Scott Conyers Capital Management

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Client Relationship Summary

What are your legal obligations to me when acting as my investment advisor?

The client has an investment accounts, typically at Charles Schwab & Co, and the firm has “trading authority” (the power to trade securities, but not withdraw money) over the accounts.

How does your firm make money and what conflicts of interest do you have?

The firm's only source of income is a fee of a percent of assets under management.

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

The firm manages the long-term investments of individuals, trusts, foundations, and retirement accounts. This would not be an appropriate firm to hire if your objectives were for high-risk growth, rapid trading, or pure income generation.

How will you choose investments for me?

Because of its focus on growth, the firm's investment strategy is primarily equity based, but other investments such as money market funds, corporate bonds, and government and municipal securities may be used. The fixed-income strategy is conservative and intended primarily to dampen equity portfolio volatility. The equity strategy can be described as “value investing” in that an estimate of the intrinsic value of a company is figured before an investment is made, and recalculated regularly to guide the sale process.

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

Scott Conyers, born in 1957, formed this firm in 1991. He acquired management analysis, strategic planning and company valuation skills while at the Wharton School of Finance of the University of Pennsylvania, from which he earned an MBA in 1983. Prior to graduate school, Scott received a Civil Engineering degree with honors from Oregon State University in 1979.

Mr. Conyers has taught upper-level finance classes at Portland State University from time to time and is a member of the Rotary Club of Portland where he is the club song leader. He earned the Chartered Financial Analyst designation, requiring passage of three rigorous day-long tests pertaining to asset management and security analysis, in 1989, and is a member of the CFA Institute, which is a source of excellent continuing education material and conferences.

What fees will I pay?

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. Fees are based on the assets being managed which are figured for all of a client's accounts taken together, and the rate is 1% for the first $1 million of equities plus uninvested cash, .75% for the next million and .5% for everything over $2 million, and half those rates for bonds (all annual rates), payable after the end of each quarter based on the average of the month-end portfolio values for the quarter, deducted from one or more of a client’s accounts. Clients with more than $20 million under management by the firm may choose to negotiate fees so as to be performance based.

Help me understand how these fees and costs might affect my investments.

In general the fees will reduce your annual return by the amount of the fee; for example, if your asset level is such that you pay the firm’s maximum fee of 1% and your investment returns were 7.5% for the year then your return net-of-fee will be 6.5%. The effect of fees compound over time (a 7.5% return will double in value in approximately 10 years but 6.5% returns will take a bit more than an extra year to double).

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

A conflict of interest exists in the fee schedule in that the firm earns twice as much for stock investments as for bonds. I can only say that the firm's fiduciary responsibility and ethos always puts clients' interests first. An example of this in action, going into the 2008 market/economic debacle clients had huge bond allocations, which earned the firm less in fees but served clients very well. On the other hand, in 2012-20, with interest rates having nowhere to go but up, which is bad for bonds, they owned a large percentage of stocks and at times held relatively large cash positions.

As a financial investor do you have any disciplinary history?

None

Other pertinent information?

A more thorough and informative presentation of this information is found in the firm's Disclosure Brochure which can be obtained from the firm or via the SEC's website adviserinfo.sec.gov