

Item 1 Cover Page



**Newbore Wealth Management, Inc.**

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March 24, 2023

This brochure provides information about the qualifications and business practices of Newbore Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at 503-657-3143 or by e-mail to [dave@newbore-wealth.com](mailto:dave@newbore-wealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Any reference to or use of the terms "registered investment advisor" or "registered," does not imply that Newbore Wealth Management, Inc. or any person associated with Newbore Wealth Management, Inc. has achieved a certain level of skill or training.

Additional information about Newbore Wealth Management, Inc. (CRD #306441) is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**Item 2 Summary of Material Changes**

This brochure does not have any material changes from our last brochure dated March 28, 2022.

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## Item 4 Advisory Business

### Description of Advisory Firm

Formed in March 2020, Newbore Wealth Management, Inc., also conducting business as “CCCU Wealth Management” (“NWM,” “firm,” “we,” “our,” and “us”), is an Oregon corporation headquartered in Gladstone, Oregon. The firm is owned by David M. Newbore. Mr. Newbore has been providing retirement and financial services since 2012.

### Services

NWM offers Investment Management and Financial Consulting Services to a variety of Clients (hereinafter, “you,” “your,” and “Client”), including through unaffiliated credit unions.

NWM’s Investment Management Services include ongoing discretionary account management services to investment accounts designated by the Client.

Our Financial Consulting Services include, but are not limited to, advice regarding some or all of the following financial topics, as requested by the Client:

- Income Tax Planning (strategies for investment vehicles and sales to account for tax liability)
- Asset Allocation (planning for risk and when withdrawals are needed)
- Investment Planning (planning for outcomes, without ongoing oversight)
- Retirement Planning (planning for outcomes specifically related to retirement, without ongoing oversight)
- Estate & Legacy Planning (planning for family, as well as charitable giving options)
- Insurance Planning (risk management services in the areas of life insurance, disability income insurance, and long-term care insurance)
- Cash Flow Management (planning for investments to ensure positive and stable cash flow)
- Educational Planning (planning for private school tuition, as well as college financial planning)
- Executive Compensation and Benefit Analysis (strategies for understanding executive compensation and benefits)
- Business Succession Planning (strategies for ensuring continuity of business, and peace of mind with family ownership and operation)
- Other Projects (as mutually agreed)

Our Financial Consulting Services and Investment Management Services can each be engaged on a stand-alone basis or be combined at the Client’s option to achieve a more comprehensive package of wealth management services.

When you engage us for Financial Planning Services, we will consult with you as necessary (in view of the scope of our engagement) to discuss your unique financial circumstances, investment objectives and needs, tolerance for risk, time horizon for investments, and any particular topics of

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financial concern. We will review pertinent financial documents and information provided by you, analyze your unique financial circumstances, and present you with our recommendations. Typically, our recommendations will include a summary of your financial circumstances and a course of actions and/or investment advice designed to assist you in achieving your stated financial goals. Our recommendations may be delivered to you in the form of a formal written financial plan, a shorter written report or checklist, and/or via informal discussions with you (in person, telephonically, or via e-mail). You maintain the sole discretion to accept or reject any of our recommendations under this service. Unless we otherwise agree, you will be responsible for implementation and monitoring of all investments and we will only review and update your financial plan only upon your request. At your request, we may assist you with the implementation of certain investments, however, you are never obligated to engage us for these additional services. Additional fees for financial plan updates and implementation services may apply.

When you engage us for Investment Management Services we will maintain an ongoing relationship with you and consult with you periodically (but not less frequently than annually) to discuss changes in your personal or financial situation and investment goals, suitability, and any new or revised restrictions you may wish to impose on our management of your account(s). As part of these services, you will typically be required to grant us discretionary authority to implement transactions directly within your account held at the independent qualified custodian of your assets without obtaining your consent or approval prior to each specific transaction. We will assist you in investment strategy selection, implement the desired portfolio and strategy within your accounts, and monitor your investments on an ongoing basis, making changes to your holdings from time-to-time as we believe to be appropriate and in your best interests. You always have the ability to request that we avoid transactions in certain securities, industry sectors, and/or asset classes within your account. We will advise you if we are unable to accommodate such requests. Because the information you disclose in the investor profile helps us determine your allocation strategy, you are responsible for communicating all changes in your financial circumstances and investment objectives to us. Therefore, your prompt notification of any changes in your financial circumstances and investment objectives is critical to ensure that your assets are in alignment with your individual needs.

### **Investment Strategies and Types of Securities**

See Item 8 for a description of the investment strategies we utilize in managing Client accounts. We primarily advise our Clients with respect to mutual funds, exchange traded funds (“ETFs”), individual equity (stocks) and debt (bonds) securities, cash and cash equivalents. We may also provide advice regarding legacy securities held in the Client’s account at the inception of our relationship and other any securities or investments at the request of the Client. Our associated persons may also provide advice regarding insurance products.

### **Assets Under Management**

As of December 31, 2022, we managed approximately \$106 million of Client assets on a discretionary basis and \$0 of Client assets on a non-discretionary basis.

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## **Item 5 Fees and Compensation**

### **Investment Management Services**

NWM charges annual asset-based fees calculated as a portion of the market value of the Client's assets under management, generally in accordance with the below fee schedule. However, these fees may be negotiable for individual Clients based on various factors, such relationships with our firm and our clients, complexity of the Client's financial circumstances and needs, expected future assets under management, the Client's income level, and other factors.

#### **Fee Schedule**

<b>Market Value of Account(s)</b>	<b>Annual Advisory Fee</b>
\$0-\$2,999,999	1.00%
\$3,000,000-\$4,999,999	0.85%
\$5,000,000 and over	0.65%

Our asset-based fees are pro-rated for partial billing periods (based on the number of days the account was open during the month) and will ordinarily be billed to you quarterly in advance. The specific fee to be charged to your account each quarter is calculated based upon the market value of your assets under our management as of the last day of the preceding quarter. For purposes of determining the market value of your account, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded (or, if there shall be no sales on such date, then at the mean between the closing bid and asked prices on such date). Other readily marketable securities and investments shall be priced using a pricing service or through quotations from one or more dealers or investment custodians. Should a Client dispute any value, they may contact NWM for further information.

Asset-based fees are typically deducted directly from your account held at the qualified custodian. We will only directly deduct our fees from your account where you provide us and your qualified account custodian with written authorization to do so. Your account custodian will deliver an account statement to you at least quarterly, showing all disbursements from your account, including the amount of any advisory fees paid directly to us from your account, if any. We urge you to review the custodian's account statements promptly and carefully upon receipt to verify the accuracy of the fee calculation, as your account custodian will not verify whether our fee has been properly calculated. The direct payment of fees from your custodial account may result in the liquidation of certain securities if there is insufficient cash in the account. Lower fees for comparable services may be available from other sources.

NWM has an account balance minimum for Investment Management Services of \$50,000. We will make exceptions to this minimum under certain circumstances. At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may

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increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above. If NWM agrees to combine household accounts, we will notify you in writing by the end of the quarter. Additionally, multiple accounts will be documented in the advisory agreement.

You may make additions or request withdrawals to the account at any time. Clients should note that some or all of the investments in their account may be intended as long-term investments, and withdrawals of cash and premature liquidations of securities positions may impair the achievement of their investment objectives. If cash or securities are deposited in the account during the quarter, a prorated asset-based fee based on the value of the assets may be charged upon deposit. No fee adjustment will be made during any quarter for appreciation or depreciation in asset value during that period. Additionally, unmanaged or excluded assets will not be billed or included in any fee calculation.

### **Hourly Consulting & Financial Planning**

For Clients on the hourly consulting fee structure, the Client shall pay NWM an hourly fee of \$300 per hour for work on a specific consulting project. NWM's minimum fee for these services is \$600. For hourly consulting projects only, we require that you pay 50% of the fee in advance and the remaining portion upon the completion of the financial planning or consulting services rendered. We will not require prepayment of a fee more than six months in advance and in excess of \$1,200. Such fees may generally be paid via check and are negotiable.

Existing Clients may be grandfathered into different planning or consulting fees and terms.

We will prepare an estimate for you before beginning any hourly work, and help assist you in making an informed decision. The total costs depend on the complexity of the project, the scope of work to be performed, and the differential expertise of the investment advisor representative providing the services.

### **Additional Costs**

Separate and in addition to any advisory fees paid to NWM, Clients will also pay customary brokerage transaction costs (*i.e.*, trade commissions, mark-ups, etc.), custodial charges, and other costs directly to the custodian and/or broker-dealer utilized for account transactions. See Item 12 – Brokerage Practices. Clients may be required to pay, in addition to NWM's fee, a proportionate share of any ETF's or mutual fund's internal fees and charges as described in their separate prospectus. For example, mutual fund operating expenses are paid out of the fund and are an additional expense incurred by the Client. Clients will also pay all third-party professional service fees and expenses, provided that such fees and/or expenses are expressly authorized by the Client, for example, fees charged by attorneys and CPAs.

### **Termination of Services**

The investment advisory agreement may be terminated at any time by either party by providing 15 days written notice to the other party. Any compensation paid for services beyond the time the agreement was terminated in writing will be refunded to the Client on a pro-rated basis, and any work completed will be provided to the Client.

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**Compensation for the Sale of Securities**

Certain of our investment advisor representatives (“IARs”) are concurrently registered as IARs and/or registered representatives (each a “Dually Registered Person”) with LPL Financial LLC (“LPL”), a securities broker-dealer, member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”), and SEC-registered investment advisor firm. LPL is not otherwise affiliated with NWM. Clients can enter into a separate commission-based arrangement with such individuals (but not with NWM directly) and LPL for securities brokerage services (a “Brokerage Arrangement”). Investments made through the Brokerage Relationship may be separate from the advisory services we provide to you, and therefore, NWM does not have a fiduciary duty over such Brokerage Relationship recommendations.

Under a Brokerage Arrangement, these Dually Registered Persons, acting in their independent capacity as registered representatives of LPL, may receive commissions, ongoing distribution fees (*i.e.*, trails), and other compensation based on sales of securities to clients. This creates a conflict of interest insofar as such Dually Registered Persons may have a financial incentive to sell securities to clients for which they may collect commissions. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than the payout that would be received by providing investment advice on these products for an advisory fee. Clients are advised that fees paid to NWM for investment advisory services are separate and distinct from the commissions and/or other forms of compensation that may be earned by any of our Dually Registered Persons for selling securities products to clients through LPL.

The receipt of securities related commissions by an individual associated with the firm presents a conflict of interest. As fiduciaries we must act primarily for the benefit of our investment advisory clients. As such, we will only transact securities related business with clients when fully disclosed, suitable, and appropriate. Clients are informed that they are under no obligation to use any individual associated with our firm for the purchase of any securities products. Clients may use any broker-dealer they choose for the purchase of securities. We encourage you to ask us about the conflicts of interest presented by the dual registration of our IARs.

**Compensation for the Sale of Insurance Products**

Certain of our IARs are individually licensed to sell insurance in one or more states acting as direct agent representatives of a specific insurance company or companies. Insurance related business is transacted with advisory clients and licensed individuals may receive commissions from insurance products sold to clients. Clients are advised that the fees paid to NWM for investment advisory services are separate and distinct from the commissions earned by any IAR for selling insurance

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products to clients. If requested by a client, we will disclose the amount of commissions expected to be paid.

The receipt of insurance related commissions by any individual associated with NWM presents a conflict of interest. As fiduciaries we must act primarily for the benefit of our investment advisory clients. As such, we will only transact insurance related business with clients when fully disclosed, suitable, and appropriate. Clients are informed that they are under no obligation to use any individual associated with our firm for the purchase of any insurance products or services. Clients may use any insurance firm or agent they choose for purchase of these products and services. We encourage you to ask us about the conflicts of interest presented by the insurance licensure of our IARs.

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

NWM does not charge performance-based fees or engage in side-by-side management of accounts.

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

NWM offers its services to individuals, high net worth individuals, trusts, and individual participants of retirement plans. Because each Client is unique, they must be willing to be involved in the planning and ongoing processes. Such involvement does not have to be time consuming, however we want our Clients to remain informed and have a sense of security about their investments. As noted above, NWM has an asset minimum of \$50,000 to open an Investment Management account. NWM will make exceptions to this minimum under certain circumstances.

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

Our investment philosophy and strategies generally incorporate the following principles:

- Financial planning is key to creating and maintaining the appropriate investment strategy;
- Asset allocation and diversification protect portfolios;
- Minimizing taxes is a critical component of portfolio planning and management;
- Compensation is derived from our Clients and not from investments recommended; and
- The personal side of money is critical to making good technical decisions with regards to one's assets and personal financial plan.

A summary of our methods of analysis, investment strategies, and their related risks follows below.

#### **Methods of Analysis**

We may use some or all of the following *methods of analysis* in researching investments recommended to Clients:

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**Fundamental Analysis.** In using fundamental analysis, we attempt to determine the intrinsic value of target securities through a review of, among other things, company specific financial disclosures, the strength and track record of management personnel, industry sector financial health, and at a macro level, the overall direction of the economy at large. We use this information as a basis to determine if such securities are underpriced or overpriced relative to current market prices and then to make a buy or sell recommendation to you. Relying on this type of analysis leaves open the risk that the price of a security may move along with the overall direction of the market, irrespective of the economic and financial factors which may have indicated that an opposite movement would have been expected. The main sources of information we rely upon when researching and analyzing securities using fundamental analysis include research materials prepared by others, annual reports, corporate rating services, prospectuses, and company press releases.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company or security. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of overall market movement.

**Cyclical Analysis.** Cyclical analysis is the statistical analysis of specific events occurring at a sufficient number of relatively predictable intervals that they can be forecasted into the future. Cyclical analysis asserts that cyclical forces drive price movements in the financial markets. Risks include, cycle inversion or disappearance. There is no expectation that this type of analysis will pinpoint turning points, instead it is typically used in conjunction with other methods of analysis.

**Mutual Fund and ETF Selection and Analysis.** We evaluate and select mutual funds and/or ETFs for your account based on several factors which may include, without limitation, (1) the experience and track record of the underlying portfolio manager(s), (2) the performance of the mutual fund or ETF over time and through various market conditions; (3) expected market conditions that might impact the underlying holdings of the mutual fund or ETF or applicable market sector; and (4) whether and to what extent the underlying holdings of the mutual fund or ETF overlap with other assets held in your account. We also monitor the mutual fund or ETF in an attempt to determine if the fund is continuing to follow its stated investment strategy.

A risk of mutual funds and ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A fund manager's past track record of success cannot be relied upon as a predictor of success in the future. In addition, the underlying holdings of the fund are determined by independent fund managers and may change over time without advance warning, creating the potential for overlap with other investments held in your account. This increase in the correlation of your holdings will increase the risk of loss where the value of any overlapping holdings should decrease. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the mutual fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

## Investment Strategies

Generally, our investment advice is based on a diversified strategy involving a long-term disciplined approach that manages risk through appropriate asset allocation. We recognize that each client's needs and goals are different, and subsequently, portfolio strategies may vary. Below is a summary of the *investment strategies* we typically employ when managing client accounts.

Asset Allocation. Rather than focusing on selecting the particular securities or other assets to invest for your account, we attempt to identify an appropriate ratio of various types of investments (for example, stocks, fixed income, and cash) suitable to investment goals, time horizon, and risk tolerance. A risk of asset allocation is that you may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate to meet with your investment goals.

Long-term Purchases. We may take a long term, passive, "buy and hold" approach to investing client assets. In this type of investment strategy, we suggest the purchase of securities with the idea of holding them in a portfolio for a year or longer. Typically, we employ this strategy when (1) we believe the securities to be currently undervalued, and/or (2) we want the portfolio to have exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the recommendation to sell.

Short-term purchases. When utilizing this strategy, we may suggest the purchase of securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we recommend for purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

We use our best judgment and good faith efforts in rendering services to our Clients. We cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment recommendation we make will be profitable. **Investing in securities involves risk of loss that Clients should be prepared to bear.** Clients assume all market risk involved in the investment of account assets. Investments are subject to various market, currency, economic, political, and business risks.

Except as may otherwise be provided by law, we are not liable to Clients for:

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- any loss that Clients may suffer by reason of any investment recommendation we made with that degree of care, skill, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; or
- any independent act or failure to act by a custodian of Client accounts.

While NWM continuously works with Clients to understand and become aware of family, financial, and personal changes, NWM appreciates the Client providing complete information. Additionally, Clients are requested to notify us of any changes in financial circumstances or goals.

Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and therefore no portion of the above shall constitute a waiver or limitation of any rights which Client may have under any federal or state securities laws, the Employment Retirement Income Security Act of 1974 (“ERISA”), or under the rules promulgated by the Employee Benefits Security Administration and/or the Department of Labor.

### **Risks**

While all investing involves risks and losses can and will occur, we will typically recommend a broad and diversified allocation of securities and other investments intended to reduce the specific risks associated with a concentrated or undiversified portfolio. Nonetheless, you should consider the following high-level summary of investment risks. This list is not intended to be an exhaustive description of all risks you may encounter in engaging our firm for advisory services. We encourage you to inquire with us frequently about the risks related to any investments in your account.

Securities investments are not guaranteed, and you may lose money on your investments. As with any investment manager that invests in common stocks and other equity securities, our investment recommendations are subject to market risk—the possibility that securities prices will decline over short or extended periods of time. As a result, the value of your account(s) will fluctuate with the market, and you could lose money over short or long periods of time. You should recognize whenever you determine to invest in the securities markets your entire investment is at risk. Clients should not invest money if they are unable to bear the risk of total loss of their investments.

**Economic Risk.** The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

**Financial Risk.** Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the “dot com” companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of

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the companies.

**Market Risk.** The value of your portfolio may decrease if the value of an individual company or multiple companies in the portfolio decreases or if our belief about a company's intrinsic worth is incorrect. Further, regardless of how well individual companies perform, the value of your portfolio could also decrease if there are deteriorating economic or market conditions. It is important to understand that the value of your investment may fall, sometimes sharply, in response to changes in the market, and you could lose money. Investment risks include price risk as may be observed by a drop in a security's price due to company specific events (*e.g.*, earnings disappointment or downgrade in the rating of a bond) or general market risk (*e.g.*, such as a "bear" market when stock values fall in general). For fixed-income securities, a period of rising interest rates could erode the value of a bond since bond values generally fall as bond yields go up. Past performance is not indicative of future investment results.

**Risks Related to Analysis Methods.** Our analysis of securities relies in part on the assumption that the issuers whose securities we recommend for purchase and sale, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

**Securities Transactions at the Direction of Clients.** All assets are held at the custodian in your name and you will always maintain the concurrent ability to direct transactions within your account. We are not responsible for the consequences of your self-directed investment decisions or the costs and fees they generate within your account.

**Interim Changes in Client Risk Tolerance and Financial Outlook.** The particular investments recommended by our firm are based solely upon the investment objectives and financial circumstances disclosed to us by you. While we strive to meet with clients at regular intervals (at least annually, unless otherwise agreed, either in person, telephonically, or by other electronic means) to discuss any changes in the client's financial circumstances, the lack of constant and continuous communication presents a risk insofar as your liquidity, net worth, risk tolerance, and/or investment goals could change abruptly, with no advance notice to our firm, resulting in a mis-aligned investment portfolio and the potential for losses or other negative financial consequences.

**Mutual Funds (Open end Investment Companies).** A mutual fund is a company that pools money from many investors and invests the money in stocks, bonds, short-term money-market instruments, other securities or assets, or some combination of these investments. The combined holdings the mutual fund owns are known as its portfolio. Each share represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The price that investors pay for mutual fund shares is the fund's per share net asset value ("NAV") plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads). Some of the risks of mutual funds include having to pay taxes on any capital gains distribution the investor receives even if the fund goes on to perform poorly after the investor buys shares or lack of real-

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time prices, as mutual funds typically only calculate their NAV once every business day, typically after the major U.S. exchanges close.

When it comes to investing in mutual funds, investors have literally thousands of choices. Most mutual funds fall into one of three main categories—money market funds, bond funds (also called “fixed income” funds), and stock funds (also called “equity” funds). Each type has different features and different risks and rewards. Generally, the higher the potential return, the higher the risk of loss.

**Money Market Funds.** Money market funds have relatively low risks, compared to other mutual funds (and most other investments). By law, they can invest in only certain high-quality, short-term investments issued by the U.S. Government, U.S. corporations, and state and local governments. Money market funds try to keep their net asset value (NAV)—which represents the value of one share in a fund—at a stable \$1.00 per share. However, the NAV may fall below \$1.00 if the fund’s investments perform poorly. Investor losses have been rare, but they are possible. Money market funds pay dividends that generally reflect short term interest rates, and historically the returns for money market funds have been lower than for either bond or stock funds. That is why “inflation risk”—the risk that inflation will outpace and erode investment returns over time—can be a potential concern for investors in money market funds. Please note that unmanaged or excluded assets will not be billed or included in any fee calculation. Therefore, money market funds shall only be billed when part of an active management strategy.

**Bond Funds.** Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields. Unlike money market funds, the SEC’s rules do not restrict bond funds to high-quality or short-term investments. Because there are many different types of bonds, bond funds can vary dramatically in their risks and rewards. Some of the risks associated with bond funds include credit risk, interest rate risk, and prepayment risk.

**Stock Funds.** Although a stock fund’s value can rise and fall quickly (and dramatically) over the short term, historically stocks have performed better over the long term than other types of investments—including corporate bonds, government bonds, and treasury securities. Overall “market risk” poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons—such as the overall strength of the economy or demand for particular products or services.

### **Item 9 Disciplinary Information**

We are required to disclose whether there are legal or disciplinary events involving our firm or a management person that are material to a Client’s or prospective Client’s evaluation of our advisory business or the integrity of our management. NWM does not have any legal or disciplinary information to disclose in this Item.

## Item 10 Other Financial Industry Activities and Affiliations

### Broker-Dealer Affiliation

NWM is not registered as a broker-dealer; however, as disclosed at Item 5, certain of our IARs are dually registered and act as registered representatives of LPL. Please see Item 5 for disclosure of the conflicts of interest presented by this arrangement and how we address them.

### Insurance

As noted above, some of our IARs are also licensed insurance agents and may receive customary commissions in connection with the sale of insurance products to Clients. Please see Item 5 for disclosure of the conflicts of interest presented by this arrangement and how we address them.

### Futures or Commodities

NWM and its personnel are not registered as, and do not have any pending application(s) to become registered as, a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of any of the foregoing.

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

NWM has a Code of Ethics which all employees are required to follow. The Code of Ethics outlines our high standard of business conduct, and fiduciary duty to Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

A copy of the code of ethics is available to any Client or prospective Client upon request by contacting David Newbore at 503-657-3143 or by e-mail to [dave@newbore-wealth.com](mailto:dave@newbore-wealth.com).

We do not own or manage any companies or investments that we advise our Clients to buy.

NWM or individuals associated with our firm may buy and sell some of the same securities for their own account that NWM buys and sells for its Clients. When appropriate, we will purchase or sell securities for Clients before purchasing the same for our account or allowing representatives to purchase or sell the same for their own account. In some cases, NWM or representatives may buy or sell securities for their own account for reasons not related to the strategies adopted for our Clients. Our employees are required to follow the Code of Ethics when making trades for their own accounts in securities which are recommended to and/or purchased for Clients. The Code of Ethics is designed to assure that the personal securities transactions will not interfere with decisions made in the best interest of advisory Clients while at the same time, allowing employees to invest their own accounts.

NWM will disclose to advisory Clients any material conflict of interest relating to us, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

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As any advisory situation could present a conflict of interest, we have established the following restrictions to ensure our fiduciary responsibilities:

1. A director, officer, associated person, or employee of NWM shall not buy or sell securities for his personal portfolio where his decision is substantially derived, in whole or in part, by reason of his employment unless the information is also available to the investing public on reasonable inquiry. No person of NWM shall prefer his or her own interest to that of the advisory Client.
2. NWM maintains a list of all securities holdings for itself and for anyone associated with its advisory practice that has access to advisory recommendations. An appropriate officer of NWM reviews these holdings on a regular basis.
3. Any individual not in observance of the above may be subject to termination.

### **Item 12 Brokerage Practices**

Our Clients' assets are held by independent third-party custodians. Except to the extent that the Client directs otherwise, NWM may use its discretion in selecting or recommending the broker-dealer. The Client is not obligated to effect transactions through any broker-dealer recommended by NWM. In recommending broker-dealers, NWM will comply with its fiduciary duty to seek best execution and with the Securities Exchange Act of 1934 and will take into account such relevant factors as:

- Price;
- The custodian's facilities, reliability and financial responsibility;
- The ability of the custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order; and
- Any other factors that we consider to be relevant.

The research products and services that NWM may receive from brokerage firms, such as LPL, may include financial publications, information about particular companies and industries, and other products or services that provide lawful and appropriate assistance to LPL in the performance of its investment decision-making responsibilities. Such research products and services are provided to all investment advisors who utilize LPL. Therefore, they are not considered to be paid for with soft dollars. However, the commissions charged by a particular broker for a particular transaction, or set of transactions, may be greater than the amounts another broker who did not provide the research.

We do not receive Client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research. We routinely recommend that you direct our firm to execute transactions through LPL. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might

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otherwise pay through another broker-dealer that offers the same types of services. Not all advisors require their Clients to direct brokerage.

Persons providing investment advice on behalf of our firm who are registered representatives of LPL will recommend LPL to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from LPL unless LPL provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through LPL. It may be the case that LPL charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through LPL, these individuals (in their separate capacities as registered representatives of LPL) may earn commission-based compensation as result of placing the recommended securities transactions through LPL. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as we recommend. However, if you do not use LPL, we may not be able to accept your account. Please see Item 5 of this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

### **Trade Aggregation**

NWM may aggregate trades for Clients. The allocations of a particular security will be determined by LPL before the trade is placed with the broker. When practical, Client trades in the same security will be bunched in a single order (“block”) in an effort to obtain best execution at the best security price available. When employing a block trade:

- LPL will make reasonable efforts to attempt to fill Client orders by day-end.
- If the block order is not filled by day-end, LPL will allocate shares executed to underlying accounts on a pro rata basis, adjusted as necessary to keep Client transaction costs to a minimum.
- If a block order is filled (full or partial fill) at several prices through multiple trades, an average price and commission will be used for all trades executed.
- All participants receiving securities from the block trade will receive the average price.
- Only trades executed within the block on the single day may be combined for purposes of calculating the average price.

It is expected that this trade aggregation and allocation policy will be applied consistently. However, if application of this policy results in unfair or inequitable treatment to some or all of our Clients, we may deviate from this policy.

### **Item 13 Review of Accounts**

Clients who receive ongoing Investment Management and/or Financial Planning Services have their accounts reviewed by David Newbore who is responsible for overseeing all investment advisory activities for the firm. The frequency of reviews is determined based on the Client’s investment objectives. Accounts are generally reviewed quarterly. More frequent reviews may be

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triggered by a change in Client's investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or changes in the economic climate. Clients are provided necessary reports on a quarterly basis.

#### **Item 14 Client Referrals and Other Compensation**

As referenced in Item 12 above, the LPL may provide us with research or other services or products that we may use to service all accounts, including client accounts that do not execute trades through LPL.

As disclosed at Item 5, our IARs are dually registered and act as registered representatives of LPL. Please see Item 5 for disclosure of the conflicts of interest presented by this arrangement and how we address them.

As disclosed at Item 5, some of our IARs are also licensed insurance agents and may receive customary commissions in connection with the sale of insurance products to Clients. Please see Item 5 for disclosure of the conflicts of interest presented by this arrangement and how we address them.

NWM has an agreement in place with Consolidated Federal Credit Union *dba* Consolidated Community Credit Union, a federally chartered credit union based in the State of Oregon, for the receipt of Client referrals. Consolidated Community Credit Union will be considered a "Solicitor" and will be in compliance with SEC Rule 206(4)-1 under the Investment Advisers Act of 1940 and similar state statutes.

Any Solicitor referral arrangement between NWM and a third-party will be in writing. The writing will set forth the following:

- a) the scope of the Solicitor's activities;
- b) a covenant that the Solicitor will perform its activities consistent with our instructions and in compliance with the Investment Advisers Act of 1940 and associated rules; and
- c) a covenant that the Solicitor will provide the Client with a separate written solicitor disclosure.

The separate written Solicitor disclosure must include the following information:

- The name of the Solicitor;
- The nature of the relationship between the Solicitor and us;
- A statement that the Solicitor will be compensated by us for the referral;
- The terms of the compensation arrangement including a description of the fees paid or to be paid to the Solicitor; and
- The amount the Client will be charged in addition to the advisory fee (if any).

The Solicitor may receive a portion of ongoing investment advisory fees charged to a Client so as

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long as the payments are consistent with the written Solicitor disclosures provided to the Client (and in accordance with the requirements of SEC Rule 206(4)-1 and similar state statutes).

### **Item 15 Custody**

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. We shall have no liability to you for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of any custodian or any acts of the agents or employees of any custodian, whether or not the full amount of such loss is covered by the SIPC or any other insurance which may be carried by such custodian. Clients understand that SIPC provides only limited protection for the loss of property held by a custodian.

You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period, if applicable. You should carefully review the custodian's account statements for accuracy. You should also compare any account statements we provide with the statements provided by your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

### **Item 16 Investment Discretion**

Pursuant to the authorization in the portfolio management agreement, you may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section of Item 4 in this brochure for more information on our discretionary Investment Management Services.

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

NWM does not vote Client securities. If any proxy materials are received on behalf of a Client, they will be sent directly to the Client or a designated representative of the Client, who is responsible to vote the proxy. Client may contact NWM with general questions about any proxy solicitation.

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**Item 18 Financial Information**

NWM does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Advisors who have discretionary authority over client accounts, custody of client assets, or who require or solicit pre-payment of more than \$1,200 in fee per client, six months or more in advance, are required to disclose any financial condition that is reasonably likely to impair their ability to meet contractual commitments to clients. NWM maintains discretionary authority over client funds and securities. We have no financial commitments that would impair our ability to meet contractual and fiduciary commitments to our clients.

Neither NWM, nor any of its principals, have been the subject of a bankruptcy petition.

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**PRIVACY POLICY NOTICE**

**Privacy Policy Notice**

NWM is committed to safeguarding the confidential information of its Clients. We do collect nonpublic personal information in order to open and administer your accounts with us and to provide you with accurate and pertinent advice. We hold all nonpublic personal information you provide to us in the strictest confidence. If we were to change our Firm policy, we would be prohibited under the law from doing so without advising you first.

We will get your permission first before we share your personal information with most nonaffiliated third parties. However, this does not apply to sharing information with nonaffiliated third parties in connection with maintaining or servicing your account, or administering transactions requested or authorized by you. You may direct us not to make disclosures (other than disclosures required by law) regarding nonpublic personal information to our financial marketing partners. You also have the right to opt out of having your information shared with affiliates of NWM. If you wish to opt out of disclosures to third parties please contact us at 503-657-3143.

NWM collects personal information about you from the following sources:

- Applications or other forms.
- Discussions with nonaffiliated third parties.
- Information about your transactions with us or others.
- Questionnaires.
- Tax Returns.
- Estate Planning Documents.

NWM uses your personal information in the following manner:

- We do not sell your personal information to anyone. We limit employee and agent access to information only to those who have a business or professional reason for knowing, and only to nonaffiliated parties as permitted by law. (For example, federal regulations permit us to share a limited amount of information about you with a brokerage firm in order to execute securities transactions on your behalf, or so that our Firm can discuss your financial situation with your accountant or lawyer.)
- We will provide notice of changes in our information sharing practices. If, at any time in the future, it is necessary to disclose any of your personal information in a way that is inconsistent with this policy, we will give you advance notice of the proposed change so you will have the opportunity to opt out of such disclosure.
- We maintain a secure office and computer environment to ensure that your information is not placed at unreasonable risk.
- For nonaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors, we also require strict confidentiality in our agreements with them and expect them to keep this information private.
- Federal and state regulators also may review Firm records as permitted under law.
- We do not provide your personally identifiable information to mailing list vendors or solicitors for any purpose.

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- Personally identifiable information about you will be maintained during the time you are a Client, and for the required time thereafter that such records are required to be maintained by federal and state securities laws. After this required period of record retention, all such information may be destroyed.