

# PART 2A OF FORM ADV THE BROCHURE



## 1. Cover Page

### **Laird Norton Wealth Management, LLC** **Part 2A of Form ADV** **The Brochure**

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This brochure provides information about the qualifications and business practices of Laird Norton Wealth Management, LLC (“LNWM”). If you have any questions about the contents of this brochure, please contact us at 206-464-5100. 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.

LNWM is a registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about LNWM is also available on the SEC’s website at:  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## 2. Material Changes

This Brochure replaces the previous Brochure dated April 2022. Although LNWM continues to conduct its advisory business in substantially the same manner as described in the previous Brochure, this Brochure has been revised through-out to respond to industry best practices and to improve and clarify the description of its advisory business, fees and compensation, types of clients, brokerage practices, review of accounts, custody, compliance policies and voting client securities. Following is a summary of the material changes that have been made to the Brochure since the previous update:

- Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss
  - LNWM has provided an expanded description of its methods of analysis and investment strategies, including with respect to impact investing, and updated its risk disclosures.
  
- Item 14 – Client Referrals and Other Compensation
  - Additional disclosure has been added regarding LNWM’s obligations as a fiduciary and its conflicts of interest in connection with rollovers of retirement funds and accounts, as well as with recommendation of certain investment strategies.

We strongly encourage each client to review the entire updated brochure.

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## 4. Advisory Business

Laird Norton Wealth Management, LLC (“LNWM”) is a limited liability company founded in 2001 and wholly owned by Laird Norton Trust Company, LLC. Both entities operate under the trade name of Laird Norton Wealth Management.

LNWM’s clients are predominantly wealthy individuals and families with complex holdings and a need for comprehensive investment and financial advice. LNWM may advise and provide services to many different accounts and entities related to its clients, including personal and retirement accounts, education savings accounts, accounts of minor children, revocable and irrevocable trusts, family partnerships, foundations, charitable organizations and similar entities. The complexity of clients’ financial lives often requires that LNWM work in close collaboration with other advisors that the client has engaged, including other investment advisors, attorneys, CPAs, insurance professionals, and bill payment services. LNWM is not affiliated with, and has no financial arrangements with, any of these other advisors.

To guide and inform its work with each client LNWM will jointly formulate an investment policy statement (IPS) that summarizes the client’s goals, objectives, constraints, risk tolerance and unique circumstances, including such factors as time horizon, projected future liquidity needs, current holdings, tax considerations, and personal market or investment views. A client may have more than one IPS; for example, when one account or entity within a client relationship has a distinct legal status or unique goals, objectives, constraints, risk tolerance or unique circumstances. The IPS guides LNWM in objectively formulating suitable investment and financial recommendations for each client.

As a consequence of the complexity of clients’ financial lives and the customized advice LNWM offers, each client’s investment portfolio is unique, although it may share common characteristics with portfolios that have similar investment objectives. Because each portfolio is unique, investment results may vary, even between accounts that have similar investment objectives or similar portfolios. Idiosyncratic factors that can influence the composition of client’s portfolio and investment results include (but are not limited to):

- Whether LNWM has been given discretion over any part or all of the portfolio.
- Decisions made by the client whether to invest (or not invest) in any security or investment product LNWM may recommend from time to time.
- The timing of initiation of the portfolio, or any investment or part of the portfolio, including amounts added to or withdrawn from the portfolio.
- Whether the portfolio contains any legacy holdings or positions (those that pre-date engagement of LNWM), or investments made by the client during the engagement that have not been recommended by the team which LNWM may agree to incorporate into portfolio reporting or analysis as requested by the client.
- Investment constraints and restrictions imposed by the client on the types of investments

that may be made or the types of securities that may be purchased for the portfolio, which LNWM may consent to but not recommend.

- Regulatory constraints that may apply to any part or all of the portfolio.

### **LNWM's Integrated Investment & Wealth Advisory Offering**

LNWM offers personalized service and a comprehensive wealth management offering which scales in scope and complexity for each client's financial situation and goals.

LNWM's wealth management offering is tailored to each clients' individual needs and goals – both initially and as those needs and goals may change over time. Most commonly LNWM is engaged to provide an integrated offering that includes investment management, wealth planning, and collaborative professional services. While not exhaustive, following are examples of the integrated services LNWM offers:

- **Investment Management:** (i) development of an Investment Policy Statement customized for the client's time horizon, risk tolerance and investment targets; (ii) design of an asset allocation tailored to client-specific circumstances; (iii) development of financial modelling or financial projections to test and support asset allocation decisions; (iv) investment product due diligence, selection and recommendation; (v) discretionary and/or non-discretionary investment implementation, ongoing supervision, monitoring and portfolio rebalancing activities; (vi) quarterly client investment and performance reporting; and (vii) periodic meetings with the client's wealth management team, either virtually, at LNWM's offices or at other mutually convenient locations. In certain cases, LNWM will accept direction from clients regarding specific investments and will hold specific securities in the client's account.
- **Wealth Planning:** The scope of wealth planning services is determined by the client and may also include planning in connection with (i) financial independence/retirement planning; (ii) capital and liquidity needs analysis and related financial modelling; (iii) philanthropy planning and implementation; (iv) education planning; (v) employee stock option planning; (vi) consideration and evaluation of financing transactions and risk reduction strategies for concentrated equity positions; (vii) advice incident to major asset purchases and sales; and (viii) managing philanthropic plans, tax strategies, wealth transfer strategies, and legacy plans as desired.
- **Collaborative Services:** LNWM also provides, or coordinate the provision of, other related financial services such as estate, financial and tax planning in consultation with other professionals that the client has engaged, including attorneys and accountants. Its team may: (i) coordinate with client's CPA on matters of income tax planning and reporting; (ii) coordinate with client's lawyer on matters of estate planning and gifting; (iii) coordinate with client's third-party providers of life, disability, and other lines of personal insurance; and (iv) coordinate with client's third-party bill payment service provider.

Through this offering LNWM will provide investment advice and recommendations regarding the types of investments that LNWM believes to be appropriate for its clients. When providing investment advice, LNWM will recommend the purchase of various publicly available funds such as mutual funds and exchange traded funds (“ETFs”). LNWM may also recommend investments in private securities and/or hiring third party investment managers. LNWM may agree to manage individual stocks or bonds in limited circumstances.

LNWM provides investment management services to LNWM Renewable Power Fund, L.P (the “Fund,”) a privately offered pooled investment vehicle. Access to the Fund was limited to clients who met the Fund’s qualification requirements. This Fund is now closed to new investors. LNWM is the general partner and investment advisor to this Fund, which is structured as a Washington domiciled limited partnership. An investment in this Fund is considered illiquid and subject to limitations on withdrawals; it is not suitable for all clients.

As of December 31, 2022, LNWM managed \$2,908,180,139 on a discretionary basis and \$1,152,813,043 on a non-discretionary basis.

## 5. Fees and Compensation

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

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

Neither LNWM nor any of its employees accept compensation from the sale of securities or any other investment products or services. LNWM is independent of any broker-dealer or other investment management firm.

## Timing and Payment of Fees

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

If a client terminates the investment advisory agreement with LNWM during a billing period, LNWM will refund any unearned investment management fee to the client on a pro-rata basis based upon the time remaining in the quarter. In cases where client fees are paid in arrears, LNWM will only charge for fees earned through the termination date.

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

### **Fees for Third Party Financial Products and Services**

LNWM's fees are exclusive of all transaction fees, custodial fees, and direct investment manager fees or costs for client investments, including for example brokerage commissions, management fees or costs of mutual funds, exchange traded funds, managed accounts, investment partnerships or similar. All such fees and costs incurred in connection with transactions for any client account will be paid out of the assets in the account or billed separately to the client and are in addition to the investment management fees paid to LNWM.

### **Fees Related to The LNWM Renewable Power Fund, LP**

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

## **6. Performance Based Fees and Side-by-Side Management**

LNWM does not charge any performance fees. Some investment advisers experience conflicts of interest in connection with the side-by-side management of accounts with different fee structures. Although these conflicts of interest are not applicable to LNWM, some third-party funds in which

clients invest charge a performance fee within that particular fund. Details of those investments are disclosed in the fund documents for that fund. Of course, a fee based on a percentage of the market value of assets will increase or decrease as the market value of those assets' changes over time.

## 7. Types of Clients

LNWM provides investment and financial advisory services predominantly to wealthy individuals and families, as well as their trusts, estates, charitable organizations, corporations, business entities, foundations and endowments. In certain limited circumstances, for example if a client owns a business, LNWM may also provide investment advice to its pension and profit-sharing plan; however, LNWM does not act as a plan administrator. Our new account minimum is generally \$10,000,000 in investable assets, however LNWM serves families with investable assets ranging from \$1,000,000 to in excess of \$200,000,000.

## 8. Methods of Analysis, Investment Strategies and Risk of Loss

In providing services to its clients, LNWM develops asset allocation strategies focused on risk management through research of capital markets and macroeconomic trends. LNWM then performs extensive due diligence in selecting and monitoring professional asset managers by researching historical performance metrics as well as analyzing both the firm and its personnel.

Client investment portfolios are generally a customized mix of funds from managers upon which LNWM has conducted appropriate due diligence.

### Evaluation of Client Objectives

LNWM constructs each client's investment portfolios by beginning with an assessment of the client's financial goals. Next, LNWM will consider those goals alongside the client's risk tolerance. While constructing each investment portfolio, LNWM may consider other factors such as the client's investment time horizon, tax profile, liquidity needs, legal constraints and any unique considerations which may include a desire to incorporate impact objectives or the incorporation of a concentrated stock position.

### Strategic Asset Allocation

The establishment of a strategic asset allocation sets the framework for a client's investment portfolio construction. Asset allocation is the process of determining the asset classes and sub-asset classes in which to invest and the percentage of the total portfolio that goes to each. That it is strategic speaks to LNWM's discipline and long-term orientation.

Once implemented, each client's strategic asset allocations are regularly reviewed to maintain their risk/return characteristics via necessary rebalancing, in light of market and economic developments, and opportunities to reduce the tax burden in tax loss harvesting and for tactical adjustments.



## Tactical Adjustments

Any tactical adjustments made are based on thorough analysis conducted by LNWM 's investment team which actively monitors a multitude of financial and economic indicators to help gauge market cycles and the near-term attractiveness of investments. For example, the team looks at the relative valuation of asset classes and sub-asset classes against both historical averages and each other. When recommended, tactical strategy positions are sized to take advantage of large discrepancies in the markets while not overpowering clients' strategic allocations. Often these allocations are simply overweight or underweight positions within the strategic rebalancing thresholds.

## Globally Diversified Portfolios

Which geographic segment is likely to outperform the others over time can be difficult to predict. Consequently, LNWM employs a global approach and maintains exposure to non-U.S. developed and emerging markets not only through equity allocations but in most asset classes. Although LNWM will regularly analyze world markets in terms of market capitalization, currency fluctuations, and GDP, LNWM will tend to allocate globally in line with global market benchmark exposures and allow the managers LNWM selects to add value by overweighting countries and securities of their choosing.

## Active Management and Core-Satellite

Where LNWM recommends active management in portfolios, LNWM will implement with a Core-Satellite approach. This strategy combines a fundamental exposure to an asset class that LNWM believes will deliver on their assumptions for the asset class over time and, where possible, more idiosyncratic exposures that may perform quite differently than market benchmarks over the short-term. The intention is for clients to benefit from managers with unique strategies but still have a majority of exposure to more core strategies.

## Alternative Investments

LNWM believes that alternative assets complement a traditional portfolio, by incorporating strategies outside those offered by traditional stock and bond managers and through the exploitation of the illiquidity premium of private investments. That said, while LNWM believes that adding alternative investments to a traditional portfolio can be beneficial, LNWM does recognize that these vehicles and strategies are not suitable for all clients.

LNWM focuses on three general alternative asset categories: "Diversifiers," which includes but is not limited to hedge funds and private debt, "Private Real Assets," which includes real estate, infrastructure, and similar exposures with the common thread of inflation sensitivity, and "Private Equity". These categories are broad enough to include several strategies offering diversification and return benefits to clients. For instance, an allocation to private equity may include venture capital, buyout, distressed, and secondary strategies. The dispersion of manager success is wide in the universe of alternative investments which means that a rigorous due diligence

approach is warranted.

### **Appropriate Investment Vehicles**

LNWM is not constrained to using a particular investment vehicle and LNWM executes client exposures with the structure that best suits the investment and the client. Consequently, LNWM will use ETFs, mutual funds and separately managed accounts for most positions in liquid markets. LNWM may offer clients investment vehicles which LNWM will help organize with the intention of providing access to third party strategies at minimums and fees that otherwise would not otherwise be available to many of LNWM 's clients.

### **Tax-Aware Investment Management**

LNWM seeks to incorporate consideration of taxes into the asset allocation and manager selection framework and generally prefers managers who invest with an eye toward efficient tax-management. LNWM will also attempt to place managers and strategies in specific accounts to enhance the tax efficiency of the overall portfolio.

While LNWM tailors its investment proposition to serve high-net-worth individuals and families, the process is also appropriate to foundation and endowment clients.

### **Impact Investing**

LNWM may utilize various socially conscious investment approaches if a client desires. LNWM may construct portfolios that utilize mutual funds, ETFs, or private securities with the purpose of incorporating socially conscious principles into a client's portfolio. These portfolios may also be customized to reflect the personal values of the client. This allows clients to invest in a way that aligns with their values. LNWM may use mutual funds and ETFs that incorporate Environmental, Social and Governance ("ESG") research as well as positive and negative screens related to specific business practices to determine the quality of an investment on values-based merits. LNWM will generally use third-party managers, including separately managed accounts, or mutual fund or exchange traded fund managers, in constructing portfolios focused on impact consideration. While LNWM will review these managers' own policies and practices with respect to ESG/impact investing, LNWM is highly dependent on their self-reported information.

LNWM may also incorporate environmental, social and governance (ESG) criteria when constructing a portfolio at a client's request that is based on their investment intentions and personal goals. Sustainable investing decisions can encompass a variety of approaches including, but not limited to, negative/positive screening, systematic consideration, and inclusion of ESG factors, impact of investments structured to address specific environmental or social problems, and/or innovative business models and/or financial structures designed to reach underserved populations. When investing "sustainably," LNWM seeks to achieve a measurable social or environmental outcome in addition to a competitive risk-adjusted financial return over a full market cycle (unless a client has specifically stipulated the objective of investing for concessionary returns). For example, an investment in a low-income housing project might

satisfy both client objectives. Impact investing carries the same risks as traditional investing, as well as the risk that the desired impact will not be achieved.

## RISK OF LOSS

Investing in securities involves many inherent risks, including the risk of loss that clients should be prepared to bear. Investments managed by LNWM are no exception and LNWM is unable to guarantee, represent or imply that LNWM's services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate a client from losses due to market corrections or declines. Securities fluctuate in value, depending on many factors that are unpredictable and outside of LNWM's control.

Below is a non-exclusive list of risks applicable to LNWM investment strategies. Other risks also apply. Clients should work with LNWM on an on-going basis to understand and determine an appropriate risk tolerance for their accounts.

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

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

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

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

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

**Bank Failures.** The economic and regulatory environment is raising the risk of bank failures. Exposure to the risk of bank failure for LNWM can take effect directly through depositary accounts exceeding FDIC limits and via exposure through loans, subscription facilities and security deposits through letters of credit issued by such banks, that can no longer be drawn

from. These risks can apply at the client and/or investment level. The Adviser mitigates these risks by keeping track of various banking and custodial relationships and acting on contractual provisions where a bank failure triggers a change and by limiting depository account amounts to the FDIC/SPIC insured levels where practical. LNWM is reviewing direct banking relationships as part of our ongoing diligence of key service providers. As of the date of this filing LNWM has no direct impact from the current bank failures and expects no impact to near-term cash management.

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

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

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

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

The impact of disease and epidemics may have a negative impact on the performance and financial position of LNWM and the funds it recommends. Coronavirus (including COVID-19), renewed outbreaks of other or new epidemics could result in health or other government

authorities requiring the closure of offices or other businesses, as well as a general economic decline. While the duration and intensity of resulting business disruption and related financial and social impact associated with the COVID-19 epidemic (including on LNWM's business) have diminished in the recent past, the impact of the epidemic could continue to remain material for the foreseeable future (especially as and when newer strains of COVID-19 emerge). Consequently, LNWM's operations and business results, including with respect to LNWM and/or its funds it recommends, could be materially adversely affected by outbreaks in the foreseeable future.

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

**ESG or Impact Risks.** The potential non-financial risks associated with environmental, social, and governance factors or impact investments that could negatively impact a company's reputation, earnings, assets, cost of capital, and valuation. Examples of these may include but are not limited to: Environment: Changes in weather patterns and extreme events associated with climate change, inefficient use or pollution of the earth's resources such as water and land, damage to ecosystems; Social: Poor labor relations and policies, lack of gender and/or racial equality, discriminatory practices and products that are detrimental to health or the environment; Governance: Poor corporate management and oversight practices, lack of robust worker safety protocols, lack of diversity and outside representation on the board which can create conflicts of interest as well as poor governance of executive management. ESG ratings of companies are often based on subjective measures, and may include corporate self-reporting, different and inconsistent third-party rating systems, as well as data points that are associated with positive or negative outcomes but where causation has not been established. It is also possible that companies that do have positive impact in the areas identified, or that successfully avoid some or most of the ESG risks noted, will not have favorable financial returns. Accordingly, their stock prices could underperform their peers despite alignment with ESG objectives.

## RISKS SPECIFIC TO PRIVATE FUNDS

General Risk of Loss; Liquidity. Investing in securities involves risk of loss, including the possibility of losing all of the initial investment as well as any unrealized gains on investments. In addition, investment vehicles organized as private funds may underperform in comparison to the general securities markets or other asset classes. These funds may be invested in a variety of unconventional securities and other assets. LNWM does not guarantee returns and cannot

eliminate risk. In addition, general economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws, trade barriers, currency fluctuations and controls, and national and international political circumstances can materially affect the investments in a client's account(s) or in the private funds. For example, any of these factors may affect price volatility and the liquidity of instruments held. Even an instrument that generally is, or recently was, liquid may unexpectedly and suddenly become illiquid. Such volatility or illiquidity could result in substantial losses. Always refer to the offering documents for a private fund for information on additional risks.

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

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

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

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

**Limited Opportunities.** In certain cases, LNWM receives a limited allocation of pooled investment vehicles across LNWM's client base. Based on the allocation amount LNWM receives, not all clients may receive their desired allocation.

## 9. Disciplinary Information

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

## 10. Other Financial Industry Activities and Affiliations

LNWM is currently not registered or have an application pending to register as:

- a broker-dealer or a registered representative of a broker-dealer; or
- a futures commission merchant, commodities pool operator, a commodity-trading adviser,

or an associated person of the foregoing entity

LNWM is wholly owned by Laird Norton Trust Company, LLC, (the “LNTC”), a Washington state chartered non-depository trust company, both of which operate under the business name of Laird Norton Wealth Management. LNTC also owns Laird Norton Trust Company of South Dakota (“LNTCSD”), a South Dakota state chartered non-depository trust company, and Wetherby Asset Management, LLC (“WAM”) an SEC registered investment advisor based in California.

Employees of LNTC, LNWM and LNTCSD may perform services for all three companies. LNWM employees who provide investment advisory services to LNWM clients may provide similar services to clients of LNTC and LNTCSD or the beneficiaries of trusts for which they serve as trustee. LNTC and LNTCSD serve as custodian only for their clients’ investments. They do not act as a qualified custodian for securities managed under investment advisory agreements between LNWM and its clients or between WAM and its clients. There is a contract between LNTC and LNWM that allows them to share office space, equipment, and other typical business resources. Additional information about LNTC and LNTCSD may be obtained from the State of Washington, Department of Financial Institutions, Division of Banks: [www.dfi.wa.gov/banks\\_and\\_the\\_State\\_of\\_South\\_Dakota\\_Department\\_of\\_Labor\\_and\\_Regulation\\_-\\_Division\\_of\\_Banking](http://www.dfi.wa.gov/banks_and_the_State_of_South_Dakota_Department_of_Labor_and_Regulation_-_Division_of_Banking); <https://dlr.sd.gov/banking/trusts/default.aspx>, respectively. Additional information about Wetherby Asset Management LLC is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

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

LNWM and its employees can invest in funds and securities held in client accounts. In some cases, employees can buy or sell funds or securities that are also recommended to their clients. Given the large size of these funds and securities and the daily trading volume they experience, LNWM does not believe there is a material risk that employees’ personal trades placed at or near the time of client trades would in any way be detrimental to LNWM’s clients. LNWM’s policy prohibits insider trading by any of LNWM’s employees. In addition, employees may occasionally invest in private funds in which LNWM’s clients are also invested. The Code is designed to provide that the personal securities transactions, activities, and interests of the employees of Laird Norton Wealth Management, LLC will not interfere with making decisions in the best interest of LNWM’s advisory clients.

Employees may not “trade on” any knowledge they may have regarding the potential market impact of transactions entered on behalf of clients.

Generally, LNWM or its employees do not buy or sell securities and private investments from LNWM’s clients. However, under exceptional circumstances, LNWM or an employee may engage in a principal transaction. In such circumstances, LNWM will disclose to the client in writing the capacity in which LNWM is acting and obtain client consent prior to the transaction.

## 12. Brokerage Practices

LNWM has negotiated what it believes to be a favorable commission schedule for clients with the Schwab Institutional division of Charles Schwab & Co., Inc. (“Schwab” or “Schwab Institutional”), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients’ assets and to effect trades for their accounts. If clients select Schwab to be their custodian, they will sign a separate agreement with Schwab. Schwab provides custody and brokerage services, monthly reporting to clients, and daily electronic reporting to LNWM and its clients (via web-based access). Each client maintains one or more separate accounts with Schwab for this purpose and pays Schwab directly for its custody and brokerage services. The amount of Schwab’s fee is included in the agreement clients sign with Schwab. LNWM believes its selection of Schwab as custodian and broker is in the best interests of LNWM’s clients because of the scope, quality, and price of Schwab’s services. In some situations, LNWM will consent to a client’s use of a different custodian with the understanding that the client may pay custodial fees that are higher than those imposed by Schwab.

Schwab provides LNWM with access to its institutional trading, consulting, and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor’s clients’ assets are maintained in accounts at Schwab Institutional. These services are not contingent upon LNWM committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab’s brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For LNWM client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

- Schwab Institutional and other custodians/brokers also make available to LNWM other products and services that benefit LNWM but do not necessarily benefit its clients’ accounts. Many of these products and services are used to service all or some substantial number of LNWM’s accounts, including accounts not maintained at Schwab and other respective custodians/brokers who are providing said products and services.



Schwab's products and services that assist LNWM in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing, and other market data; (iv) facilitate payment of LNWM's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping, and client reporting.

- Schwab Institutional or other custodians/brokers also offer other services intended to help LNWM manage and further develop its business enterprise. These services include: (i) compliance and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants, and insurance providers.
- Schwab Institutional and other custodians/brokers make available, arrange and/or pay third-party vendors for the types of services rendered to LNWM. Schwab Institutional and other custodians/brokers often discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to LNWM.
- Schwab Institutional and other custodians/brokers also provide other benefits such as access to and/or subsidies for hosted educational events or occasional business entertainment of LNWM personnel.

If LNWM did not receive some of these types of services from Schwab, it would purchase them elsewhere at additional cost. These products and services have economic value to LNWM's clients and also to LNWM. These unsolicited products include practice management aids (consulting, publications, conferences and seminars) and compliance assistance.

### **Soft Dollar Benefits**

As stated above, Schwab may provide additional benefits or services to LNWM and its clients. Since clients do not pay a higher commission for these services, none of these benefits are soft-dollar credit arrangements.

### **The Selection of Trading Counterparties**

LNWM can typically trade accounts held at Schwab using other broker/dealers. However, Schwab charges clients trade-away fees that LNWM believes outweigh any benefits from trading stocks, mutual funds, or ETFs with other brokers. The availability and pricing of bonds varies more widely, so before placing a bond trade LNWM can solicit bids from several dealers (through a singular trading platform) and then execute the trade with the dealer that offers sufficient liquidity and the most favorable pricing. Alternatively, LNWM can transfer the fixed-income security to a separate account manager to execute the trades since the separate account manager has greater access to fixed-income dealers. The separate account manager is not

affiliated with LNWM.

For clients who elect to have their accounts held by firms other than Schwab, LNWM's approach is generally to trade stocks, mutual funds, and ETFs with the chosen custodian, and to trade bonds with the dealer that offers sufficient liquidity and the most favorable pricing or to transfer the bond to a separate account manager who has access to dealers that offer sufficient liquidity and favorable pricing.

Certain clients have requested LNWM to execute all such clients' securities transactions through one registered representative at a particular broker-dealer. Such clients are cautioned on the following:

When possible, LNWM will attempt to negotiate a more favorable fee schedule, but LNWM cannot guarantee that client-directed broker commissions, transaction fees, and other charges will be as beneficial as those charged other clients not requesting directed brokerage arrangements. A client that directs LNWM to use a specific broker may not be able to participate in aggregate securities transactions and may trade after such aggregate transactions and receive less favorable pricing and execution.

The execution price, commissions paid, and the timing of trade execution can be negatively affected by directed brokerage arrangements.

### Best Execution Reviews

Periodically, LNWM evaluates the pricing and services offered by Schwab and other trading counterparties with those offered by other reputable firms. LNWM has sought to make a good-faith determination that Schwab and other chosen trading counterparties provide clients with good services at competitive prices. However, clients should be aware that this determination could have been influenced by LNWM's receipt of products and services from Schwab. Historically LNWM has concluded that Schwab is as good as, or better than, the other firms that have been considered. LNWM would notify its clients if it were to determine that another firm offered better pricing and services than Schwab.

Third-party managers typically determine the broker-dealers to be used to trade securities in the client accounts they manage. Third-party investment managers making trades on behalf of LNWM's clients are responsible for obtaining best execution for those trades.

### Aggregated Trades

Blocking or aggregating trades is the practice of buying or selling a security for the accounts of multiple clients in a single transaction. Blocking permits the trading of aggregate blocks of a security for multiple client accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any blocked trade.

LNWM typically aggregates client trades in an effort to treat all clients fairly. LNWM's policy is to

allocate orders among clients in a manner that is fair and equitable over time and does not favor one client or group of clients. Allocations among clients will generally be based on consistently applied objective criteria tailored to an investment strategy, including, but not limited to, pro rata based on the clients' net asset values, total assets, available cash, or target position.

For clients who invest in pooled investment vehicles, LNWM will allocate opportunities on a randomized basis. In many instances, there is greater client interest than there is capacity for the pooled investment vehicle. LNWM will seek to allocate to as many clients as possible, however, there could still be cases where clients do not receive an allocation.

### Client Referrals

LNWM does not compensate Schwab or any other custodian or broker/dealer for referring client accounts to it.

## 13. Review of Accounts

Client portfolios managed by LNWM are assigned to a client wealth management team (the "Team") which has the primary responsibility for the account. Client portfolios are under continuous review as far as implementing any changes in investment strategy or policy, or in the fundamentals of a security owned in a managed account.

The Team will generally meet quarterly, but no less frequently than annually, to review each portfolio. Particularly in larger or newer accounts, or when dictated by circumstances, client meetings may be held quarterly or more frequently as required or as desired by the client. A number of factors may trigger a portfolio review, such as changes in the client's circumstances or objectives, a need to rebalance the portfolio to reflect the asset allocation, or changes in the investment or tax environment that would impact the portfolio performance.

Clients receive account statements directly from their chosen custodian on at least a quarterly basis. Clients are encouraged to compare these statements to reports they receive from LNWM on a regular basis. Custodians also provide clients with additional reports, trade confirmations and tax information such as 1099s and 5498s. Clients invested in private funds or other similar investment vehicles generally receive financial statements directly from the fund. LNWM may supplement these custodial statements with reports provided during client meetings or as requested.

## 14. Client Referrals and Other Compensation

LNWM does not directly or indirectly pay any third-party for client referrals. In addition, it does not directly or indirectly receive any commissions or other compensation from brokers, dealers, custodians or other third parties. The products and services provided by Schwab and how they benefit LNWM are described above in Item 12.

LNWM does not currently use placement agents for clients or any funds it may recommend to

clients.

## IRA Rollovers

In appropriate circumstances, LNWM may recommend that a client roll over an account held in a former employer's retirement plan to an Individual Retirement Account ("IRA") for LNWM to manage. When providing investment advice to clients regarding retirement plan accounts or IRAs, LNWM is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. LNWM's recommendation to roll over retirement plan assets into an IRA creates a potential conflict of interest because such a recommendation may create an incentive to recommend the rollover for the purpose of generating additional compensation rather than solely based on the client's needs. Accordingly, LNWM will only recommend that a client roll over assets from a retirement plan or an IRA to LNWM if it concludes that it is in the client's best interest and it has complied with applicable regulatory guidance.

## Client Investment Strategies

It is possible that certain advisory clients of LNWM or an affiliate may serve in an ownership or managerial role with respect to an investment strategy, issuer, or sponsor (a "Client Investment Strategy") that is recommended by LNWM to its other clients. LNWM addresses these conflicts of interest by providing specific disclosure to clients to whom the Client Investment Strategy is recommended or offered. LNWM will only recommend Client Investment Strategies to clients when it believes such recommendation to be in a client's best interest. For avoidance of doubt, other than any investment advisory fees paid by the client, LNWM receives no separate compensation in connection with a client's decision to invest in the Client Investment Strategy. Clients are encouraged to request further information from LNWM regarding any Client Investment Strategy or the foregoing conflicts of interest.

## 15. Custody

All client funds and securities are maintained with a qualified custodian; LNWM does not take physical possession of client assets. Clients will receive account statements and transaction confirmation notices directly from the Custodian at least quarterly, which clients should carefully review. LNWM urges clients to carefully compare the Custodian's account statements with the periodic data clients receive from LNWM and to notify LNWM promptly of any discrepancies.

LNWM has the ability to deduct advisory fees directly from a client's accounts based on a client's written authorization to do so, and this ability is technically considered "custody" but does not require separate reporting or a surprise audit of LNWM. In addition, in some cases, clients execute Standing Letters of Authorization ("SLOAs"), which are written directives from the client authorizing LNWM to initiate payments from their custodial accounts to third parties specified by the client. Although SLOAs are initiated and authorized by the client, LNWM's ability to facilitate the payments covered by the SLOAs is considered "custody" under SEC guidance and requires LNWM to report that they have custody over these account assets on the ADV 1A. To the extent

the SLOAs comply with certain conditions, however, including that clients have the right to terminate the SLOA, and that the qualified custodian will confirm the status of the SLOA annually directly with the client, LNWM is not subject to a surprise custody audit for these accounts.

LNWM is also subject to the SEC's custody rule in respect of the Fund. However, LNWM is not required to comply with certain requirements of the custody rule with respect to the Fund because LNWM complies with the provisions of the so-called "audit exception" for pooled investment vehicles.

Among other things, the exception requires that the Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that the Fund distribute its audited financial statements to all investors within 120 days after the end of its fiscal year. Investors in the Fund receive periodic reports from us, as described in Item 13 (Review of Accounts). LNWM urges investors in the Fund to carefully review those reports and compare the audited financial statements of the Fund to the reports provided by us.

## 16. Investment Discretion

LNWM enters into written investment advisory agreements with clients that set the scope of its discretionary authority. Unless otherwise directed by the client and except with respect to private placements which require written authorization by the client, LNWM's discretionary authority allows LNWM to purchase and sell securities in client account(s), select and retain sub-advisors, and generally act on behalf of the client in matters related to the accounts without prior review and approval by the client of each specific transaction.

Clients can place reasonable restrictions on LNWM's investment discretion. For example, some clients may direct LNWM not to buy securities issued by companies in certain industries, or not to sell certain securities where the client has a particularly low tax basis. At all times, clients retain the authority to provide LNWM with direction regarding investments including limitations regarding types of securities and the timing of transactions.

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

## 17. Voting Client Securities

LNWM's policy is to vote proxies that are solicited for securities held in clients' accounts unless the client has retained the right. LNWM's policy is to vote proxies solely in the best interests of its clients, to retain records of how LNWM voted and why, and to provide information to the clients who wish to know how LNWM voted.

LNWM has retained a proxy administrator and voting service provider (the "Proxy Administrator") to assist in the proxy voting process. The Chief Compliance Officer (the "CCO") manages

LNWM's relationship with the Proxy Administrator and ensures that all proxies are voted in accordance with the best interest of its clients. In general, LNWM will utilize the recommendations of the Proxy Administrator and has not identified any material conflicts of interest in connection with past proxy votes. Absent specific client instructions, if LNWM identifies a material conflict of interest it will follow the voting recommendation of the Proxy Administrator that it has retained. Both LNWM and the Proxy Administrator will also retain certain required documents associated with proxy voting.

In addition to maintaining oversight of individual proxy recommendations, LNWM may also conduct a review of the Proxy Administrator's conflict management procedures to confirm that Proxy Administrator continues to have the competency and capacity to vote proxies on an unbiased and informed basis.

Clients of LNWM may obtain a copy of the proxy policies and procedures and details as to how the securities or corporate actions were voted in their respective portfolios upon request to the CCO at LNWM's principal address.

Clients who retain voting authority in their accounts will receive their proxies and other solicitations directly from the custodian or transfer agent.

## **18. Financial Information**

LNWM does not require or solicit prepayment of fees six months or more in advance. LNWM is not aware of any financial condition that is expected to affect its ability to manage client accounts and has never filed for bankruptcy.