018 - Present
  - President and Chief Investment Officer through to 12/2010
- Heintzberger Payne and Co., LLC, Co-Managing Partner, 09/2007 – April, 1, 2016
  - Predecessor firm was Retirement Plan Service Corp.
  - Founder, Shareholder and President, 12/1995 –09/2007

### Certifications

#### Certified Financial Planner® (CFP®)

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The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

**Education** – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as

necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

**Examination** – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

**Experience** – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

**Ethics** – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

**Continuing Education** – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and

**Ethics** – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

## DISCIPLINARY INFORMATION

*Form ADV Part 2B Item 3*

Fred has not been involved in any legal or disciplinary events of any sort relating to his involvement in the securities industry. Nor has Fred resigned, or otherwise relinquished his

attainment and designation of a professional designation or securities license in anticipation of such a proceeding.

## OTHER BUSINESS ACTIVITIES

*Form ADV Part 2B Item 4*

None.

## ADDITIONAL COMPENSATION

*Form ADV Part 2B Item 5*

No person or entity other than Northwest Capital Management, Inc. provides an economic benefit to Fred for providing advisory services.

## SUPERVISION

*Form ADV Part 2B Item 6*

Northwest Capital Management, Inc. has an Investment Committee which is scheduled to meet weekly. Individuals who give advice to Clients are members of this Committee; the firm's research analysts are also members. At these meetings, the Committee makes decisions about strategy and security selection. These decisions form the basis for all advice given to Clients.

Fred is a voting member of the Investment Committee.

Research and performance reports reflect the decisions of the Investment Committee. Given how these reports are produced, a supervised person does not have the ability to modify the reports to reflect advice different from what has been approved by the Investment Committee.

Fred Payne (503-597-1621) is the firm's Chief Compliance Officer. He is primarily responsible for supervision of all advisory activities.

# BROCHURE SUPPLEMENT

## (Part 2B of Form ADV)

Form ADV Part 2B Item 1

March 26, 2021

### Brent Petty

CRD No: **4033087**



**Northwest Capital Management, Inc.**

13333 SW 68<sup>th</sup> Parkway | Suite 230

Portland, OR 97223

Phone: 503.597.1616

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

This brochure supplement provides information about Brent Petty that supplements the Northwest Capital Management, Inc.'s brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer, Fred Payne, at 503-597-1616 if you did not receive NWCM's brochure or if you have any questions about the contents of this supplement.

Additional information about Brent Petty is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

*Form ADV Part 2B Item 3*

Year of Birth: 1973

### Formal Education after High School

- Northern Arizona University, Bachelor of Science, Zoology, 1996

### Business Background

- Northwest Capital Management, Inc., June 2005 – Present
  - Shareholder and President since 2010

### Certifications

#### Certified Financial Planner® (CFP®)

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

**Education** – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;



**Examination** – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

**Experience** – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

**Ethics** – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

**Continuing Education** – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and

**Ethics** – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### **Accredited Investment Fiduciary® (AIF)**

The AIF® mark is held by the Center for Fiduciary Studies, LLC, a Fiduciary360 (fi360) company. The professional designations awarded by fi360 demonstrate the focus on all the components of a comprehensive investment process, related fiduciary standards of care, and commitment to excellence. AIF® designees undergo an initial training program, annual continuing education, and pledge to abide by the designation's code of ethics. Since October 2002, the Accredited Investment Fiduciary® (AIF®) designation has been the mark of commitment to a standard of investment fiduciary excellence. Those who earn the AIF® mark successfully complete a specialized program on investment fiduciary standards of care and subsequently passed a comprehensive examination. AIF® designees demonstrate a thorough understanding of fi360's Prudent Practices for investment advisors and stewards.

## DISCIPLINARY INFORMATION

*Form ADV Part 2B Item 3*

Brent has not been involved in any legal or disciplinary events of any sort relating to his involvement in the securities industry. Nor has Brent resigned, or otherwise relinquished his attainment and designation of a professional designation or securities license in anticipation of such a proceeding.

## OTHER BUSINESS ACTIVITIES

*Form ADV Part 2B Item 4*

None.

## ADDITIONAL COMPENSATION

*Form ADV Part 2B Item 5*

No person or entity other than Northwest Capital Management, Inc. provides an economic benefit to Brent for providing advisory services.

## SUPERVISION

*Form ADV Part 2B Item 6*

Northwest Capital Management, Inc. has an Investment Committee which is scheduled to meet weekly. Individuals who give advice to Clients are members of this Committee; the firm's research analysts are also members. At these meetings, the Committee makes decisions about strategy and security selection. These decisions form the basis for all advice given to Clients.

Brent is a voting member of the Investment Committee.

Research and performance reports reflect the decisions of the Investment Committee. Given how these reports are produced, a supervised person does not have the ability to modify the reports to reflect advice different from what has been approved by the Investment Committee.

Fred Payne (503-597-1621) is the firm's Chief Compliance Officer. He is primarily responsible for supervision of all advisory activities.

# BROCHURE SUPPLEMENT

## (Part 2B of Form ADV)

Form ADV Part 2B Item 1

March 26, 2021

Ian Pileggi

CRD No: **6823610**



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Fax: 866.611.9560

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

This brochure supplement provides information about Ian Pileggi that supplements the Northwest Capital Management, Inc.'s brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer, Fred Payne, at 503-597-1616 if you did not receive NWCM's brochure or if you have any questions about the contents of this supplement.

Additional information about Ian Pileggi is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## BACKGROUND AND BUSINESS EXPERIENCE

*Form ADV Part 2B Item 3*

Year of Birth: 1993

### Formal Education after High School:

- Thomas Edison State University, BS Business Administration, 2013
- University of Portland, Masters of Finance, 2017

### Business Background for the Previous Five Years

- Northwest Capital Management, Inc., May, 2017 to Present
  - Analyst and Portfolio Manager

## DISCIPLINARY INFORMATION

*Form ADV Part 2B Item 3*

Ian has not been involved in any legal or disciplinary events of any sort relating to his involvement in the securities industry. Nor has Ian resigned, or otherwise relinquished his attainment and designation of a professional designation or securities license in anticipation of such a proceeding.

## OTHER BUSINESS ACTIVITIES

*Form ADV Part 2B Item 4*

None.

## ADDITIONAL COMPENSATION

*Form ADV Part 2B Item 5*

No person or entity other than Northwest Capital Management, Inc. provides an economic benefit to Ian for providing advisory services.

## SUPERVISION

*Form ADV Part 2B Item 6*

Northwest Capital Management, Inc. has an Investment Committee which is scheduled to meet weekly. Individuals who give advice to Clients are members of this Committee; the firm's

research analysts are also members. At these meetings, the Committee makes decisions about strategy and security selection. These decisions form the basis for all advice given to Clients. Ian is not a voting member of the Investment Committee.

Research and performance reports reflect the decisions of the Investment Committee. Given how these reports are produced, a supervised person does not have the ability to modify the reports to reflect advice different from what has been approved by the Investment Committee.

Fred Payne (503-597-1621) is the firm's Chief Compliance Officer. He is primarily responsible for supervision of all advisory activities.

# BROCHURE SUPPLEMENT

## (Part 2B of Form ADV)

Form ADV Part 2B Item 1

March 26, 2021

### Scott Rhodes

CRD No: **1389335**



**Northwest Capital Management, Inc.**

13333 SW 68<sup>th</sup> Parkway | Suite 230

Portland, OR 97223

Phone: 503.597.1616

Fax: 866.611.9560

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This brochure supplement provides information about Scott Rhodes that supplements the Northwest Capital Management, Inc.'s brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer, Fred Payne, at 503-597-1616 if you did not receive NWCM's brochure or if you have any questions about the contents of this supplement.

Additional information about Scott Rhodes is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

*Form ADV Part 2B Item 3*

Year of Birth: 1962

### Formal Education after High School

- › Gonzaga University, BA in Finance, 1984

### Business Background for the Previous Five Years

- › Northwest Capital Management, Inc., Shareholder and Financial Advisor, August 2018 – Present
- › Kutscher Rhodes & Benner, Inc., Shareholder and Financial Advisor, April 1999 to April 2018

### Certifications

#### Chartered Financial Analyst (CFA)

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

There are currently more than 150,000 CFA charterholders working in 163 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

**High Ethical Standards:** The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charter holders to: • Place their clients' interests ahead of their own • Maintain independence and objectivity • Act with integrity • Maintain and improve their professional competence • Disclose conflicts of interest and legal matters

**Global Recognition:** Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charter holders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

**Comprehensive and Current Knowledge:** The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

## DISCIPLINARY INFORMATION

*Form ADV Part 2B Item 3*

Scott has not been involved in any legal or disciplinary events of any sort relating to his involvement in the securities industry. Nor has Scott resigned, or otherwise relinquished his attainment and designation of a professional designation or securities license in anticipation of such a proceeding.

## OTHER BUSINESS ACTIVITIES

*Form ADV Part 2B Item 4*

None.

## ADDITIONAL COMPENSATION

*Form ADV Part 2B Item 5*

No person or entity other than Northwest Capital Management, Inc. provides an economic benefit to Scott for providing advisory services.



## SUPERVISION

*Form ADV Part 2B Item 6*

Northwest Capital Management, Inc. has an Investment Committee which is scheduled to meet weekly. Individuals who give advice to Clients are members of this Committee; the firm's research analysts are also members. At these meetings, the Committee makes decisions about strategy and security selection. These decisions form the basis for all advice given to Clients. Scott is a voting member of the Investment Committee.

Research and performance reports reflect the decisions of the Investment Committee. Given how these reports are produced, a supervised person does not have the ability to modify the reports to reflect advice different from what has been approved by the Investment Committee.

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# BROCHURE SUPPLEMENT

## (Part 2B of Form ADV)

Form ADV Part 2B Item 1

March 26, 2021

### Carl A. Schopfer

CRD No: **4482771**



**Northwest Capital Management, Inc.**

13333 SW 68<sup>th</sup> Parkway | Suite 230

Portland, OR 97223

Phone: 480-280-7604

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

This brochure supplement provides information about Carl Schopfer that supplements the Northwest Capital Management, Inc.'s brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer, Fred Payne, at 503-597-1616 if you did not receive NWCM's brochure or if you have any questions about the contents of this supplement.

Additional information about Carl Schopfer is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

*Form ADV Part 2B Item 3*

Year of Birth: 1946

### Formal Education after High School

- Missouri University of Science and Technology, Bachelor of Science, Mechanical Engineering, 1968
- Butler University, Master of Business Administration, 1973

### Business Background

- Northwest Capital Management, January 2020 - Present
- Kendrick Wealth Management, June 2019 - December 2019
- MD Helicopters, January 2015 - April 2018
  - Consultant to the President
  - Chief Technology Officer
- MD Helicopters, November 2007 - January 2014
  - Vice President Engineering and Programs
  - President
- Schopfer Financial Service, January 2004 - January 2016
  - Principal
- Catalytica Energy, April 2000 to January 2004
  - Vice President Engineering and Programs
- AlliedSignal/Honeywell, April 1976 to April 2000
  - Various senior leadership positions
  - Vice President Engineering
- Allison Gas Turbines, May 1968 to April 1976
  - Project Engineer

### Certifications

#### Certified Financial Planner® (CFP®)

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that

govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

**Education** – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

**Examination** – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;

**Experience** – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

**Ethics** – Agree to be bound by CFP Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

**Continuing Education** – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and

**Ethics** – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

## DISCIPLINARY INFORMATION

*Form ADV Part 2B Item 3*

Carl has not been involved in any legal or disciplinary events of any sort relating to his involvement in the securities industry. Nor has Carl resigned, or otherwise relinquished his attainment and designation of a professional designation or securities license in anticipation of such a proceeding.

## OTHER BUSINESS ACTIVITIES

*Form ADV Part 2B Item 4*

None.

## ADDITIONAL COMPENSATION

*Form ADV Part 2B Item 5*

No person or entity other than Northwest Capital Management, Inc. provides an economic benefit to Fred for providing advisory services.

## SUPERVISION

*Form ADV Part 2B Item 6*

Northwest Capital Management, Inc. has an Investment Committee which is scheduled to meet weekly. Individuals who give advice to Clients are members of this Committee; the firm's research analysts are also members. At these meetings, the Committee makes decisions about strategy and security selection. These decisions form the basis for all advice given to Clients. Carl is a voting member of the Investment Committee.

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