



Relationship Summary

March 2023

Madrona Financial Services, LLC

Madrona Financial Services, LLC is an investment adviser registered with the Securities and Exchange Commission. Investment advisory services and fees differ from brokerage services and fees and it is important for you to understand the differences. [Investor.gov/CRS](https://www.investor.gov/CRS) is a website providing free and simple tools to research firms and financial professionals, and which provides educational materials about investment advisers, broker-dealers, and investing. We encourage you to ask us questions and have provided suggested conversation starters in call-out boxes throughout this Relationship Summary.

What investment services and advice can you provide me?

We offer investment advisory services to individuals, including portfolio management and financial planning services. We first meet with you to gain an understanding of your current financial situation, your short- and long-term goals, and your risk tolerance. We use this information to recommend an investment portfolio specific to your investment objectives and needs.

Most client assets are managed through our Model Portfolio Management Services. Our Chief Investment Officer determines the composition of our models and sets the firm's overall investment philosophy. Individual advisors make individual adjustments in response to client needs. Our portfolio management staff then monitor client portfolios as part of an ongoing process, with regular account reviews conducted on at least a quarterly basis. Reviews are also triggered by material market, economic or political events, or by changes in your financial situation (such as retirement, sale of appreciated real estate, or inheritance).

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?**

We manage portfolios on a discretionary basis. When you grant us discretionary authority, this means we don't need to call you before buying or selling securities in your account. We obtain discretionary authorization through our signed advisory agreement with you. We offer advice on different types of securities. We generally require a minimum household asset size of \$500,000, though we may make exceptions for investable assets between \$250,000 and \$500,000. Clients with less than \$500,000 will generally not be offered our bundled services without additional fees.

For more detailed information about our services, please request a copy of our Form ADV, Part 2A brochure. Our brochure can also be by [clicking this link](#).

What fees will I pay?

For investors with at least \$500,000 under management with us, we provide financial planning and portfolio management for a single, combined fee. Our fee is based on the type of asset and your total assets under management with us. The annual fee for 'standard' assets – equities, ETFs, fixed income, and non-traded REITs range from .85% to 1.25%. The percentage amount we charge for standard assets goes down as your assets grow. This fee is billed quarterly in arrears, usually deducted automatically from your account. The advisory fee for DST (Delaware Statutory Trust) investments is subject to a lower DST Fee Schedule ranging from .60% to 1.00%. If we accept clients with less than \$500,000, the typical financial planning fee is \$1,200.

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?

When we charge asset-based fees, the more assets we manage, the more you'll pay in management fees. We therefore have a financial incentive to encourage you to increase the amount of assets we manage for you. Our fees are negotiable.

In addition to our advisory fees, you will pay fees charged by third parties for other services provided to you, including fees charged by your custodian. Examples of costs you might pay include custodian transaction fees and wire transfer fees. Mutual funds and exchange traded funds also charge internal management fees, which reduce the return of investments over time. We do not receive any portion of these fees or charges. If you purchase insurance through us, we will also receive customary commissions.

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 make sure you understand what fees and costs you are paying. Our [Form ADV, Part 2A \(Item 5 and Item 12\)](#) contains more detailed information about fees and costs.

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?

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.

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

Our primary conflicts of interest are our receipt of asset-based fees, our recommendations to purchase insurance products, and our recommendation of our CPA affiliate for accounting and tax services. An example of the conflict that our fees pose is if you asked us for a recommendation about paying down outstanding debt or making charitable contributions, versus keeping those funds in your accounts with us, we will always make the recommendation that we believe is in your best interest. At the same time, we have a conflict of interest in making the recommendation because we earn more advisory fees when you keep more assets in your account.

Our financial professionals are licensed as insurance producers through our affiliate, Madrona Insurance Services, LLC. When your Madrona advisory representative recommends an insurance product and then implements the recommendation, the representative receives the customary commission for the product, and Madrona Insurance Services also receives a portion of the commission earned. You are not required to implement any insurance recommendations through our affiliate or your Madrona professional.

Our [Form ADV, Part 2A](#) contains detailed information about our conflicts of interest.

How do your financial professionals make money?

Our financial professionals generally receive a salary from both Madrona Financial and, in some cases, Bauer Evans. They may also receive discretionary bonuses for bringing additional assets or clients to the firm. The firm and its insurance-licensed representatives also receive customary commissions on insurance products recommended and implemented through our advisors.

Do you or your financial professionals have legal or disciplinary history?

Yes. Visit Investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals.

Who is my primary contact person? Who can I talk to if I have concerns about how this person is treating me?

For more detailed information about our investment advisory services, or to request another copy of this Relationship Summary, please contact us at (425) 212-3777 and speak to your advisory professional or our compliance department. You may also visit the SEC's public disclosure website at www.adviserinfo.sec.gov.

Exhibit of Material Changes to Customer Relationship Summary (ADV Part 3)

Madrona Financial Services, LLC

Updated: March 17, 2023

Material Changes

We are required to highlight any material changes we make to this Customer Relationship Summary (ADV Part 3) and publish those changes within 30 days of the effective date of the change.

Madrona Financial Services has made the following changes to its ADV Part 3 Relationship Summary:

- We no longer have any advisory representatives who are also registered with a broker-dealer. Accordingly, we have removed reference to dual registration and the related conflicts in this Relationship Summary.
- DSTs are subject to a fee schedule that is similar to but lower than our standard fee schedule. We no longer charge a single flat rate, along with requiring the client to obtain services from our CPA affiliate.