

**Form ADV Part IIA**

**January 2024**

*This Form provides information about the qualifications and business practices of Cascade Investment Advisors, Inc. (“Cascade”). If you have any questions about the contents of this Form, please contact us at 503.417.1950. The information in this Form has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Cascade also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). While we are a registered investment advisor, that does not imply any level of skill or training.*



**Cascade Investment Advisors, Inc.**

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***Item 2: Material Changes***

*There have been no material changes since our last update in January 2023.*

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**Item 4: Advisory Business**

We are a registered investment advisory firm (RIA). We manage individuals’ assets to help them meet their financial goals. We manage money on a discretionary basis only.

This means that we do not consult with clients when we make investment decisions. Every client agrees to an investment policy statement which the client helps us formulate; this acts as a blueprint for managing the client’s account. We manage to goals, and not for performance. We are not brokers. We do not engage in financial planning. We do not sell products.

Cascade was founded in 1997 by Michelle Rand, who is the principal owner. We have six employees. Three are administrative staff, and three are professional staff. All three professional staff earned the Chartered Financial Analyst designation. The CFA designation does not imply approval by any regulatory body. See ADV Part IIB for information on the CFA designation.

Our regulatory assets under management as of December 31, 2023 - were approximately \$306,000,000, of which \$288,000,000 was held in discretionary accounts and \$18,000,000 in non-discretionary.

**Item 5: Fees and Compensation**

<b>Account Value</b>	<b>Annual Fee</b>
Under \$1 million -a	0.95% of assets
Between \$500k and \$1million and with us for over 5 years (tested for value each April 30)	0.90% of assets
Accounts over \$1 million	0.85% of assets on the first \$2 million; 0.70% on the next \$3 million
\$5 million and above	Negotiable
Bond portfolios	Negotiable

a- Applies only to household accounts worth less than \$1 million; all accounts over \$1 million will have a maximum fee rate of 0.85%. Note that in accordance with the section titled “Terms of this Agreement”, we may terminate account relationships that fall below \$200,000 for balanced accounts or \$100,000 for equity accounts if you cannot add funds to bring accounts up to those levels.

A one-time administrative charge of \$300 will be charged to accounts that must be re-papered. This could occur if the security of your account has been compromised requiring us to close your existing account at the custodian to open a new one.

Related accounts are aggregated to determine the annual fee. Fees are calculated on the average account balance each calendar quarter and billed in arrears. This is calculated by adding the beginning market value to the ending market value and dividing by 2, then multiplying by the applicable fee percentage listed above. One quarter of the annual fee is charged each quarter. Fees are prorated if the account was not under management for the entire quarter. Fees can be billed directly to the client or debited from the client's custodial account as requested by the client.

We make every attempt to customize our fees to special situations. For instance, if you hold a security at a low cost basis that we will likely not sell, we may exclude it from the fee calculation.

Commissions are paid to a broker or your custodian and not the investment manager. Other fees charged by your custodian may apply. Please refer to the section entitled Brokerage issues for more information on Cascade's selection of brokers.

Other fee arrangements may be made by petition to the firm; and the firm may also choose to alter the client's fee as befits the circumstances of the client relationship upon notice, verbal or written, to the client.

If a client terminates the relationship, Cascade will immediately cease activity in your account and deduct our final fee. Cascade will not be responsible for liquidating the account.

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

We do not charge performance fees.

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

We manage money for individuals who range in age from minors to elderly; our clients live all over the United States; some live in or are citizens of other countries.

We have no minimum account size, but portfolios need to be large enough to allow us to use our best ideas, accomplish diversification, and achieve your goals.

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

In order to make investment decisions we investigate company fundamentals, historical valuation relationships, interest rate trends, and economic trends. We make judgments

based on our experience as to the future potential of asset returns based on our analysis of these factors. We are value investors, which means we prefer to pay low prices for assets as compared to the return that we believe those assets are able to generate.

Investments that we choose may lose money. We do not guarantee any returns. All investment portfolios are subject to risk which clients should be prepared to bear. Below is a description of the principal risks that clients face in their investment portfolio.

**Equity Market Risks.** Cascade generally invests portions of client assets directly into equity investments, primarily stocks. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

**Fixed Income Risks.** Cascade may invest portions of client assets directly into fixed income instruments, such as bonds and notes. While investing in fixed income instruments is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

### ***Item 9: Disciplinary Information***

None

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

None of our employees engages in any financial industry activity other than employ at our firm.

One of our clients is a bond broker and we buy bonds for other clients from him. Another of our clients is a bond broker and we manage money for his mother. Both brokerage relationships were in place several years before the brokers became clients.

Conflicts of interest that could arise from these relationships may include:

- The client pays a higher than average price for buying bonds through these brokers
- The manager (Cascade) channels trades through these brokers in order to benefit the broker

All trades done with these brokers over the last three months and prices attained is available on request.

One of our clients owns a company that manages real estate partnerships and we will advise other clients who are invested in those same partnerships. Clients, except for one, make their own decisions about investing in these funds. David Schue and Michelle Rand also own interests in these partnerships. A conflict of interest that may arise from this as we could recommend these funds to our clients which might benefit our own interest.

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

Cascade Investment Advisors, Inc. has adopted the CFA Institute Code of Ethics and personal trading disclosures prescribed by the SEC. Every employee reads the code and agrees to abide by it. Management keeps a copy of the code signed by each employee on file.

For a copy of our Code of Ethics you can contact us by using the contact information found on the cover of this brochure.

Employees of Cascade may buy the same assets when clients are buying, or sell those assets when clients are buying, depending on the individual's own particular investment objective. The same applies to clients selling. Trading policies are disclosed annually and in documents signed by the client at the outset of the manager relationship. On any purchase or sale of a stock for clients where the average daily trading volume is less than 100,000 shares, employees must wait until all client trades are executed before making their own purchases or sales. Management reviews employee brokerage statements.

On any trade, employees may receive a better or worse price than any client. Employees do not participate with clients in block trades.

### ***Item 12: Brokerage Practices***

*Brokerage selection:* Brokers are selected based on their execution policies and knowledge of particular markets, such as municipal bonds, that can benefit our clients. We test brokers annually as to best execution, which describes how that broker routes orders, whether the broker executes at a fair price, and whether the broker provides special knowledge of the subject market. Brokers are paid commissions by our clients when transactions are made. We generally recommend to clients they use Charles Schwab & Co., Inc. ("Schwab") as their qualified custodian.

Cascade does not participate in any formalized soft dollar arrangement. However, we do receive research and trading related products and services from Schwab, which we take into consideration when reviewing for best execution.

Sometimes when trades are made, we buy in blocks and assign a portion of the block to each client. This is called block trading. Block trades can be cheaper to execute than individual trades. However, if we expect to buy a block of 10,000 shares and then our

order is only partially filled during the trading day, so that the rest of the order must be executed the next day and maybe not at as favorable a price, we must decide who to allocate the first shares to. We allocate as follows:

If a buy, first to clients with cash to pay for the purchase.

If a sell, first to clients needing cash.

Buy or sell, prorata.

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

Client accounts are reviewed annually on a formal basis, with a record of the review filed electronically. This review checks the asset allocation against the policy statement, checks the individual assets in the account for suitability given the client's circumstances, notes any unusual assets, and records any updates to client circumstances. Melissa Burton, Office Administrator conducts the basic review for all accounts. Each portfolio manager then provides client updates for accounts assigned to him or her.

Other than the annual formal review, client contact occurs frequently, depending on client needs, and review of assets occurs every trading day. We will provide you written quarterly statements showing the assets in your account, cost, income rate and current market value at quarter end.

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

No compensation is paid to others to provide Cascade with referrals to potential clients.

### ***Item 15: Custody***

Cascade only has custody of your funds to the extent that the SEC defines "having custody" as allowing us to deduct funds from your account to pay your fees, which are paid in arrears, not in advance.

We review your asset statements from Schwab as needed. We track and confirm that statement copies are posted monthly on the Schwab website. Cascade urges our clients to compare the statements provided by Schwab to the quarterly reports provided by Cascade (as discussed within the section entitled Account Reviews).

### ***Item 16: Investment Discretion***

Clients of Cascade sign an investment management agreement with Cascade granting us investment discretion. That means we can make purchase and sale decisions on your behalf. The only limitations we routinely accept on this authority relate to specific assets you may not want us to own for you, such as tobacco related issues, or other issues you



find unacceptable; and when you would like us to hold cash for your own purposes in your account. Other exceptions may be negotiated with us, as manager.

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

You may choose to have proxies issued by your securities voted by us instead of voting them yourself. We vote issues considering shareholders' interests first, which means we do not always vote for management. If you would like to see how we voted a certain proxy, you can make a request in writing for our voting record for that issue. If there is a material conflict of interest, we will either refrain from voting or request your input. Our proxy voting policies and procedures are also available to clients upon request.

If you elect to vote your own proxies, you will receive your proxies or other solicitations directly from their custodian or a transfer agent and contact them for additional information.

Chicago Clearing Corp. (CCC) is a company that provides class action monitoring and securities claim filing services. We utilize their services on our client's behalf. They charge a fee against payments collected. Clients can choose to "opt out" of these services.

***Item 18: Financial Information***

There are no adverse material financial factors affecting our firm that would also affect the management of your assets.

Cascade does not collect more than \$1,200 in management fees in advance for services greater than 6 months. Our management fees are billed quarterly. Cascade has never been the subject of a bankruptcy petition.

*ADV Part IIB Supplement*

Contacts for your account at Cascade Investment Advisors, Inc:

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January 2024

This brochure supplement provides information about Michelle Rand, David Schue and Warren Hastings and supplements the Cascade Investment Advisors, Inc. (“Cascade”) brochure. You should have received a copy of that brochure. Please contact us at 503.417.1950 if you did not receive Cascade’s brochure or if you have any questions about the contents of this supplement.

Additional information about Michelle Rand, David Schue and Warren Hastings is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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

*Michelle Rand*, Founder and President, 1997. Michelle has 30 years of experience investing for individuals, businesses and charitable organizations. Her most recent position was with US Trust Company, managing \$200 million in client assets. She graduated from Reed College in 1981 with a B.A. in Economics. She received the Chartered Financial Analyst (CFA) designation in 1985, and the Series 6 and 63 licenses in 1995. Michelle participates regularly in the CFA Continuing Education Program and is a member of the Portland Financial Analysts Society as well as the Association of Investment Managers and Research Analysts. Michelle occasionally speaks to groups on a variety of investment topics, including investing basics, value investing, and market risk management. She has also given testimony as an expert witness on investment matters.

*David Schue*, Research Analyst and Portfolio Manager, 2001. Dave has over 20 years of business valuation experience. Dave began his career at Willamette Management Associates, Inc., then founded a firm called Corporate Valuations, Inc. with two colleagues. He received his Masters in Business in 1979 from the University of Edinburgh, Scotland, and his B.S. in Economics from Lewis & Clark College in 1977. Dave is a Chartered Financial Analyst, a member of the Portland Society of Financial Analysts as well as the Association of Investment Managers and Research Analyst, and an Accredited Senior Appraiser with the American Society of Appraisers. He has valued a wide variety of businesses in several industries. He was a frequent expert witness in testimony relating to valuation issues. At Cascade, Dave is responsible for all aspects of equity research.

*Warren Hastings*, Portfolio Manager, 2014. Warren began his career at Willamette Management Associates where he performed business valuations. Next, he put his keen analytic skills and industry experience to work managing bond portfolios and conducting arbitrage trading at U.S. Bank of Oregon and First Interstate Bank. Just prior to joining us, Warren worked at Portland-based Becker Capital Management for over 20 years as both an equity and fixed income portfolio manager. Warren earned his Chartered Financial Analyst designation in 1987. He graduated from Oregon State University with a B.S. in Business-Finance in 1983.

### ***The CFA Designation***

The Chartered Financial Analyst (CFA) is a qualification for finance and investment professionals, particularly in the fields of investment management and financial analysis of stocks, bonds and their derivative assets. The program focuses on portfolio management and financial analysis, and provides a general knowledge of other areas of finance. The designation is an international professional certification offered by the CFA Institute to financial analysts who complete a series of three examinations. To become a CFA charter holder, candidates must pass each of the three six-hour exams, possess a bachelor's degree from an accredited institution and have 48 months of qualified professional work experience. CFA charter holders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

## ***Item 3: Disciplinary Information***

None

***Item 4: Other Business Activities***

None

***Item 5: Additional Compensation***

None

***Item 6: Supervision***

Michelle Rand, President, 503.703.3622, is the firm's supervisor. Work is supervised daily via a reading of all work produced:

- Written reports and client account reviews are posted firm-wide for all employees to critique; Michelle reviews this work daily.
- Portfolio managers conduct strategy sessions every 4-6 weeks for purposes of reviewing and critiquing the firm's investment strategy
- Compliance is tested not just once a year as prescribed by the SEC, but every few months; employees are counseled on compliance matters at staff meetings every 4-6 weeks
- Emails from employees are archived in a special file and reviewed routinely

Michelle is not under the direct supervision of any one individual.