

# ADV PART 2A FIRM BROCHURE



## LAIRD NORTON WEALTH MANAGEMENT, LLC

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The ADV Part 2A, also known as our Firm Brochure, provides information about the qualifications and business practices of Laird Norton Wealth Management, LLC. For any questions regarding the content of this Brochure, please contact us at 206-464-5100. The information in this Brochure has not been approved or verified by the Securities and Exchange Commission (the “SEC”), or any state securities authority. You can also access additional information about Laird Norton Wealth Management, LLC on the SEC’s website by clicking [here](#).

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



2. MATERIAL CHANGES SINCE LAST ANNUAL UPDATE TO THIS BROCHURE

Laird Norton Wealth Management, LLC updates this ADV Part 2A Brochure on an annual basis, or more frequently if there have been material changes in the interim. This section summarizes all material changes that have been made to the Brochure since the previous update.

- On December 31, 2021, Laird Norton Wealth Management’s parent company, Laird Norton Trust Company, purchased Wetherby Asset Management, LLC, an SEC registered investment advisor based in California.
- We have updated Section 15 on Custody to clarify the instances in which we maintain custody of client assets.

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4. ADVISORY BUSINESS

Laird Norton Wealth Management, LLC is an SEC registered investment advisory firm located in Seattle, Washington that is wholly owned by Laird Norton Trust Company, LLC, a state of Washington trust company. Both entities operate under the trade name of Laird Norton Wealth Management.

SEPARATELY MANAGED PORTFOLIOS

Laird Norton Wealth Management, LLC offers wealth management services to high net worth individuals and families. We may advise and provide services to many different accounts and entities

related to our clients, including personal and retirement accounts, education savings accounts, accounts for minor children, revocable and irrevocable trusts, family partnerships, foundations, charitable organizations and similar entities.

Our wealth management advice is tailored to our clients' individual needs and goals. We work with each client to develop a customized Investment Policy Statement setting out the client's time horizon, risk tolerance and investment targets. We manage investment portfolios on both discretionary and non-discretionary basis. We are willing to accept direction from clients regarding specific investments and will hold specific securities in the client's account, if they wish. We also provide, or coordinate the provision of, other related financial services such as estate, financial and tax planning in consultation with other professionals that the client has engaged, including attorneys and accountants. The scope of services is determined by the client and may also include planning in connection with retirement, capital and liquidity needs, philanthropy, education, and employee stock options, as well as advice related to risk reduction strategies for concentrated equity positions and to the financing, purchase and sale of major assets.

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

Our wealth management services include providing investment advice and recommendations regarding the types of investments that we believe to be appropriate for our clients. When providing investment advice, we recommend the purchase of various publicly available funds such as mutual funds and exchange traded funds. We may also recommend investments in private securities and/or hiring third party investment managers when appropriate. We do not manage individual stocks or bonds for our clients, other than by special arrangement under very limited circumstances.

As of December 31, 2021, Laird Norton Wealth Management, LLC managed \$3,558,606,626 on a discretionary basis and \$1,310,519,026 on a non-discretionary basis.

### LNWM RENEWABLE POWER FUND

Laird Norton Wealth Management, LLC provides investment management services on a discretionary basis to LNWM Renewable Power Fund, L.P., the "Fund," a privately offered pooled investment vehicle. Access to the Fund was limited to certain clients who met the Fund's qualification requirements. This Fund is now closed to new investors. Laird Norton Wealth Management, LLC is the general partner and investment advisor to this Fund, which is structured as a Washington domiciled limited partnership. An investment in this Fund is considered illiquid and subject to limitations on withdrawals; it is not suitable for all clients.

## 5. FEES AND COMPENSATION

Laird Norton Wealth Management, LLC is paid exclusively by our clients. For some clients, we charge a fee based on a percentage of the market value of assets held in a client's portfolio. For others, we charge a retainer or other fixed fee to cover our investment and financial advisory services or for special accounts or projects. Whether charged as an AUM fee or an annual retainer, annual fees generally range between 1.00% and .25% of total assets under management (depending upon AUM and other factors) and may be subject to an annual fee minimum. If services are being provided to multiple accounts or entities related to a client family, fees may be divided among the various accounts or entities in a mutually agreeable manner. Other factors used to determine the method of charging fees include the historical nature of the client relationship, number of accounts and entities, portfolio and financial complexity, unique client circumstances, and the variety and scope of the services provided, and location or advisory team. Fee arrangements, schedules and account minimums for all services are negotiable and we may, in our complete discretion, consider additional factors such as the potential for additional assets under management, the relationship with existing or prospective clients, the total dollar amount of assets to be managed, or other considerations.

Fee arrangements may be amended by mutual written consent or in some cases upon advance written notice to the client. Employees of our company, and their families and friends, may receive investment and financial advisory services for free or at fees that are lower than what we generally charge clients.

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

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

### TIMING AND PAYMENT OF FEES

Depending on contractual arrangements, fees may be payable monthly in arrears or quarterly in advance. Fees are based either upon the average daily value of the client's investment portfolio during the previous period and/or on the factors discussed above. For the purpose of calculating fees, a portfolio consists of all accounts for which Laird Norton Wealth Management, LLC provides investment management services, other than accounts, if any, for which we have agreed to waive fees (sometimes called "courtesy accounts"). Clients should refer to their investment advisory agreement for additional provisions regarding fees. Clients may choose to have fees deducted directly from a custodial account or, alternatively, clients may request to be billed.

Occasionally, we may provide investment consulting or financial planning services on a limited engagement or special project basis. Special projects are highly customizable and idiosyncratic and may include financial analysis, wealth transfer planning, investment or philanthropy education, and specialized or custom investment due diligence. Any hourly rate or project fee would be set forth in an agreement with the Client, based on the projected complexity and scope of the analysis or services requested and the training and skills of staff members providing the requested service.

## FEES FOR THIRD PARTY FINANCIAL PRODUCTS AND SERVICES

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

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

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

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

## 6. PERFORMANCE FEES AND SIDE BY SIDE MANAGEMENT

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

## 7. TYPES OF CLIENTS

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

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

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

## FEE-ONLY ADVISORS

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

## ASSET ALLOCATION STRATEGY

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

Additionally, in periods of heightened risk or if we identify significant market inefficiencies, our analysis may lead us to recommend shorter-term (typically two years or less) shifts in our clients' asset allocation strategies. These recommendations generally result in an overweight or underweight position within the strategic target rebalancing thresholds but may include positions outside of strategic targets as well. These allocation decisions are based on analysis of economic and capital markets data and take into account the general liquidity needs, risk tolerance and tax sensitivity of the broader client base. There are risks involved in these asset allocation processes in that markets will behave differently than forecasted. These risks are inherent in any investment strategy, and thus are not unusual. However, a well-diversified asset allocation can help mitigate some of these risks.

## TAX AWARE INVESTING

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

## SUSTAINABLE INVESTING: ESG AND IMPACT INVESTING

On request, Laird Norton Wealth Management, LLC may also incorporate environmental, social and governance (ESG) criteria when constructing a portfolio, based on a client's investment intentions and personal goals. Sustainable investing decisions can encompass a variety of approaches including, but not limited to, negative/positive screening, systematic consideration and inclusion of ESG factors, impact of investments structured to address specific environmental or social problems, and/or innovative business models and/or financial structures designed to reach underserved populations. When investing "sustainably," we seek to achieve a measurable social or environmental outcome in addition to a competitive risk-adjusted financial return over a full market

cycle (unless a client has specifically stipulated the objective of investing for concessionary returns). For example, an investment in a low-income housing project might satisfy both client objectives. Impact investing carries the same risks as traditional investing, as well as the risk that the desired impact will not be achieved.

## DUE DILIGENCE

Laird Norton Wealth Management, LLC utilizes a disciplined due diligence process for identifying and reviewing investment managers. We employ a five-tiered process which includes:

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

\*Primarily for alternative investments and optional for others depending on the investment strategy and vehicle being reviewed.

Searches generally undergo a peer review within our Investment Team before the analysis is submitted to the Investment Committee for review and possible approval.

Once a manager has been approved for use in client portfolios, this high level of due diligence continues. We conduct regular update calls with managers, complete ongoing performance reviews, and evaluate the manager against its peers to monitor whether our original thesis regarding the manager is maintained. If it is not, the manager may be considered for removal. Many risks associated with investing through third party asset managers can be mitigated through initial and ongoing due diligence processes.

## ALTERNATIVE INVESTMENTS

In addition to the more traditional asset classes (e.g., equities and fixed income), we also offer our clients access to alternative investment funds including hedge funds, private equity, and private real estate. Consistent with the complexity of these products, due diligence may also include site visits, background checks, reference interviews and legal review of documents, as appropriate.

Alternative investments are not suitable for all clients. Clients lacking sufficient liquidity and appropriate risk tolerance or who lack a sufficient time horizon for the investment proposition to mature are not appropriate candidates for certain alternative investments. Some investments are not publicly traded but offer daily liquidity while others do not allow redemptions prior to maturity or only allow redemptions at certain times. For these reasons, hedge funds, fund-of-funds, and similar partnership-like investment vehicles should be considered illiquid. Several hedge funds and managed futures funds do offer mutual fund structures, which are traded daily and thus are more liquid than other partnership-like investment vehicles. Because of the timing of the tax reporting that may be associated with these types of private investments, investors often need to extend the filing of their tax returns.



## PERFORMANCE

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

## RISK OF LOSS

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

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. A complete analysis of investment risk is beyond the scope of this Brochure. However, the most material risk with respect to each and every investment is risk of loss, which may include complete loss of principal. In addition, various broad-based factors and risks you should consider include:

**Market Risk.** Market risk reflects the fact that there are certain general market conditions in which any given investment strategy is unlikely to be profitable. Neither we, nor the managers we recommend, have the ability to control or predict such market conditions, including such important market conditions as the level of economic activity and interest rates.

**Cybersecurity Risk.** Cybersecurity vulnerabilities may present weaknesses in information systems that hackers could exploit. Investment advisors, the securities they recommend, and all service providers are all subject to risks associated with a breach in their cyber security.

**Business Catastrophic Risk.** Clients may be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various events, including hurricanes, earthquakes, and other natural disasters, or other catastrophic events such as a pandemic. These catastrophic risks of loss can be substantial and could have a material adverse effect on investment advisory businesses and their clients' portfolios.

**Manager Risk.** Manager risk encompasses the possibility of loss due to manager fraud, intentional or inadvertent deviation from a predefined investment strategy or simply poor judgment.

**General Economic Conditions.** General economic conditions can affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for equities, interest sensitive securities, commodities and other investments. Unexpected volatility or illiquidity in the markets can result in losses.



**Market Disruptions and Governmental Intervention.** Government intervention in the case of market disruption can suddenly and substantially impact market participants' ability to implement certain strategies or manage the risk of portfolio positions. These interventions can be unclear in scope and application resulting in confusion and uncertainty that can detrimentally impact investment strategies in unpredictable ways.

**Risks of Investments in Non-U.S. Securities.** Non-U.S. investments, and in particular those in emerging markets, involve special risks. These risks include fluctuations in currency exchange rates, foreign government intervention or expropriation, failure of markets to function properly, political or economic instability, and differences in regulatory, financial disclosure, accounting and auditing standards.

**Inflation Risk.** As interest rates rise, the value of fixed income investments falls, and vice versa. Higher rates of inflation generally adversely affect economies and financial markets and the ability of governments to create conditions that stimulate or maintain economic growth. In addition, governmental measures to curb inflation and speculation about future governmental measures may contribute to the negative economic impact of inflation and may create general economic uncertainty. Future governmental economic measures, such as interest rate increases, intervention in foreign exchange markets and actions to adjust or fix currency values, may trigger or exacerbate increases in inflation, and consequently have an adverse impact on investment returns.

**Extraordinary Events.** Global terrorist activity and armed conflicts may negatively affect general economic conditions, including sales, profits and production, and may materially affect prices and/or impair our trading facilities and infrastructure or the trading facilities and infrastructure of the exchanges or markets on which we trade. The extent and duration of any military action, the possibility of a conflict expanding, and resulting sanctions and other economic and political measures and future market disruptions in the region and worldwide are impossible to predict, but could be significant and have a severe adverse effect on the region in conflict and collateral effects globally, including significant negative impacts on the global economy and the markets for certain securities and commodities. Such effects and impacts could have a material adverse effect on certain investments.

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

**ESG or Impact Risks.** The potential non-financial risks associated with environmental, social and governance factors or impact investments that could negatively impact a company's reputation, earnings, assets, cost of capital and valuation. Examples of these may include but are not limited to: Environment: Changes in weather patterns and extreme events associated with climate change, inefficient use or pollution of the earth's resources such as water and land, damage to

ecosystems; Social: Poor labor relations and policies, lack of gender and/or racial equality, discriminatory practices and products that are detrimental to health or the environment; Governance: Poor corporate management and oversight practices, lack of robust worker safety protocols, lack of diversity and outside representation on the board which can create conflicts of interest as well as poor governance of executive management.

## RISKS SPECIFIC TO PRIVATE FUNDS

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

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

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

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

**Limited Withdrawal Rights.** Private funds typically contain significant limitations on investors' right to withdraw from the investment or transfer their interests, which creates a higher liquidity risk. Accordingly, you should view an investment in a private fund as a long-term investment.

## 9. DISCIPLINARY INFORMATION

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

## 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Laird Norton Wealth Management, LLC is wholly owned by Laird Norton Trust Company, LLC, both of which operate under the business name of Laird Norton Wealth Management. Employees

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

On December 31, 2021, Laird Norton Wealth Management, LLC's parent company, Laird Norton Trust Company, LLC purchased Wetherby Asset Management, LLC an SEC registered investment advisor based in California. Kristen Bauer, CEO of both Laird Norton Trust Company, LLC and Laird Norton Wealth Management, LLC, is now CEO of Wetherby Asset Management.

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

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

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

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

## **12. BROKERAGE PRACTICES**

We have entered into a contract with Charles Schwab & Co. ("Schwab"), a registered broker-dealer, to act as the primary custodian and broker for clients' securities. If clients wish for Schwab to be their custodian, they will sign a separate agreement with Schwab. Schwab provides custody and brokerage services, monthly reporting to clients, and daily electronic reporting to us and our

clients (via web-based access). Each client maintains one or more separate accounts with Schwab for this purpose and pays Schwab directly for its custody and brokerage services. The amount of Schwab's fee is included in the agreement clients sign with Schwab. We believe our selection of Schwab as custodian and broker is in the best interests of our clients because of the scope, quality and price of Schwab's services. In some situations, we consent to a client's use of a different custodian with the understanding that the client may pay custodial fees that are higher than those imposed by Schwab.

## COMPENSATION

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

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

## BEST EXECUTION

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

## 13. REVIEW OF ACCOUNTS

At least once per calendar year, Client Service teams conduct a review of all assets in each managed client portfolio to evaluate whether they are appropriate for the client. This process

includes a review of whether the investments are consistent with client objectives, risk tolerance and time horizon, along with other administrative matters. Any exceptions noted in the reviews are escalated to the Compliance Department for review.

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

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

#### **LNWM RENEWABLE POWER FUND**

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

#### **14. CLIENT REFERRALS AND OTHER COMPENSATION**

Laird Norton Wealth Management does not directly or indirectly pay any entity or person for client referrals. In addition, it does not directly or indirectly receive any commissions or other compensation from broker, dealers, custodians or other third parties. The products and services provided by Schwab and how they benefit us are described above in Item 12.

#### **15. CUSTODY**

Laird Norton Wealth Management, LLC is deemed to have custody of clients' cash and securities when granted the ability by clients to debit its advisory fees from their custodial account(s). In addition, certain clients have established asset transfer authorizations that permit their custodian to rely upon our instructions to transfer client funds or securities to other accounts in their name or to third parties. These arrangements are disclosed in Item 9 of Part 1A of our Form ADV.

A qualified custodian, most often Schwab, will send regular statements, at least quarterly, showing the assets held in an account and all the transactions in the account during the statement period. Clients should carefully review these statements to be certain that they understand them and to be sure the assets and transactions reported are what they expect them to be. Laird Norton Wealth



Management, LLC's performance reports and qualified custodian statements may differ based on accounting procedures, reporting dates, valuation methodologies or timing of certain securities transactions.

## **16. INVESTMENT DISCRETION**

Laird Norton Wealth Management, LLC usually receives discretionary authority from its clients that allows us to purchase and sell securities in their account(s), select and retain sub-advisors, and generally act on behalf of the client in matters related to the accounts without prior review and approval by the client of each specific transaction. This authority is generally granted to us in the Investment Advisory Agreement you sign with us. This investment discretion does not include the ability to obtain possession of the securities in a portfolio other than to process transactions in those securities and/or move securities or cash among accounts registered in the client's name.

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

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

## **17. VOTING CLIENT SECURITIES**

Proxies for securities in client accounts can be voted by the client, by a third-party investment management sub-adviser or by Laird Norton Wealth Management, LLC. To assist us in cases where we have accepted proxy voting responsibility, we have engaged Institutional Shareholder Services, Inc. ("ISS") to provide proxy voting and recordkeeping services for clients' publicly traded securities. Third-party managers that have been engaged as sub-advisers are responsible for voting proxies for securities in the accounts they manage. Clients who retain voting authority in their accounts will receive their proxies and other solicitations directly from the custodian or transfer agent.

ISS records all votes, maintains all proxy voting-related records and monitors for the timely submissions of all proxies on behalf of Laird Norton Wealth Management, LLC for accounts for which we have accepted proxy voting responsibility. We review our Proxy Voting Policy on an annual basis. Clients may contact their Client Service team at any time to direct a particular vote. We will use our best efforts to vote the proxy as directed subject to timely receipt of the voting instructions.

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

Laird Norton Wealth Management, LLC recognizes that conflicts of interest exist, or may appear to exist, in certain circumstances in the voting of proxies. We believe that such conflicts of interest



concerning public companies, whether perceived or real, are significantly diminished by the research, data, and recommendations provided by ISS.

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

## **18. FINANCIAL INFORMATION**

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