

Badgley Phelps Wealth Managers, LLC is registered with the Securities and Exchange Commission ("SEC") as an investment adviser. Investment advisory services and fees differ from brokerage services and fees, and it is important that you understand the difference. Free and simple tools are available to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS) which also provides educational materials about broker-dealers, investment advisers and investing.

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

Our firm provides wealth management services to retail investors. The services we provide are financial planning and investment management. Financial planning identifies your financial goals, investment objectives, and risk tolerance. Investment management includes equity only, fixed income only and balanced portfolio management.

Based on the information you provide us during the development of your financial plan, we customize your investment account by selecting the mix and quantity of assets (such as stocks, mutual funds, ETFs, ETNs, bonds and cash) which correspond to your financial goals, risk and return objectives, tax circumstances and income needs. We invest your assets in investment models that we have developed. Your investment account is reviewed and rebalanced to the target asset allocation and once every three months we provide you with reports about the holdings and performance of your account. Your financial goals and asset allocation are reviewed and updated as appropriate. We monitor on a continuous basis the investments in accounts over which we have authority.

We manage your assets on a discretionary basis. For discretionary accounts, our clients give us the authority to buy, sell, trade and allocate the investments in your account consistent with your investment objectives. This authority can either be absolute or subject to certain restrictions. We only manage accounts on a non-discretionary basis when required by our client. This means that we will make suggestions regarding which securities to buy and/or sell, but you make the ultimate decision regarding the purchase or sale of your investments. We suggest a minimum \$1,000,000 of investable assets per client relationship. For more detailed information about our advisory business and the types of clients we serve, please refer to Items 4, 7, 8 and 13 of our Form ADV Part 2A [Brochure](#). **Here are some questions you can use to start a conversation with your financial professional:**

- 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 FEES WILL I PAY?

You will pay a mutually agreed-upon fee for our services per the terms of your wealth management agreement. The fee will be a recurring "asset-based fee" since the fee is calculated based on a percentage of the supervised assets in your account. You will be billed once every three months. The more assets that are in your account, the more you will pay in fees. This incentivizes us to invest your assets in a way that delivers growth in alignment with your objectives and to encourage you to increase the amount of assets in your account.

You could also pay fees to other third parties which will depend on your account type and custodian. These fees include custodian fees, trust accounting and trustee fees, account maintenance fees, fees related to exchange traded and mutual funds, and transactional fees. 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. For additional information on the fees you will pay, refer to Item 5 of our [Brochure](#).

### Here is a question you can use to start a conversation with your financial professional:

- 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?

## 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. Here are some examples to help you understand what this means.

For most of our clients, we recommend that you use Charles Schwab as your custodian. Schwab does not directly compensate us for making this recommendation, but we do receive products and services that benefit us and our ability to manage and administer our clients' accounts. These direct and indirect benefits include client referrals, electronic access to client account data, research, trade execution, pricing and market data, educational workshops and conferences. We therefore have an incentive to encourage you to maintain custody of your accounts at Schwab.

We receive proprietary research from brokerage firms which is obtained through commissions generated from the transactions we place with these firms on behalf of our clients. We use this research to evaluate and analyze the economy, markets and the specific investments we include in your investment portfolios. Also, our asset-based fee schedule means that we will make more money if our clients increase and/or keep their assets with our firm.

For additional information, refer to Items 5, 6, 11, 12 and 14 of our [Brochure](#).

### Here is a question you can use to start a conversation with your financial professional:

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

## HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

All compensation paid to our financial professionals is a function of our firm's overall revenues from advisory fees which creates a financial incentive to find and retain clients. Our financial professionals are paid an annual salary and an annual bonus which is based on our firm's profitability and the individual's job performance. Additional compensation is paid to financial professionals who engage a new client or when an existing client agrees to increase the amount of assets in their investment account. All financial professionals participate in our firm's 401(k) plan and we make annual contributions to each employee's 401(k) account. Financial professionals may also be compensated by our indirect parent company, Focus Financial Partners, LLC (or one of its affiliates), based on our firm's revenues and/or earnings. This gives your financial professional an incentive to encourage you to increase the size of your investment account and to maintain your investment account with us, rather than transition it to another adviser. See Item 5 of your financial professional's ADV Part 2.B Brochure Supplement for more information on his or her compensation.

## DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

No, we do not have any legal and disciplinary history. Visit [www.investor.gov](http://www.investor.gov) for a free, simple search tool to research our firm and our financial professionals.

## ADDITIONAL INFORMATION

Additional information about our services is available at:

- [www.badgley.com](http://www.badgley.com)
- <https://adviserinfo.sec.gov/firm/summary/315440>

If you would like to request an additional copy of this Client Relationship Summary or a copy our Form ADV Part 2, please contact us by telephone at (800) 869-7173 or (206) 623-6172. You can also contact us by email at [info@badgley.com](mailto:info@badgley.com).

### Here are questions you can use to start a conversation with 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?