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***Form ADV Part 2A Brochure***

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This Form ADV Part 2A brochure provides information about the qualifications and business practices of Pacific Portfolio Consulting, LLC. If you have any questions about the contents of this brochure, please contact us at 206-623-6641 or [information@pacific-portfolio.com](mailto:information@pacific-portfolio.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 Pacific Portfolio Consulting, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Pacific Portfolio Consulting, LLC is a registered investment advisor. Registration as an investment advisor does not imply any certain level of skill or expertise.



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## Material Changes (Item 2)

*This section of the brochure helps you quickly identify material changes from the last annual update.*

Pacific Portfolio updates this ADV Part 2A Brochure on an annual basis, or more frequently if there have been material changes in the interim. Since our last filing of this Brochure in March 2021, there have been no material changes other than the change in Assets Under Management.

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## Advisory Business (Item 4)

*This section of the brochure tells you about our business, including ownership, and a description of the services we offer.*

Pacific Portfolio Consulting, LLC is referred to in this document as “Pacific Portfolio”, “the Company”, “us”, “we”, or “our”. In this document we refer to current and prospective clients of Pacific Portfolio as “you”, “client”, or “your”. Pacific Portfolio was created in 1992 and is wholly-owned by Pacific Wealth Advisors, LLC. Pacific Wealth Advisors, LLC is an investment joint venture between several different individuals, partnerships, and corporations, none of whom own more than 25% of Pacific Wealth Advisors, LLC. Pacific Wealth Advisors, LLC also owns Pacific Portfolio Trust Company.

Since its founding in 1992, Pacific Portfolio has solely operated as an independent, fee-only investment advisory practice, providing financial planning, investment advisory and reporting services for our clients including individuals, trusts, foundations, charitable organizations, and corporations. We also advise a variety of retirement plans sponsored by employers representing several different industries.

### Types of Advisory Services

#### Wealth Management Advisory Services

We provide wealth management advisory services to clients with managed accounts over \$2 million in assets. These services may include:

- Financial planning and analysis
- Overview of estate planning possibilities
- Investment planning
- Discretionary investment management
- Non-discretionary investment advisory and consulting services
- Performance reporting

These services are available to all wealth management clients but not all clients will receive or need all services. Services will be provided as requested by clients.

#### Investment Planning

We will develop your investment plan through a series of interviews and personal discussions. Our firm provides initial and ongoing advice regarding investment of client funds. In our data gathering process we determine our client’s goals, objectives, time horizon, risk tolerance and liquidity needs. We will also discuss client’s preferences between return and risk characteristics and may review other factors that may influence client behavior. We use this information to develop a written investment policy statement and manage the portfolio based on the contents of that statement.

#### Discretionary Wealth Management Services for Individuals

When retained on a discretionary basis, Pacific Portfolio will help you develop your return objective and risk tolerance by combining goals, objectives, and preferences regarding return and risk with an asset allocation optimization model. Once you have selected a return and risk objective, we will take full discretion over your account and have authority to determine investment policy and asset allocation targets that are consistent with your chosen return and risk tolerance. Pacific Portfolio will select individual bonds for laddered portfolios, as well as managers for each asset class.



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Pacific Portfolio has full discretion to choose the broker dealer or custodian to be used and will provide all instructions and place trades on your accounts. The Pacific Portfolio Investment Committee will review asset allocation strategies and monitor performance of each manager against criteria established by Pacific Portfolio. When we deem appropriate, changes will be made to the asset strategy, laddered bond portfolios, and managers previously selected. Changes will be made in accordance with your stated return and risk profile and this profile will not be changed without your consent. We regularly inquire about, and you are responsible for providing, information about your investment goals, time horizon, and risk tolerance.

You may place reasonable restrictions on the asset classes and types of investments that may be recommended by Pacific Portfolio in a non-discretionary portfolio or used in a discretionary portfolio. You must provide these restrictions to us in writing.

### **Non-Discretionary Wealth Management Services for Individuals**

Pacific Portfolio provides non-discretionary, comprehensive investment advisory and consulting services for individual clients (“Wealth Management Services”) who are interested in determining their personal return and risk tolerance by combining goals, objectives, and preferences regarding return and risk with an asset allocation optimization model. Wealth Management Services clients normally receive a written Investment Policy Statement. Based upon the analysis and resulting Investment Policy Statement, Pacific Portfolio will recommend managers within various asset classes. These managers may be accessed through various types of vehicles such as mutual funds, ETFs, separate account managers, or other securities. We may also implement and maintain a laddered (buy and hold) investment strategy for some or all of your bond allocation. In some cases we may purchase a fixed income security for your account based on agreed upon general characteristics of a desired security without your specific pre-approval of that exact security. Once you have approved the appropriate portfolio we will coordinate implementation between the broker-dealer or custodian, and the managers you have chosen.

Pacific Portfolio will monitor the performance of your portfolio as well as each manager we recommend and you select. When appropriate, subsequent modifications to your asset allocation, laddered bond portfolios, or specific managers will be recommended by Pacific Portfolio. Recommendations will be made in accordance with the investment goals and objectives established by you.

### **Services Provided for PPC Portfolio Clients**

Accounts between \$500,000 and \$2,000,000 will be managed on a fully discretionary basis utilizing one of the Pacific Portfolio investment strategies appropriate to achieve client objectives. The objectives are as follows:

1. Income
2. Capital Preservation
3. Conservative
4. Moderately Conservative
5. Balanced Conservative
6. Balanced
7. Balanced Growth
8. Moderate
9. Moderate Growth
10. Growth



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Each portfolio will be allocated among no load mutual fund managers and ETFs based upon an asset allocation determined by Pacific Portfolio to be appropriate given the client's objectives, investment goals, and risk profile. We will contact our clients at least once per year to update information on investing goals, objectives and circumstances and reconfirm the investment strategy. We typically do not provide additional wealth management services to PPC Portfolio clients; if provided, client may be subject to additional fees.

**Services Provided for PPC Automated Investment Program**

Accounts under \$500,000 may be invested on a discretionary basis via the Schwab Institutional Intelligent Portfolios automated investment program. The objectives are as follows:

1. Income
2. Capital Preservation
3. Conservative
4. Balanced Conservative
5. Balanced
6. Balanced Growth
7. Moderate Growth
8. Growth

Each portfolio will be allocated among a mix of fully liquid Exchange Traded Funds (ETFs) based upon an asset allocation determined by Pacific Portfolio to be appropriate given the client's objectives, investment goals, and risk profile. We will contact our clients on an ongoing basis to confirm that the asset allocation fits the goals and objectives for the invested portfolio. We typically do not provide additional wealth management services to clients utilizing the automated investment program; if provided, client may be subject to additional fees.

We provide this automated investment program through the Institutional Intelligent Portfolios® platform ("Platform"), offered by Performance Technologies, Inc., d/b/a Schwab Performance Technologies ("SPT"), a software provider to independent investment advisors and an affiliate of CS&Co., to operate the Program. We are independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co., or their affiliates (together, "Schwab"). The client's portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. ("CS&Co").

We, and not Schwab, are the client's investment advisor and primary point of contact with respect to the Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. We have contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the "System"). The System includes an online questionnaire that can help us determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that, if we use the online questionnaire, we will recommend a portfolio via the System in response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine



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through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

Clients do not pay brokerage commissions or any other fees to CS&Co. as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client's brokerage account; (iii) fees received by Schwab from third-party ETFs that participate in the Schwab ETF OneSource™ program and mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab may receive from the market centers where it routes ETF trade orders for execution.

We do not pay SPT fees for the Platform, which gives us an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with CS&Co.

### **Financial Planning**

Some clients are provided a written plan that may include the following:

- Personal balance sheet
- Projection of source and use of funds
- Projection for growth of assets and net worth
- Review current and potential estate taxes with overview of estate planning considerations

These services should not be considered comprehensive financial planning services and we encourage you to seek professional guidance in the fields of tax, law, accounting, and risk management. We typically work with your current advisors or will refer you to outside advisors as requested.

The financial plans provided for some of our clients do not address all potential aspects of financial planning. Typically our plans address retirement planning, college funding, and investment allocation. Risk management issues such as life, health, disability, and long-term care insurance are not typically addressed and you are encouraged to seek professional counsel in these areas. At your request, we may provide review and analysis of needs for various types of insurance coverage and coordinate review with an insurance agent not affiliated with us.

Our analyses will be highly dependent on certain economic assumptions about the future. Therefore, you should establish familiarity with historical data regarding key assumptions such as inflation and investment rates of return, as well as an understanding of how significantly these assumptions affect the results of our analyses. We may counsel you as to the consistency of your assumptions with relevant historical data, but we will not express any assurance as to the accuracy or reasonableness of your specific data and assumptions. You are ultimately responsible for the assumptions and personal data upon which our procedures and projections are based. The financial plan assumptions and reports are primarily a tool to alert you to certain possibilities. The reports are not intended to nor do they provide any guarantee about future events including your investment returns. The implementation of the plan is solely your responsibility.





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Any reports, financial statement projections, and analyses are intended exclusively for your use in developing and implementing your financial plan. In view of this limited purpose, the statements should not be considered complete financial statements. Pacific Portfolio will not audit, review, or compile financial statements, and accordingly, we will not express an opinion or other form of assurance on them, including the reasonableness of assumptions and other data on which any prospective financial statements are based. It is likely that there will be material differences between projected and actual results because events vary and circumstances frequently do not occur as expected.

### **Consulting Services**

We may provide additional services for our wealth management clients if requested, that may include:

- Reporting on client's total portfolio (data aggregation) that may include unsupervised assets; accuracy of this reporting will be dependent on data provided by you or your other custodians and may or may not be accurate
- Strategies for diversification of concentrated stock positions
- Manager performance evaluation for outside managers that may include:
  - manager performance against benchmark
  - manager performance against peer group
  - manager fees relative to peer group
  - written report with observations
- Review and analysis for private illiquid securities that may include real estate, operating business, and hedge funds; this analysis will be limited in scope and highly dependent on assumptions provided by clients or other advisors; our analysis is normally focused on how the investment fits within client's total allocation and financial plan, observation on project plan and reasonableness of fees and expenses

### **Services Provided for Institutional Clients**

Pacific Portfolio's institutional clients include ERISA plans (both Trustee and participant directed), corporate accounts and charitable foundations or endowments. Pacific Portfolio provides services to clients based on their individual needs and circumstances. The following description of services may or may not apply to all clients. Specific services to be provided will be detailed in the client's Letter of Engagement.

#### **Trustee Directed Plans**

For Trustee Directed plans, including ERISA plans, corporate accounts and charitable foundations and endowments, Pacific Portfolio helps clients define goals, objectives and guidelines for the oversight of institutional accounts. We help clients develop asset allocation strategies and determine the portfolio's return and risk tolerance through the use of an asset allocation optimization model. Pacific Portfolio develops and maintains a written Investment Policy Statement. Based on our analysis and the resulting investment policy, Pacific Portfolio will recommend mutual funds or other securities within each asset class and management style. Management style will be determined using returns-based style analysis. Once you have selected the mutual fund or other security, Pacific Portfolio will oversee and coordinate the implementation between custodians, Trustees, plan administrators and investment managers. Pacific Portfolio will monitor the performance of your portfolio as well as individual mutual funds and other investment securities against objectives and criteria detailed in your investment policy statement.



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When appropriate, subsequent modifications to the client's asset allocation strategies, specific mutual funds and other investment securities chosen by the client will be recommended by Pacific Portfolio. All recommendations will be made in accordance with investment goals, guidelines and criteria established by the client. Each client will be able to add to or place reasonable restrictions on the asset classes, styles, investment options and investment types to be included in their portfolios or individual fund lineup.

#### Participant Directed Plans

For participant directed plans, Pacific Portfolio helps clients define goals, objectives and guidelines for the oversight of institutional accounts. Pacific Portfolio develops and maintains a written Investment Policy Statement. Based on our analysis and the resulting investment policy, Pacific Portfolio will recommend mutual funds or other securities within each asset class and management style. Management style will be determined using returns-based style analysis. Once you have selected the mutual fund or other security, Pacific Portfolio will oversee and coordinate the implementation between custodians, Trustees, plan administrators and investment managers.

We help clients develop asset allocation strategies and determine return and risk tolerance through the use of an asset allocation optimization model. This modeling is used to develop model portfolios that can be provided for education and guidance to participants of self-directed ERISA plans.

For participant directed plans, Pacific Portfolio will assist clients by providing information and communication materials to be used with plan participants. This material will include information on individual investment options as well as the model portfolios described above. Pacific Portfolio will update this material quarterly and make the information available to the client via electronic format. All costs of printing and distributing materials may be paid by the client in addition to the outlined fees. Pacific Portfolio will help clients conduct employee meetings and communicate investment basics and information on the plan's investment options and/or model portfolios.

Pacific Portfolio will normally provide all of the services outlined above that apply to the specific client a part of an asset-based retainer.

#### Additional Services

Additional services can be offered that include:

- Investment plan review and evaluation
- Investment policy review and design
- Investment portfolio strategy design
- Analysis of current investments/managers
- Investment manager search, due diligence and selection/replacement
- Investment manager monitoring
- Investment manager performance analysis and reporting:
- Fiduciary support services
- Model asset allocation portfolios (DC Plans)
- Participant education and consulting
- Investment manager monitoring, analysis, evaluation and reporting
- Employee education meetings
- Plans service vendor search



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- Full manager search
  - Fee negotiations and analysis
  - Fee reporting
  - Plan specific issue research
  - Benchmarking of portfolio
  - Benchmarking of plans
  - Board education services

These services may be provided on a flat fee basis or based on our hourly fee. The scope and nature of each project will be clearly defined in the client's Letter of Engagement. Some clients may not receive all services outlined.

#### **Discretionary Advisor Choice Program Services for Institutional Clients**

This program is a discretionary program for participant directed ERISA plans. Pacific Portfolio will provide a written Investment Policy Statement developed by our Investment Committee. We will have full discretion to hire and fire third party investment managers as deemed appropriate by the Investment Committee. This program will offer model allocations that are designed to account for participants' risk and investment horizon, and/or a broad array of diverse investment options.

Pacific Portfolio may use mutual funds or other investment securities as the allocation to the specific asset classes.

All employee communication and client meetings, with the exception of the annual review, may be provided by the third party administrator or other registered investment advisors who recommend this service to their clients, unless otherwise outlined in the client's Letter of Engagement. Pacific Portfolio will provide these services for clients that do not have a direct relationship with another advisor or third party administrator.

A detailed service agreement will be provided to each client that clearly discloses the services to be provided by each party.

#### **Types of Investments Used**

We consider many different types of securities when formulating the investment advice we give to you. If you come to us with existing investments, we evaluate them with respect to your financial goals, risk tolerance, and investment time horizon. Depending upon your situation, your account(s) managed by us may contain individual stocks, corporate, government and/or municipal bonds, mutual funds, exchange traded funds ("ETFs"), separate account managers, or other securities. In most situations we may recommend that real estate, in the form of mutual funds or ETFs that hold Real Estate Investment Trusts ("REITs") be part of your investment portfolio.

#### **Derivatives**

Pacific Portfolio may help clients with strategies using derivative products to hedge or monetize concentrated, low-basis equity positions. This service may be provided as part of the client's overall relationship at no additional cost or for a negotiated amount, depending on the complexity of the transaction and the time expended and expertise provided by Pacific Portfolio. To date, these services



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have only been provided as part of the Pacific Portfolio overall supervisory service for the standard assets under management fees.

### **Interest in Partnerships**

From time-to-time Pacific Portfolio is asked by clients to analyze and review various investments that may include direct ownership in real estate, operating businesses, or other investment opportunities. These are usually private illiquid investments for accredited investors only. Pacific Portfolio may require client to pay hourly fees for research and analysis depending on the scope and depth of the requested review.

### **Tailored Services and Investment Restrictions**

We attempt to tailor your investment portfolio to your situation as you have described it to us. This is why it is so important that you let us know about changes to your financial situation, goals, or investment time horizon. You may impose restrictions on investing in certain securities or types of securities. You must clearly identify these restrictions in writing to us.

### **Assets Under Management**

As of December 31, 2021, Pacific Portfolio advised on \$4,531,802,000 of client assets – \$1,220,302,000 on a discretionary basis and \$3,311,500,000 on a non-discretionary basis.

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## Fees and Compensation (Item 5)

*This section of the brochure describes how we are compensated for the services we offer.*

### Compensation Methodology and Rates

#### **Assets Under Management**

Some clients are charged for our asset management services based on a percentage of the assets being managed. The following fee schedules are samples of our fee schedules for the range of services we provide to a variety of client types and account sizes. Your specific annual fee arrangement will be described in the written Investment Advisory Agreement entered into between Pacific Portfolio and you. Investment advisory fees charged by us are negotiable at our sole discretion. All clients do not pay the same fee.

The annual fee for our services is billed quarterly, in advance, based on the value of the account at the end of the preceding quarter. If the management agreement does not span the entire quarterly billing period, the fee will be pro-rated based on the number of days the account is open during the billing period. Your account custodian will send client statements, at least quarterly, showing all disbursements for the account including the amount of the advisory fee, if deducted directly from the account. It is the shared responsibility of Pacific Portfolio and you to verify the accuracy of the fee calculation as the account custodian will not determine whether the fee has been properly calculated. See *Item 12 Brokerage Practices* in this brochure for more information about your account custodian(s).

You may terminate the Investment Advisory Agreement without fee or penalty by providing written notice to Pacific Portfolio within five (5) business days from the execution of the agreement. Thereafter, either party may terminate the Investment Advisory Agreement by providing written notice. Any fees collected in advance of services being performed will be returned to you on a pro rata basis.

#### **Fees for Wealth Management Services—Discretionary and Non-Discretionary Accounts**

Wealth Management Services clients are charged based on a percentage of the assets being managed with a minimum fee of \$17,000 per year. The following fee schedule is a sample of our fee schedule for wealth management services. Your specific annual fee arrangement will be described in the written Investment Advisory Agreement entered into between Pacific Portfolio and you. Investment advisory fees charged by us are negotiable at our sole discretion. All clients do not pay the same fee.

<b>Wealth Management Services</b> Annual Asset Fee (% of all assets under advisement)	<b>Annual Rates</b>
First \$2,000,000	0.85%
Next \$3,000,000	0.50%
Next \$15,000,000	0.40%
Next \$30,000,000	0.30%
Over \$50,000,000	0.25%

Clients who choose a completely passive implementation of their portfolio will receive a discount of 25% of the fees outlined above.



In accounts that have more than \$10 million in assets under advisement, the assets allocated in cash and/or buy-and-hold fixed income securities may be eligible for a reduced fee starting at 0.20% on \$10 million.

Portfolios under advisement that are invested solely in cash and buy-and-hold fixed income securities are to be billed according to the following schedule with a minimum fee of \$20,000 per year.

<b>Cash and Buy-and-Hold Fixed Income Accounts</b>	
Annual Asset Fee	Annual Rates
First \$10,000,000	0.20%
Over \$10,000,000	0.10%

Non-discretionary clients can choose their own custodian. If the number of accounts or custodians is excessive or the custodian cannot provide electronic data compatible with Pacific Portfolio's portfolio management system, the client may be required to pay additional hourly fees, described below, to cover extra costs.

#### **Fee Schedule for PPC Portfolio Clients**

<b>PPC Portfolio Clients</b>	
Annual Asset Fee	Annual Rates
\$500,000 to \$2,000,000	1.00%
Over \$2,000,000	See fee schedule for Wealth Management Services above

Mutual funds or managers used by the client will have fees and expenses that will be in addition to the fees charged by Pacific Portfolio.

#### **Fee Schedule for PPC Automated Investment Program**

<b>PPC Automated Investment Program Clients</b>	
Annual Asset Fee	Annual Rates
Up to \$500,000	0.50%

Exchange Traded Funds (ETFs) or managers used by the client will have fees and expenses that will be in addition to the fees charged by Pacific Portfolio.

As described in *Item 4 Advisory Business*, clients do not pay fees to SPT or brokerage commissions or other fees to CS&Co. as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client's brokerage account; (iii) fees received by Schwab from third-party ETFs that participate in the Schwab ETF OneSource™ program and mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab may receive from the market centers where it routes ETF trade orders for execution. Brokerage arrangements are further described below in *Item 12 Brokerage Practices*.



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### **Fee Schedule for Non-Discretionary Institutional/Corporate Accounts**

The annual fee for Pacific Portfolio's investment management services is based on the market value of the client's account at the end of the preceding quarter and requires a base fee of \$2,000 per year and a minimum fee of \$20,000 per year.

<b>Individual Manager Options</b> Annual Asset Fee	<b>Annual Rates</b>
First \$2,000,000	0.50%
Next \$3,000,000	0.30%
Next \$10,000,000	0.20%
Next \$10,000,000	0.10%
Next \$75,000,000	0.05%
Over \$100,000,000	0.025%

### **Fee Schedule for Discretionary Institutional/Corporate Accounts**

The annual fee for Pacific Portfolio's investment management services is based on the client's account at the end of the preceding quarter and requires a base fee of \$2,000 per year and a minimum fee of \$20,000 per year.

<b>Discretionary Institutional Services</b> Annual Asset Fee	<b>Annual Rates</b>
First \$2,000,000	0.85%
Next \$3,000,000	0.50%
Next \$15,000,000	0.40%
Next \$30,000,000	0.30%
Over \$50,000,000	0.25%

### **Fee Schedule for Advisor Choice Program**

Fees for the Advisor Choice Program start with a base fee \$2,000 and a minimum annual fee of \$10,000.

<b>Advisor Choice Program</b> Annual Asset Fee	<b>Annual Rates</b>
First \$500,000	1.00%
Next \$1,500,000	0.50%
Next \$3,000,000	0.40%

Mutual funds or managers used by the client will have fees and expenses that will be in addition to the fees charged by Pacific Portfolio. A portion of these fees may be available to ERISA plans as revenue sharing to offset other plan expenses.

There will be no fee sharing with third party administrators. The third party administrator will have a separate contract and fee schedule. All fees shared will be disclosed to each client choosing this program.

### **The Potential Effect of Minimum Fees**

If we charge you a minimum fee, as described above, you may pay an effective annual rate that is greater than the amount shown in the fee schedule. For example, a Wealth Management Services



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account smaller than \$2,000,000 and paying a minimum fee of \$17,000 will pay an effective annual fee rate greater than the maximum fee shown in the fee schedule of 0.85%. Pacific Portfolio may waive the minimum fee under special conditions.

### **Fixed Fees**

You may enter into an Investment Advisory Agreement where the fee for services is determined through negotiations and agreement between you and Pacific Portfolio. Fixed fees are not necessarily based upon the value of assets managed or time expended providing services. Fixed fees are normally agreed to for a specified period of time and may be renegotiated and agreed to for future periods. If you are paying a fixed fee you may pay a fee higher or lower than one based upon the value of assets managed. In the event a fixed fee engagement is terminated, unearned fees will be returned to you on a pro rata basis.

### **Hourly Fees**

We may perform services for you where the price of the service is based upon the amount of time to complete the service times an hourly rate. The rate per hour depends upon the level of complexity of the service and experience and expertise of the personnel used to do the work. This rate would normally not exceed \$300 per hour. The tasks and services to be performed are described in an engagement letter that is signed by you and Pacific Portfolio that also includes the hourly rate, an estimate of time to complete the project, and the procedure for refund or partial billing if the engagement is terminated before completion.

### **Valuation of Publicly Traded Securities**

Publicly traded securities in your account(s) managed by us are held at the custodian that we recommend but is ultimately chosen by you. We use the securities valuation provided by the independent qualified custodian for reporting and billing purposes. Publicly traded securities are usually valued as of the end of business on the last trading day of the calendar quarter.

### **Valuation of Private Equities**

Some of our clients hold privately issued securities in their managed account portfolios. Your independent qualified custodian may hold the privately issued securities, you may hold the physical certificates, or you may have ownership that is only reflected on the books of the issuer. These privately issued securities are not publicly traded and therefore do not have a daily indication of their fair market value. It is our policy to use the value provided by the issuer or if not available, the last known transaction price to value these non-publicly traded securities for reporting and billing purposes. Because the last known transaction price for these securities may be from a date far in the past, it may be higher or lower than the actual fair value of the securities at the portfolio valuation date. Therefore the management fee related to the asset will be higher or lower than it would have been had an actual fair market value been available and used.

### **How Clients Pay Advisory Fees**

Fees are generally deducted directly from your account. You may provide your qualified account custodian with written authorization to have fees deducted from the account and paid to Pacific Portfolio.





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## Other Types of Fees and Expenses

In addition to the investment advisory fees you pay to us, you will pay transaction fees (commissions) to your custodian or broker-dealer for executing securities transactions and charges for special services elected by you or Pacific Portfolio. These fees may include:

- periodic distribution fees
- electronic fund and wire transfer fees
- certificate delivery fees
- reorganization fees
- account transfer fees (outbound)
- returned check fees
- international security transfer fees
- overnight mail and check fees
- Rule 144 transfer fees
- transfer agent fees

This list is not meant to be all inclusive. Any fee on a special service incurred by the client will be fully disclosed. Please refer to *Item 12 Brokerage Practices* of this document for an explanation of our brokerage practices.

### Asset-Based Pricing for Transaction Costs

Some clients have the option to pay for the cost of transactions in their account using an asset-based pricing method. These fees are paid to the account custodian.

### Investment Company Fees

Investment company funds (e.g., mutual funds or ETFs) that are held by you will bear their own internal transaction and execution costs, as well as directly compensate their investment managers along with internal administrative services. Some funds pay 12b-1 fees, distribution fees, and/or shareholder service fees to broker-dealers that offer investment company funds to their clients. These fees affect the net asset value of the fund shares and are indirectly borne by fund shareholders such as you.

Some fund companies have imposed a redemption fee. A redemption fee is another type of fee that some funds charge their shareholders when shares are sold or redeemed within a short period of time from the purchase of the fund shares. Although a redemption fee is deducted from redemption proceeds just like a deferred sales load, it is not considered to be a sales load. Unlike a sales load, which is generally used to compensate brokers, a redemption fee is typically used to defray fund costs associated with a shareholder's redemption and is paid directly to the fund, not to a broker. The SEC generally limits redemption fees to 2%. In most cases, the funds will use the "first-in, first-out" (FIFO) method to determine the holding period. Under this method, the date of the redemption will be compared with the earliest purchase date of shares held in the account. While it is not the general practice of Pacific Portfolio to sell client's securities in a period that would generate a redemption fee we might do so if we believe the sale is in your best interests, or if fund shares must be redeemed to pay fees from the account.

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A complete explanation of these charges is contained in the Prospectus and Statement of Additional Information for each investment company fund. You can get a prospectus through the investment company website, by telephone, or by mail.

### **Additional Compensation**

Investment advisor representatives (“IARs”) of Pacific Portfolio may receive compensation based on new client accounts brought to Pacific Portfolio. This compensation is based in part on the number of clients and size of accounts.

### **Commission-Based Compensation**

Our investment advisor representatives do not receive any securities commission-based compensation while providing investment advisory services to you.

You have the option to purchase investment products that Pacific Portfolio may recommend through other brokers or agents not affiliated with us.



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

*This section of the brochure explains any performance-based fees we may charge you for and how they may be different from other clients' charges.*

We do not charge any performance-based fees.

### **Side-By-Side Management**

We provide investment advisory services to other clients in addition to you. Not all clients receive the same investment advice, nor do they pay the same fee. We strive to act in the best interests of each of our clients at all times.



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## Types of Clients (Item 7)

*This section of the brochure describes who we generally provide our services to.*

### Individuals

Pacific Portfolio provides advisory services to a variety of clients including individuals and trusts. These services include financial, estate and investment planning and analysis. We help individuals in determining their personal return and risk tolerance through the use of an asset allocation optimization model.

### Charitable Organizations, Foundations and Endowments

Pacific Portfolio provides advisory services to charitable organizations including foundations and endowments. Pacific Portfolio services include helping clients define goals, objectives and guidelines for the oversight of institutional accounts. We help clients develop asset allocation strategies and determine the portfolio's return and risk tolerance through the use of an asset allocation optimization model. In some cases we will serve as the discretionary investment advisor to the foundation or endowment.

### Pension and Profit Sharing Plans

Pacific Portfolio provides advisory services to pension and profit sharing plans. These services include recommendations to the plan which are then approved by the pension plan sponsor. In some cases we will serve as a discretionary advisor to the plan. You are encouraged to ask your plan sponsor what services we are providing the plan.

### PPC Automated Investment Program

Clients eligible to enroll in the Program include individuals, IRAs and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, are not eligible for the Program.

### Account Size Minimums

Pacific Portfolio has a minimum account size requirement of \$500,000. We may waive this requirement at our sole discretion. We also have minimum annual fees that are outlined in *Item 5 Fees and Compensation* which we may also waive.

The minimum investment required to open an account in the PPC Automated Investment Program is \$5,000. The Program Disclosure Brochure describes related minimum required account balances for maintenance of the account, automatic rebalancing, and tax-loss harvesting.



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## Methods of Analysis, Investment Strategies, and Risk of Loss (Item 8)

*This section of the brochure explains how we formulate our investment advice and manage client assets.*

### Methods of Analysis

All investment research underlying Pacific Portfolio's strategies is performed in-house: while data is often acquired from a wide range of outside sources, all financial planning, asset allocation modeling, and manager analysis is performed by the firm's team of Analysts in conjunction with Pacific Portfolio's Investment Committee.

The standing Investment Committee maintained by Pacific Portfolio is central to all aspects of the firm's investment process. This Committee, comprised of the firm's Senior Consultants and Analysts, has ultimate responsibility for all decisions pertaining to capital market assumptions, manager selection, strategy design, and discretionary account management. Further, no changes to the firm's internal procedures or recommendations are effected without the consensus approval of this Committee.

To perform the modeling, research, analysis, and monitoring functions central to the construction and oversight of clients' investment strategies, Pacific Portfolio employs a broad range of tools and databases from such industry-leading providers as Bloomberg, Frontier Analytics, Morningstar, Inc., PSN, and eVestment Alliance. In addition, the firm's Analysts maintain communications with all managers recommended by the firm or owned in client accounts on an ongoing basis.

### Asset Allocation & Portfolio Optimization

Asset allocation is the process of determining the asset classes to be included in a portfolio as well as the appropriate portion of portfolio assets to be allocated to each in order to target a particular set of risk and return characteristics. Pacific Portfolio constructs broadly diversified portfolios for its clients based on each client's needs, objectives, and risk tolerance, reflecting the firm's belief that the inclusion of a broad range of asset classes and sub-asset classes exhibiting relatively low levels of correlation to one another has the potential to provide for lower overall portfolio volatility with little or no sacrifice of return.

To evaluate the characteristics of and interactions between various asset classes and styles, Pacific Portfolio's Investment Committee uses long-term historical return data, historical investment relationships, and a projected rate of inflation to develop return, risk, and correlation forecasts for each asset class employed in our clients' portfolios.

As part of the asset allocation modeling and portfolio construction process, Pacific Portfolio uses a method of analysis called Modern Portfolio Theory ("MPT"), an approach to investment decision making that emphasizes the impact of individual investments on the overall portfolio rather than evaluating them in isolation. A goal of Modern Portfolio Theory is the construction of efficient portfolios – in other words, portfolios that attempt to maximize expected return for a given amount of portfolio risk, when risk is defined as volatility of the value of the investment portfolio, or to minimize risk for a given level of expected return. Pacific Portfolio strives to achieve this through allocation to an assortment of investment assets that, collectively, has lower risk than any of the individual assets in isolation.



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By combining different assets whose returns are not perfectly positively correlated, Modern Portfolio Theory seeks to reduce the total variance of a portfolio's return. It also assumes that investors are rational, markets are efficient, and that the future performance of investments will have some similarity to their historical performance. These assumptions are not guaranteed and might not come to pass. Past performance might not be indicative of future performance.

#### Returns-Based Style Analysis

Pacific Portfolio uses returns-based style analysis to classify investment managers by style. Returns-based style analysis is a statistical technique originally developed by William Sharpe in the 1980s that compares a manager's total return over time to those of a set of indexes representing various asset classes and/or styles to determine the mix of indexes that best tracks the manager's performance. In this manner, such analysis can infer a manager's effective exposure to the various asset classes and styles used, allowing for an evaluation of the behavior and consistency of a manager and its investment philosophy and process over time. Both domestic and foreign managers are divided into value, growth, and blend classifications, using the Russell style indices for domestic equity managers and the MSCI regional indices for foreign equity managers. Fixed Income managers are evaluated using duration and credit quality to classify them as short, intermediate, or long-term and investment grade or high yield.

A manager's investment style is reviewed regularly for style drift and managers are contacted if there is evidence of prolonged or significant changes in style to determine the cause. In some cases, style drift may result from a fundamental change in investment process or philosophy, in which case Pacific Portfolio may reclassify or, potentially, remove the manager from the firm's list of recommended managers. In either case, clients would be notified of the firm's action and provided a recommendation regarding how the firm believes the client should address the issue.

#### Tactical Asset Allocation

As part of our investment strategy we may make modest adjustments to a portfolio's strategic asset allocation in response to our opinion with regard to global capital market or economic conditions, as well as the absolute or relative valuation of the markets in which our clients are invested. In adjusting a portfolio's asset allocation to over- or under-weight a particular asset class or style, our goal is to improve an investment portfolio's risk-adjusted returns; however, there can be no assurance that our attempts to do so will be successful. Although we buy investments with the goal of holding them as long-term investments, we might recommend you sell a particular investment if, in our opinion, doing so would be in your best interest.

#### Investment Manager Evaluation

Client portfolios may make use of investment managers through a variety of means, including open- and closed-end funds, ETFs, separate accounts, as well as other securities.

Although Pacific Portfolio believes that asset allocation represents the single most important decision an investor can make, the firm does believe there is incremental value to be added in the manager selection process.

As a result, the firm has developed a comprehensive process designed to discount those managers simply exhibiting strong current performance attributable to a near-term period of abnormally strong returns – a situation as often as not due more to luck than skill – and focus instead on identifying those that have shown a tendency to add value on a risk-adjusted basis with consistency over time. This process incorporates a broad range of quantitative factors, which include:



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Demonstrated high degree of consistency of absolute & risk-adjusted outperformance relative to benchmark & peers

- Consistency of investment style over time
- Reasonable expenses relative to peers

Managers meeting quantitative criteria receive a detailed questionnaire covering such areas as:

- Investment philosophy
- Investment process
- Qualifications and experience of key personnel
- Explanation of periods of substantial over- or under-performance

Pacific Portfolio's Investment Committee reviews and evaluates information obtained from the investment managers to determine which best meet the firm's exacting standards. The Committee's vote determines specific investment manager assignments to a given asset class and/or investment style.

## **Investment Strategy**

Pacific Portfolio views asset allocation as the most significant factor shaping the risk and return characteristics of an investment strategy over time. As a result, the firm employs a disciplined, long-term strategic asset allocation process as the core of its investment strategies.

The firm's asset allocation process is founded on its belief in several key principles:

- **Portfolio Efficiency:** Portfolios should be constructed to provide the highest level of return possible for a given level of risk or, put another way, take the least amount of risk necessary in order to produce a given client's required rate of return.
- **Diversification:** In most environments, different asset types will tend to respond differently to various economic, financial, and even social and demographic forces and will, as a result, tend not to move in lockstep with one another over time. A diversified asset allocation to a variety of assets exhibiting such non-correlated behavior has the potential to lessen a portfolio's short-term volatility without sacrificing return, enabling investors to pursue an investment program tailored to meeting their objectives over the long-term.
- **Market Efficiency:** Markets ultimately tend towards efficiency over the long-term, though they can exhibit significant dislocations over short-term periods.

The portfolios of Pacific Portfolio's clients typically are diversified broadly across a wide variety of traditional and alternative assets classes and investment styles, which – depending on a client's specific circumstances – include (but are not limited to):

- Cash
- Short-term Fixed Income
- Intermediate Fixed Income
- Inflation-Protected Fixed Income
- Non-Traditional and/or Alternative Fixed Income
- Domestic Equity (Large, Mid, & Small; Value, Blend, & Growth)
- Foreign Large Cap Equity (Value, Blend, & Growth)



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- Foreign Small Cap
  - Real Estate (Domestic & International)
  - Alternatives (Hedged Equity, Commodities, Absolute Return)

Using the capital market assumptions developed by the firm's Investment Committee, Pacific Portfolio then applies a portfolio optimization process to determine the appropriate asset mixes to create a range of portfolios with different risk and return characteristics. These serve as a core component of the firm's process of assisting clients to review the various risk-return tradeoffs and helping them move towards the selection of an asset allocation potentially appropriate to their particular circumstance.

## Risks

### Risk of Loss

Clients and prospective clients of Pacific Portfolio should note that any investment strategy involves the risk of loss, including the loss of principal that an investor should be prepared to bear. As a result of capital market volatility and fluctuations in securities prices, a portfolio's value will fluctuate and, at any given time, may be worth more or less than the amount originally invested. Past performance is not indicative of future performance.

Pacific Portfolio uses several strategies to try to reduce risk, including diversification across multiple, uncorrelated asset classes, monitoring portfolio allocations and performance, and monitoring the performance of investment managers. However, there can be no assurance that our strategies to minimize risk will achieve their goal.

### Assessment of Client Needs, Objectives, and Risk Tolerance

As with any communication process, it is possible that our efforts to learn a client's needs and objectives and assess their tolerance for risk may not be successful. This may result from a client's failure to understand our request for information, a client providing incomplete or inaccurate information, or our failure to properly interpret information provided by the client. In addition, attitudes towards risk vary considerably and are often difficult to assess. As a result, we might recommend an investment strategy that is subject to a level of risk that exceeds a client's actual tolerance.

### Asset Class Risk

Securities in your portfolio(s) or in underlying investments such as mutual funds may underperform in comparison to the general securities markets or other asset classes.

### Derivatives Risk

The use of derivatives such as futures, options, and swap agreements can lead to losses, including those magnified by leverage, particularly when derivatives are used to enhance return rather than offset risk.

### Equity Securities Risk

Equity securities are subject to changes in value that may be attributable to market perception of a particular issuer or general stock market fluctuations that affect all issuers. Investments in equity securities may be more volatile than other types of investments.

### Fixed Income Securities Risk

Fixed income securities are subject to changes in value as a result of changes in interest rates and credit quality. Bond prices tend to decline in response on higher interest rates and to increase when interest





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rates decline. A fixed income security may decline in value in response to a change in the credit quality or perceived credit quality of its issuer or guarantor.

#### Inflation Risk

The returns of certain securities, including most fixed income securities, are tied to periodic payments of fixed income amounts; the real (inflation-adjusted) returns of such securities may be more severely impacted by higher rates of inflation.

#### Investment Manager Risk

Your portfolio's performance is dependent in part upon the performance of the underlying investment managers that comprise it, the adherence by such investment managers to their mandated strategies, and Pacific Portfolio's ability to select investment managers and strategies and to effectively allocate portfolio assets among them.

#### Management Risk

The performance of your account is subject to the risk that our investment management strategy may not produce the intended results.

#### Market Risk

Your account could lose money over short periods due to short-term market movements and over longer periods during market downturns. The value of a security may decline due to general market conditions, economic trends, or events that are not specifically related to the issuer of the security or to factors that affect a particular industry or industries. During a general downturn in the securities markets, multiple asset classes may be negatively affected.

#### Non-U.S. Securities Risk

Some investment managers may purchase securities issued by entities based outside the United States. The value of non-U.S. securities may experience volatility or decline in value due to political, social, or economic developments abroad, as well as differences in regulation and accounting practices between the U.S. and the country in which the issuer is based. Non-U.S. securities may be subject to lower liquidity; in addition, publicly available information regarding such issuers may be limited. Such securities may be subject to higher transaction costs and additional administrative difficulties. These risks may be greater with investments in issuers located in developing countries, as well as issuers in developed countries that conduct substantial business in developing countries. Fluctuations in the exchange rates between currencies may negatively affect an investment in non-U.S. securities.

#### Portfolio Construction & Strategy Risk

Pacific Portfolio attempts to construct broadly diversified, efficient portfolios for its clients based on each client's needs, objectives, and risk tolerance. However, there can be no assurance that actual capital market conditions over time will be consistent with the assumptions underlying the strategy development and portfolio construction process. Portfolios constructed may not effectively achieve their intended strategies. Use of investment managers with significant discretion to allocation among multiple asset classes may result in portfolio allocations different than those intended.

#### Smaller Company Securities Risk

Securities of companies with smaller market capitalizations, historically, tend to be more volatile and less liquid than larger company stocks. Smaller companies may have no or relatively short operating histories, or be newly public companies. Some of these companies have aggressive capital structures,



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including high debt levels, or are involved in rapidly growing or changing industries, or new technologies, which pose additional risks.

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## **Disciplinary Information (Item 9)**

*This section of the brochure lists legal and disciplinary information for Pacific Portfolio, its owners, and management team.*

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. Pacific Portfolio has no history of any legal or disciplinary events.

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## Other Financial Industry Activities and Affiliations (Item 10)

*This section of the brochure describes other financial services industry activities and affiliations we may have that could present a conflict of interest with you.*

We want you to know that there are certain entities with which Pacific Portfolio has relationships that may give rise to conflicts of interest, or the appearance of conflicts of interest. These entities include the following:

- Pacific Wealth Advisors, LLC
- Northrim Investment Services Co.
- Pacific Portfolio Trust Company
- HomeStreet Bank

Because of the cross-ownership interests between Pacific Wealth Advisors, LLC, Pacific Portfolio Consulting, LLC, and Pacific Portfolio Trust Company, there exists a financial incentive to recommend the others. This financial incentive creates a potential conflict of interest between the affiliated companies and the client with regard to referrals or introductions between the affiliated companies.

### **Pacific Wealth Advisors, LLC and Northrim Investment Services Co.**

Pacific Portfolio Consulting, LLC is a wholly owned subsidiary of Pacific Wealth Advisors, LLC. Pacific Wealth Advisors, LLC is owned and controlled by a number of investors including Northrim Investment Services Company, a wholly-owned subsidiary of Northrim Bancorp Inc.

Pacific Portfolio has entered into written arrangements where it will pay Northrim Bank for successful referrals, as further described below in *Item 14 Client Referrals and Other Compensation*.

### **Pacific Portfolio Trust Company**

Pacific Portfolio Consulting, LLC is affiliated through common ownership with Pacific Portfolio Trust Company, a state chartered non-depository trust company, a wholly owned subsidiary of Pacific Wealth Advisors, LLC. Pacific Portfolio Consulting, LLC provides wealth management services to Pacific Portfolio Trust Company clients.

### **HomeStreet Bank**

Pacific Portfolio has entered into written arrangements where it will pay HomeStreet Bank for successful referrals, as further described below in *Item 14 Client Referrals and Other Compensation*.

## **Important Information for Retirement Investors**

When we recommend that you rollover retirement assets or transfer existing retirement assets (such as a 401(k) or an IRA) to our management, we have a conflict of interest. This is because we will generally earn additional revenue when we manage more assets. In making the recommendation, however, we do so only after determining that the recommendation is in your best interest. Further, in making any recommendation to transfer or rollover retirement assets, we do so as a “fiduciary,” as that term is defined in ERISA or the Internal Revenue Code, or both. We also acknowledge we are a fiduciary under



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ERISA or the Internal Revenue Code with respect to our ongoing investment advisory recommendations and discretionary asset management services, as described in the advisory agreement we execute with you. To the extent we provide non-fiduciary services to you, those will be described in the advisory agreement.

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

*This section of the brochure describes our code of ethics, adopted pursuant to SEC rule 204A-1, and how we deal with client and related person trading.*

### **Code of Ethics**

We have adopted a code of ethics designed to prevent and detect violations of securities rules by our employees and affiliated persons. Our controls in this area focus upon securities transactions made by our employees that have access to material information about the trading of Pacific Portfolio. We will provide a copy of our code of ethics to clients or prospective clients upon request.

### **Material Financial Interest and Personal Trading**

From time-to-time the interests of the principals and employees of Pacific Portfolio may coincide with yours and other clients. Individual securities may be bought, held, or sold by a principal or employee of Pacific Portfolio that is also recommended to or held by you or another client. If potential insider information is inadvertently provided or learned by a principal or employee, it is our policy to strictly prohibit its use.

It is the policy of Pacific Portfolio to permit the firm, its employees and investment advisor representatives ("IARs") to buy, sell, and hold the same securities that the IARs also recommend to clients. It is acknowledged and understood that we perform investment services for different types of clients with varying investment goals, risk profiles, and time horizons. As such, the investment advice offered to you may differ from other clients and investments made by our IARs. We have no obligation to recommend for purchase or sale a security that Pacific Portfolio, its principals, affiliates, employees, or IARs may purchase, sell, or hold. When a decision is made to liquidate a security from all applicable accounts, priority will always be given to client orders before those of a related or associated person to Pacific Portfolio. In some cases the trades of the clients and advisory personnel will be combined in a single block trade, and all trades will receive the average price. We have procedures for dealing with insider trading, employee-related accounts, "front running" and other issues that may present a potential conflict when buy/sell recommendations are made. These procedures include reviewing employee security transactions and holdings to eliminate, to the extent possible, the adverse effects of potential conflicts of interest on clients.

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## Brokerage Practices (Item 12)

*This section of the brochure describes how we recommend broker-dealers for client transactions.*

### Factors Considered When Recommending Broker-Dealers

We may suggest or recommend that clients use a particular qualified custodian and/or broker-dealer. When we make this recommendation, we consider:

- capitalization
- reasonableness of commissions and other costs of trading
- ability to facilitate trades
- access to client records
- computer trading support
- other operational considerations

These factors are reviewed from time to time to assure the best interests of our clients are upheld.

### Research and Other Benefits

We may recommend that clients establish brokerage accounts with a specific custodian, Charles Schwab & Co., Inc., a registered broker-dealer, Member SIPC/NYSE, to maintain custody of clients' assets and to execute trades for your account(s). The Custodian provides us with access to its institutional brokerage services – trading, custody, reporting and related services – which are typically not available to retail investors. The Custodian also makes 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. These services are offered to independent investment advisors at no charge in exchange for keeping a minimum amount of account assets at the Custodian. The Custodian may also offer to pay third-party vendor invoices on our behalf for those products and services deemed eligible. The Custodian's provision of these benefits is not conditioned on particular transactions or investment decisions we may make or recommend on behalf of our clients.

The Custodian's services include research, brokerage, and custody. The Custodian offers access to mutual funds and other investments that are available only to institutional investors or require a significantly higher minimum investment. The Custodian also makes other products and services available that benefit us but may not benefit our clients. Some of these other products and services help us manage and administer client accounts, and include software and other technology that:

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts)
- provide research, pricing information, and other market data
- facilitate payment of our fees from your account(s)
- help with back-office support, recordkeeping, and client reporting

The Custodian also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting



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- publications and conferences on practice management and business succession
  - access to employee benefits providers, human capital consultants and insurance providers

These services may be used with all or a substantial number of clients' accounts, including accounts not maintained at the Custodian. We do not attempt to allocate the benefit to accounts proportionately to the accounts that generate the benefit.

Some of the products or services provided by the Custodian do not qualify for the safe harbor in section 28(e) of the Securities Exchange Act of 1934, including those services that do not aid in investment decision-making or trade execution. These business management and development services, in addition to those listed above, may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, the Custodian may use independent third parties to offer these services to Pacific Portfolio. The Custodian may discount or waive fees it would otherwise charge for some of these business management and development services or pay all or a part of the fees of a third-party providing these services to us. Because we receive discounts, research, products, or services we may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research, products, or services, rather than on the client's interest in receiving most favorable execution. The Custodian or broker-dealer recommended by Pacific Portfolio may charge commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for services and benefits.

#### PPC Portfolio Clients

All client accounts under this program will be established at Charles Schwab & Co., Inc. or a broker dealer that has a mutual fund supermarket with electronic efficiencies to provide information to Pacific Portfolio. Pacific Portfolio will make this decision on a discretionary basis.

#### PPC Automated Investment Program Clients

Client accounts enrolled in the Program are maintained at, and receive the brokerage services of, CS&Co., a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While clients are required to use CS&Co. as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with CS&Co. by entering into a brokerage account agreement directly with CS&Co. We do not open the account for the client. If the client does not wish to place his or her assets with CS&Co., then we cannot manage the client's account through the Program. CS&Co. may aggregate purchase and sale orders for Funds across accounts enrolled in the Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the Platform

#### Brokerage for Client Referrals

Pacific Portfolio does not have any agreements in place where securities transactions are directed to particular broker-dealers in exchange for client referrals.

#### Directed Brokerage

If you direct Pacific Portfolio to execute securities transaction at a broker other than one we use for our other clients you will forgo any benefit from savings on execution costs that we may have obtained through our negotiation of volume discounts or batched orders. In directing the use of a particular broker or dealer, it should be understood that we will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. You may incur higher commissions,





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other transactions costs, greater spreads, or receive less favorable net prices, on transactions for your account than would otherwise be the case had you used a broker we prefer.

#### Aggregated Orders

When we decide to purchase or sell a specific security for multiple clients at the same time, we will consider aggregating, or combining the orders. This procedure will result in a single average price for all client transactions in the aggregated order. The account custodian charges for each transaction as if it were placed individually.

#### Allocation of Thinly Traded Securities

Pacific Portfolio may allocate securities among accounts when enough of a particular security or securities cannot be purchased or sold on a given day at a desired price. In this event, we will allocate the shares actually purchased or sold on pro rata basis. We may remove small allocations from the process if we believe it would not be in the best interest of our client(s).

#### Trade Error Policy

From time-to-time we may make an error in submitting a trade order on your behalf. When this occurs, we may place a correcting trade with the broker-dealer which has custody of your account. If an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account and Charles Schwab & Co. Inc. ("Schwab") is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, Pacific Portfolio will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

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## Review of Accounts (Item 13)

*This section of the brochure describes how often client accounts are reviewed and by whom.*

### Reviews

Client portfolios are monitored as part of an ongoing process, with regular account reviews conducted by the Advisors no less than quarterly. Pacific Portfolio's Investment Committee reviews the composition and performance of the firm's core strategies at least weekly.

Any change in a client's needs, objectives, or financial circumstances would also trigger an account review. Clients are encouraged to discuss their goals and objectives with their Advisor and to keep Pacific Portfolio informed of any changes in their situation.

A review may also be triggered in response to material capital market or economic developments.

A portfolio's current strategy and allocation is reviewed for continued consistency with client goals and objectives. In addition, each allocation within the portfolio is evaluated to ensure that it remains within an allowable range, as defined in the portfolio's Investment Policy Statement; an allocation is rebalanced when it moves outside this range, thus ensuring that a portfolio's overall asset allocation remains on track with client objectives over time.

A portfolio's investment managers are reviewed continuously to ensure ongoing compliance with the quantitative criteria used at the time of selection and incorporated into clients' Investment Policy Statements, as well as to monitor the ongoing consistency of personnel, philosophy, and process, including a periodic update to each manager's responses to Pacific Portfolio's in-depth questionnaire. The information obtained through this process allows Pacific Portfolio's Investment Committee to make necessary changes to a Portfolio's underlying managers as issues arise, replacing managers that no longer comply with Policy criteria.

Client performance reviews generally occur with a predetermined frequency mutually agreed upon by the client and the consultant. Reviews may also be triggered by changes in a client's personal, tax, or financial status, macroeconomic and company-specific events.

Financial plans are reviewed only upon request unless you retain us to update the plan on a continuous basis.

### Reports

Clients receive confirmations of each transaction as well as quarterly, and in most cases monthly, statements from the qualified account custodian or broker-dealer (typically, Charles Schwab & Co., Inc.). This statement includes a transaction summary and ending portfolio value.

In addition, Pacific Portfolio provides an in-depth report of portfolio performance by both asset class and investment manager. This performance report includes both absolute and relative measurements. These reports are typically provided with quarterly, semi-annual, or annual frequency depending on client preferences, though they may also be provided on an interim basis if appropriate.



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Information in these quarterly reports is gathered from sources we believe to be accurate and reliable, but we cannot guarantee their accuracy.

Specific report contents and timing for each investment advisory service offered is detailed as follows.

Reports for Wealth Management Services Clients

Reports which review the performance of the client's portfolio and each investment made by the client and/or asset manager are issued on a periodic basis as agreed upon with each client, but not more frequently than once per quarter, or when requested by the client.

Reports for Discretionary Services Clients

Reports which review the performance of the clients' portfolios and individual investments, mutual funds and/or asset managers will be provided on a periodic basis. These reports will outline changes made during the reporting period. The frequency of reports will be as agreed upon with the client, but no more than quarterly.

Reports for PPC Portfolio Clients

Clients will receive a report quarterly. In addition, we will provide an in-depth report and consultation at the client's request.

Reports for Institutional Clients

Reports which review the performance of the client's accounts, mutual funds, and asset managers will be issued on a quarterly basis. Pacific Portfolio will meet with the client periodically to review these reports and to discuss issues and recommendations.

Reports for Discretionary Advisor Choice Program Clients

We will provide quarterly investment updates and employee packets to explain the various models. We will monitor the mutual funds chosen on a regular basis and make changes as we deem appropriate. The Plan Sponsor will receive an annual performance evaluation prepared by Pacific Portfolio. Pacific Portfolio will work with the client to choose the program that best fits their needs.

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## Client Referrals and Other Compensation (Item 14)

*This section of the brochure discloses our arrangements with people who are compensated for referring us business.*

### Referral Relationships

Pacific Portfolio has entered into written arrangements where it will pay Northrim Bank and HomeStreet Bank for successful referrals of new clients. (Northrim Bank is affiliated with us through common ownership.) The money paid to Northrim and HomeStreet is a percentage of the investment advisory fees that the new client pays us. Because Northrim Bank and HomeStreet Bank receive payment for successful referrals, a conflict of interest exists between prospective clients and the referrer where Northrim and HomeStreet have the incentive to recommend us based upon the compensation they might receive rather than your best interests. The compensation arrangement between Pacific Portfolio Consulting and the Northrim Bank and HomeStreet Bank is disclosed to prospective clients before they enter into investment advisory relationships with us.

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## Custody (Item 15)

*This section of the brochure encourages you to check the statements sent to you by your account custodian to ensure the accuracy of the fee calculation.*

You have authorized us to deduct periodic investment advisory fees directly from one or more of your accounts managed by Pacific Portfolio. These deductions from your account are shown on the periodic statements sent by your qualified custodian (typically Charles Schwab & Co., Inc.) directly to you. You are encouraged to review these statements carefully and compare the amounts on the custodian statements with any statements we send and the fee schedule outlined in your Investment Advisory Agreement.

When our clients enter agreements with their custodian where the client requests the custodian transfer funds to a third-party, we are considered to have custody of client funds. To assure that our client's funds are safeguarded we take the following steps:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The client authorizes us, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
4. The client can terminate or change the instruction to the client's qualified custodian.
5. We don't have the authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
6. We maintain records showing that the third party is not a related party of ours or located at the same address as us.
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Pacific Portfolio Consulting, LLC is affiliated through common ownership and control with Pacific Portfolio Trust Company. As Trustee, Pacific Portfolio Trust Company has the power and authority to access and distribute client funds and/or securities from the trust. Client funds are held at a qualified custodian (typically Charles Schwab & Co., Inc. or Fidelity). We have implemented internal control procedures where Pacific Portfolio Trust Company undergoes an independent verification review by a Certified Public Accountant.

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## Investment Discretion (Item 16)

*This section of the brochure discloses the power we have to make trades in your account.*

You grant Pacific Portfolio a limited power of attorney to select, purchase, or sell securities, or select and replace third party asset managers without obtaining your specific consent within the account(s) you have under our management. The limited powers of attorney are granted in the written Investment Advisory Agreement entered into between us. There are no restrictions upon the securities that may be purchased, sold, or held in your account unless you provide these restrictions to us in writing.

Some of our clients request that we contact them and receive their consent before every security transaction placed in their account. Because of the requirement for pre-approval of transactions, trades in these non-discretionary accounts may be placed later than those in discretionary accounts or not at all if, in our opinion, a specific investment opportunity has passed.

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## Voting Client Securities (Item 17)

*This section of the brochure explains our proxy voting policy and your ability to get proxy voting information from us.*

Pacific Portfolio may be authorized to vote proxies for securities held in certain client accounts that it directly manages. The responsibility for voting proxies for securities held in accounts not under our direct management rests with the investment advisor (third party manager) chosen for your account.

### Proxy Voting Policy

Pacific Portfolio has adopted a written policy regarding the voting of client proxies that is designed to ensure that we fulfill our fiduciary obligation to you and our other clients to monitor corporate actions and vote client proxies. The written policies are designed to address a wide range of common business and social issues often contained in proxy statements and how to vote them in the best interest of our clients. Items not specifically addressed in the policy will be dealt with on a case-by-case basis by Pacific Portfolio. If a material conflict of interest presents itself, we will notify the affected clients and/or refrain from voting the respective shares. We will vote proxies in a way that we believe will cause securities to increase the most or decline the least in value in order to maximize shareholder value. Consideration will be given to both the short and long-term implications of the proposal to be voted on when considering the optimal vote.

If you have granted us the power to vote proxies on your behalf, and you wish to direct us to vote your proxy for a particular solicitation or issue, you should contact us in writing clearly explaining how you would like us to vote on your behalf.

You can obtain a copy of our proxy voting guidelines by contacting us directly. We can also provide you with information on how we voted on a specific proxy item on request. Requests should identify the security and the proxy item in writing to assure they are clearly understood and submitted to the following person:

James Ayres  
Pacific Portfolio Consulting, LLC  
701 5<sup>th</sup> Avenue, Suite 6850  
Seattle, WA 98104

### Proxy Voting Policy for PPC Automated Investment Program

As described in the Program Disclosure Brochure, clients enrolled in the Program designate SWIA to vote proxies for the ETFs held in their accounts. We have directed SWIA to process proxy votes and corporate actions through and in accordance with the policies and recommendations of a third party proxy voting service provider retained by SWIA for this purpose. Additional information about this arrangement is available in the Program Disclosure Brochure. Clients who do not wish to designate SWIA to vote proxies may designate us to vote proxies or may retain the ability to vote proxies themselves by signing a special CS&Co form available from us.



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## Financial Information (Item 18)

*This section of the brochure is where investment advisors that collect more than \$1,200 in fees per client, six months or more in advance would include a balance sheet.*

Pacific Portfolio is not aware of any circumstance that is reasonably likely to impair our ability to meet contractual commitments to you or our other clients.

### Prepayment of Fees

Pacific Portfolio does not require pre-payment of investment advisory fees of greater than \$1,200 and more than six months in advance.

### Privacy Statement

*We, like other professionals who advise on personal financial matters, are required by federal law to inform our clients of our policies regarding the privacy of client information.*

In the course of providing our clients with certain advice, we may receive nonpublic personal financial information such as financial statements, account statements, and tax returns from our clients, their accountants and other representatives. All nonpublic personal information that we receive regarding our clients or former clients is held in strict confidence in accordance with our professional obligations, and is not released to people outside Pacific Portfolio, except with your consent, as required by law or to explain our actions to professional organizations that we are members of. We may share certain information with third parties who assist us in providing our services to you (such as administrative and client service functions) or marketing services, as permitted by law, subject to the obligation of these third parties not to use or disclose such information for any other purpose.

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases to comply with professional guidelines. In order to guard your nonpublic personal information from unauthorized disclosure, we maintain physical, electronic, and procedural safeguards.





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***Form ADV Part 2B Brochure Supplement***

Pacific Portfolio Consulting, LLC  
701 5th Avenue, Suite 6850  
Seattle, WA 98104  
Telephone: 206-623-6641  
E-mail: [information@pacific-portfolio.com](mailto:information@pacific-portfolio.com)  
Website: [www.pacific-portfolio.com](http://www.pacific-portfolio.com)

**Brochure last updated: March 30, 2022**

This Brochure Supplement provides information about our employees who provide investment advice to Clients. You should have received a copy of Pacific Portfolio Consulting, LLC's Form ADV Part 2A brochure. Please contact Ritchie Hood, Compliance Officer, at 206-623-6641 or [information@pacific-portfolio.com](mailto:information@pacific-portfolio.com) if you did not receive a copy of that brochure. Additional information about Pacific Portfolio Consulting, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## Lawrence Lee Hood, President and CEO

### Item 2 – Educational Background and Business Experience

**Year of Birth:** 1958

**Education After High School:**

BA, Business Administration and Economics, University of Puget Sound

**Employment History (Past Five Years):**

Pacific Portfolio Consulting, LLC – President and CEO, Sr. Investment Advisor, Chairman of Pacific Portfolio Investment Committee

**Professional Designation:** ChFC

(Please see page 9 for an explanation of this and other designations.)

### Item 3 – Disciplinary Information

Pacific Portfolio Consulting, LLC is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Lawrence Hood. No events have occurred that are applicable to this item.

### Item 4 – Other Business Activities

Pacific Portfolio Consulting, LLC is required to disclose any outside business activities that could potentially create a conflict of interest with clients. There are no such activities for Lawrence Hood.

### Item 5 – Additional Compensation

Lawrence Hood receives no additional compensation other than his salary from Pacific Portfolio Consulting, LLC.

### Item 6 – Supervision

As President and CEO, Lawrence Hood manages and supervises all of the firm's investment professionals. He is supervised by Pacific Wealth Advisors' Board of Directors.

In addition, Pacific Portfolio Consulting, LLC supervises its investment advisor representatives through a system of internal control procedures overseen by our Compliance Officer, Ritchie Hood. This oversight includes review of client portfolios, investment advisor representative personal securities transactions, and correspondence. You can reach her at (206) 623-6641.



## **James Edward Ayres, Chief Investment Officer**

### **Item 2 – Educational Background and Business Experience**

**Year of Birth:** 1967

**Education After High School:**

BA, International Business, George Washington University

MBA, International Finance, George Washington University

**Employment History (Past Five Years):**

Pacific Portfolio Consulting, LLC – Chief Investment Officer (2014)

Pacific Portfolio Consulting, LLC – Director of Research, Institutional Account Manager

**Professional Designation:** CFA®, CAIA

(Please see page 9 for an explanation of this and other designations.)

### **Item 3 – Disciplinary Information**

Pacific Portfolio Consulting, LLC is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of James Ayres. No events have occurred that are applicable to this item.

### **Item 4 – Other Business Activities**

Pacific Portfolio Consulting, LLC is required to disclose any outside business activities that could potentially create a conflict of interest with clients. There are no such activities for James Ayres.

### **Item 5 – Additional Compensation**

James Ayres receives no additional compensation other than his salary from Pacific Portfolio Consulting, LLC.

### **Item 6 – Supervision**

James Ayres is supervised by Lawrence Hood, Pacific Portfolio Consulting's President and CEO. In addition, Pacific Portfolio Consulting, LLC supervises its investment advisor representatives through a system of internal control procedures overseen by our Compliance Officer, Ritchie Hood. This oversight includes review of client portfolios, investment advisor representative personal securities transactions, and correspondence. You can reach her at (206) 623-6641.

# Harve Eugene Menkens, Senior Wealth Management Advisor

## Item 2 – Educational Background and Business Experience

**Year of Birth:** 1959

**Education After High School:**

BA, Economics, Washington State University

MBA, Managerial Economics, Northwestern University

**Employment History (Past Five Years):**

Pacific Portfolio Consulting, LLC (2017) – Senior Wealth Management Advisor

Merrill Lynch, Pierce, Fenner & Smith, Inc. (2016 – 2017) – Private Wealth Relationship Manager

Morgan Stanley (2011 – 2016) – Financial Advisor

## Item 3 – Disciplinary Information

Pacific Portfolio Consulting, LLC is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Harve Menkens. No events have occurred that are applicable to this item.

## Item 4 – Other Business Activities

Pacific Portfolio Consulting, LLC is required to disclose any outside business activities that could potentially create a conflict of interest with clients. There are no such activities for Harve Menkens.

## Item 5 – Additional Compensation

Harve Menkens receives a Board of Directors stipend of \$2,000 per meeting (4 meetings per year) from Mid Mountain Materials, Inc., a family-owned manufacturing business located in Mercer Island, WA. He has served on the Board since 1999.

## Item 6 – Supervision

Harve Menkens is supervised by Lawrence Hood, Pacific Portfolio Consulting's President and CEO. In addition, Pacific Portfolio Consulting, LLC supervises its investment advisor representatives through a system of internal control procedures overseen by our Compliance Officer, Ritchie Hood. This oversight includes review of client portfolios, investment advisor representative personal securities transactions, and correspondence. You can reach her at (206) 623-6641.

## **Kevin Patrick O'Connor, Senior Retirement Program Advisor**

### **Item 2 – Educational Background and Business Experience**

**Year of Birth:** 1964

**Education After High School:**

BA, Business Administration with Concentration in Finance, Eastern Washington University

**Employment History (Past Five Years):**

Pacific Portfolio Consulting, LLC (2012) – Senior Account Manager

Russell Investments (2006 – 2012) – Strategy Consultant / Senior Product Manager

**Professional Designation:** CPC

(Please see page 9 for an explanation of this and other designations.)

### **Item 3 – Disciplinary Information**

Pacific Portfolio Consulting, LLC is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Kevin O'Connor. No events have occurred that are applicable to this item.

### **Item 4 – Other Business Activities**

Pacific Portfolio Consulting, LLC is required to disclose any outside business activities that could potentially create a conflict of interest with clients. There are no such activities for Kevin O'Connor.

### **Item 5 – Additional Compensation**

Kevin O'Connor receives no additional compensation other than his salary from Pacific Portfolio Consulting, LLC.

### **Item 6 – Supervision**

Kevin O'Connor is supervised by Lawrence Hood, Pacific Portfolio Consulting's President and CEO. In addition, Pacific Portfolio Consulting, LLC supervises its investment advisor representatives through a system of internal control procedures overseen by our Compliance Officer, Ritchie Hood. This oversight includes review of client portfolios, investment advisor representative personal securities transactions, and correspondence. You can reach her at (206) 623-6641.

## **Matthew Curtis Litzler, Family Wealth Planner, Advisor**

### **Item 2 – Educational Background and Business Experience**

**Year of Birth:** 1980

**Education After High School:**

BA, Business Administration, University of Oklahoma

MBA, Oklahoma State University

**Employment History (Past Five Years):**

Pacific Portfolio Consulting, LLC (2020) – Family Wealth Planner, Associate Advisor

Laird Norton Wealth Management (2014 – 2020) – Senior Client Analyst

**Professional Designation:** CFP®

(Please see page 9 for an explanation of this and other designations.)

### **Item 3 – Disciplinary Information**

Pacific Portfolio Consulting, LLC is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Matthew Litzler. No events have occurred that are applicable to this item.

### **Item 4 – Other Business Activities**

Pacific Portfolio Consulting, LLC is required to disclose any outside business activities that could potentially create a conflict of interest with clients. There are no such activities for Matthew Litzler.

### **Item 5 – Additional Compensation**

Matthew Litzler receives no additional compensation other than his salary from Pacific Portfolio Consulting, LLC.

### **Item 6 – Supervision**

Matthew Litzler is supervised by Lawrence Hood, Pacific Portfolio Consulting's President and CEO. In addition, Pacific Portfolio Consulting, LLC supervises its investment advisor representatives through a system of internal control procedures overseen by our Compliance Officer, Ritchie Hood. This oversight includes review of client portfolios, investment advisor representative personal securities transactions, and correspondence. You can reach her at (206) 623-6641.

## **Robert Tolstykh, Associate Wealth Management Advisor**

### **Item 2 – Educational Background and Business Experience**

**Year of Birth:** 1988

**Education After High School:**

BA, Interdisciplinary Arts & Sciences – University of Washington

**Employment History (Past Five Years):**

Pacific Portfolio Consulting, LLC (2021) – Associate Wealth Management Advisor

Morgan Stanley (2019 – 2021) – Wealth Advisor

UBS (2017 – 2019) – Wealth Planner

Newport Group (2015-2016) – Nonqualified Deferred Compensation (NQDF) Plan Administrator

**Professional Designation:** CFP®

(Please see page 9 for an explanation of this and other designations.)

### **Item 3 – Disciplinary Information**

Pacific Portfolio Consulting, LLC is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Robert Tolstykh. No events have occurred that are applicable to this item.

### **Item 4 – Other Business Activities**

Pacific Portfolio Consulting, LLC is required to disclose any outside business activities that could potentially create a conflict of interest with clients. There are no such activities for Robert Tolstykh.

### **Item 5 – Additional Compensation**

Robert Tolstykh receives no additional compensation other than his salary from Pacific Portfolio Consulting, LLC.

### **Item 6 – Supervision**

Robert Tolstykh is supervised by Lawrence Hood, Pacific Portfolio Consulting's President and CEO. In addition, Pacific Portfolio Consulting, LLC supervises its investment advisor representatives through a system of internal control procedures overseen by our Compliance Officer, Ritchie Hood. This oversight includes review of client portfolios, investment advisor representative personal securities transactions, and correspondence. You can reach her at (206) 623-6641.



# Stanley Sroufe Barnes, Retirement Program Associate Service Advisor

## Item 2 – Educational Background and Business Experience

**Year of Birth:** 1990

**Education After High School:**

BA; Economics, Chinese, Asian Studies – CU Boulder

**Employment History (Past Five Years):**

Pacific Portfolio Consulting, LLC (2021) – Retirement Program Associate Service Advisor

Lesa Sroufe & Co. (2016 – 2021) – Associate VP, Research & Marketing

## Item 3 – Disciplinary Information

Pacific Portfolio Consulting, LLC is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Stanley Barnes. No events have occurred that are applicable to this item.

## Item 4 – Other Business Activities

Pacific Portfolio Consulting, LLC is required to disclose any outside business activities that could potentially create a conflict of interest with clients. Stanley Barnes does consult for Lesa Sroufe & Co. on a paid hourly basis updating marketing materials for them as well as helping them maintain their investment performance composites. This relationship is expected to end by November 2021.

## Item 5 – Additional Compensation

Pacific Portfolio Consulting, LLC is required to disclose any outside business activities that could potentially create a conflict of interest with clients. Stanley Barnes does consult for Lesa Sroufe & Co. on a paid hourly basis updating marketing materials for them as well as helping them maintain their investment performance composites. This relationship is expected to end by November 2021.

## Item 6 – Supervision

Stanley Barnes is supervised by Katherine Coolures. In addition, Pacific Portfolio Consulting, LLC supervises its investment advisor representatives through a system of internal control procedures overseen by our Compliance Officer, Ritchie Hood. This oversight includes review of client portfolios, investment advisor representative personal securities transactions, and correspondence. You can reach her at (206) 623-6641.





## Professional Designation Qualifications

### Chartered Financial Consultant (ChFC)

The ChFC designation is issued by The American College. A ChFC candidate must have 3 years full-time business experience within the five years preceding the awarding of the designation. The candidate must complete six core and two elective courses and pass a final proctored exam for each course. To maintain the designation, s/he must obtain at least 30 continuing education credits every two years.

### Certified Financial Analyst (CFA®)

The CFA designation is issued by the CFA Institute. A CFA candidate must meet one of the following education or experience requirements: Undergraduate degree and four years of professional experience involving investment decision-making, or four years qualified work experience (full time, but not necessarily investment related). CFA candidates must satisfy educational requirements of 250 hours of study and a course examination for each of the three levels. There are no continuing education or ongoing experience requirements to maintain the designation.

### Chartered Alternative Investment Analyst (CAIA)

The CAIA designation is issued by the CAIA Association. A CAIA candidate must hold a bachelor's degree or the equivalent, and have more than one year of full-time professional experience within the regulatory, banking, financial or related fields. Alternatively, a candidate must have at least four years of full-time professional experience within the regulatory, banking, financial or related fields. CAIA candidates must pass two levels of qualifying exams. The CAIA Association requires CAIA members to complete the Self-Evaluation Tool ("SET") once every three years in order to fulfill CAIA's continuing education requirement.

### Certified Financial Planner (CFP®)

The CFP designation is issued by the Certified Financial Planner Board of Standards, Inc. A CFP candidate must have a bachelor's degree or higher from an accredited college or university, and 3 years full-time personal financial planning experience. The candidate must complete a CFP-board registered program or hold one of the following: CPA, ChFC, CLU, CFA, Ph.D. in business or economics, Doctor of Business Administration or an Attorney's License. CFP candidates must pass the CFP Certification Examinations. To maintain the designation s/he must attend at least 30 hours of continuing education every two years.

### Certified Pension Consultant (CPC)

The CPC designation is issued by the American Society of Pension Professionals & Actuaries (ASPPA). A CPC candidate must have at least three years of retirement plan related experience. Applicants must demonstrate competence in specific areas of retirement and related employee benefits consulting through completion of the CPC examination series offered by ASPPA. To maintain the designation s/he must attend at least 40 hours of continuing education (including two ethics hours) every two years.