

# Northwest Capital Management, Inc.

## Form CRS: *Customer Relationship Summary*

July 17, 2023

Northwest Capital Management, Inc. (“NWCM”) is an investment adviser registered with the Securities and Exchange Commission (“SEC”). Investment advisory services differ from brokerage services—as do the fees associated with these services. It is important for you to understand these differences. Free and simple tools are available to undertake research about investment firms and financial professionals at [www.Investor.gov/CRS](http://www.Investor.gov/CRS). This Internet site also provides educational materials about investment advisors, broker-dealers and investing.

### **Ask your financial professional the following questions:**

*Given my financial situation, should I choose an investment advisory service? Why or why not?*

*How will you choose investments to recommend to me?*

*What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

### **WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?**

NWCM offers investment advisory and financial planning services to retail investors like you. Our financial planning services range from generalized planning to more focused analysis, depending on your needs. We will evaluate your financial, business and investment information and make planning and investment recommendations intended to help you achieve your financial goals. In some instances, we will recommend you also consult a CPA or an attorney.

Upon the execution of an Advisory Agreement, NWCM will establish investment accounts in your name so we can manage your portfolio to implement our recommendations. Your portfolio will be prudently diversified among various classes of assets (stocks, bonds, cash, etc.) and will be impacted by financial market trends. You can lose money in your portfolio and may not achieve your investment objectives. We regularly review the securities owned within your portfolio as many, if not most, of our clients will also own them. Typically, your portfolio will include mutual funds, exchange-traded funds (ETFs), and individual stocks and bonds. We monitor your specific portfolio no less than quarterly and will periodically rebalance your investments.

NWCM manages portfolios on a discretionary or non-discretionary basis. Discretionary basis means NWCM has authority to determine the type of securities bought and

sold and the dollar amounts of transactions subject to any restrictions you impose upon us. The primary constraint to our discretion is limiting the stock exposure of your portfolio to a target percentage of stocks within ten percentage points, plus or minus. (In consultation with you, we will agree on this target percentage of stocks.) We must also ensure your portfolio is prudently diversified by size of companies, geographic location, style (value vs. growth), credit quality, bond maturity and other industry-accepted factors. We maintain discretion until it is revoked by you.

Non-discretionary basis means you make the final decision regarding the purchase or sale of investments.

For further information about our services and fees, please read Items 4, 5, and 8 in our Form ADV Part 2A disclosure brochure (“Brochure”). [Click here](#) for a copy or go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**WHAT FEES WILL I PAY?** Each quarter, NWCM charges a fee based on your portfolio’s assets under our management, valued as of close on the last business day of the preceding calendar quarter. Fees range on a sliding scale up to 1.50% annually but are prorated for the current calendar quarter. Our fees are subject to negotiation at our discretion. NWCM generally does not require a minimum amount of assets to open an account, but we often impose a minimum fee that for smaller accounts can exceed 1.50% of the assets under management.

### **Ask one of our financial professionals the following questions:**

*Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

We usually provide Financial Planning services as part of our investment management services the cost of which can be included in our asset-based fees. You may contract for financial planning services separately, for which we charge a fixed fee and/or hourly fees. Fixed fees can be assessed one-time or as an ongoing fee dependent upon the services received. Generally, rates range from \$1,500 to \$3,500 on a fixed fee basis, or up to \$400 hourly, based on the complexity of requested services. Clients generally pay 50% of the estimated fee upon execution of an engagement Agreement. These rates can be negotiated at our sole discretion.

We both can terminate our contractual agreements, without penalty, any time, upon 30-day written notice. At termination, any prepaid fees will be prorated as of the date of termination, and any unearned fees returned to you.

NWCM's fees do not include certain charges imposed by third parties such as custodians and mutual funds. You may be subject to transaction costs, short-term redemption fees on mutual funds, 12b-1 fees, wire transfer and electronic fund fees, and other fees and taxes. These fees and expenses are separate from fees charged by us.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please be sure you understand the fees and costs you are paying.

*More detailed information about our fees and other costs associated with investing, along with applicable conflicts can be found in Item 5 in our Brochure. [Click here](#) for a copy or go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

**WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN ACTING AS MY INVESTMENT ADVISER? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?** We are not commissioned salespeople. The only money we make are the fees that you authorize us to receive, either paid directly by you or deducted from your account and itemized as a management fee on your brokerage statement.

**Ask your financial professional:**

*How might your conflicts of interest affect me, and how will you address them?*

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

Because we charge an asset-based fee, the more assets that are in your portfolio, the more you will pay us in fees. Thus, we have an incentive to encourage you to increase the assets within your portfolio. When providing financial planning, we have an incentive to recommend our own services. To mitigate this conflict, you have the right to accept or reject our investment recommendations or decide to affect these recommendations with another firm. Another potential conflict of interest would be that we give you planning advice which results in more assets under our management, or that we take more risk with your portfolio

to increase its size and thus our fees. To minimize this conflict, NWCM has adopted policies, procedures and a Code of Ethics which sets forth the fiduciary standards our staff must follow.

You should understand these conflicts and others as they can affect the investment advice we provide. *More detailed information about our conflicts of interest can be found in Item 10 of our Brochure. [Click here](#) for a copy or go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

**HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?** None of our staff are currently engaged in any outside advisory business activities or affiliations. Most of NWCM's staff are salaried or work on an hourly basis. Some earn a base salary and/or a percentage of revenue earned by NWCM given their efforts. Principals such as Brent Petty, the controlling shareholder of NWCM, can also receive a percentage of the company's profits. Information about NWCM professionals and related conflicts of interest are found in our Form(s) ADV Part 2B. [Click here](#) for a copy or go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**DO YOU OR YOUR FINANCIAL PROFESSIONALS**

**Ask your financial professional:**

*As a financial professional, do you have any disciplinary history? For what type of conduct?*

**HAVE LEGAL OR DISCIPLINARY HISTORY?**

No, and to confirm that please go to [www.Investor.gov/CRS](http://www.Investor.gov/CRS) for a free and simple search tool to research NWCM and staff.

**ADDITIONAL INFORMATION.** Additional information and a copy of this Form CRS can be found at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Northwest Capital Management, Inc. is 108091. [Click here](#) for a copy of our regulatory Brochure or browse to our website [www.NWCM.com](http://www.NWCM.com) and find a link to it at the bottom of our Home Page and to a copy of this Form CRS. You can also contact us by U.S. Mail at 13333 SW 68<sup>th</sup> Pkwy, Suite 230, Portland, OR 97223 or by phone at (503) 597-1616. Our email address is [service@NWCM.com](mailto:service@NWCM.com).

**Ask your financial professional:**

*Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*