

## Item 1: Cover Page

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# CLS Financial Advisors, Inc. Form ADV Part 2A Investment Adviser Brochure

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February 2024

This Brochure provides information about the qualifications and business practices of CLS Financial Advisors, Inc. (“we,” “us,” “our”). If you have any questions about the contents of this Brochure, please contact Sarah L. Lane, Chief Compliance Officer, Secretary, Treasurer and Financial Planner at (503) 244-8879 or [sarah@clsadvisors.com](mailto:sarah@clsadvisors.com).

Additional information about our Firm is also available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

We are a registered investment adviser. Please note that use of the term “registered investment adviser” and a description of the Firm and/or our employees as “registered” does not imply a certain level of skill or training. For more information on the qualifications of the Firm and our employees who advise you, we encourage you to review this Brochure and the Brochure Supplement(s).

## Item 2: Material Changes

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In this Item of CLS Financial Advisors, Inc. (the “Firm,” “we,” “us,” “ours,”) Form ADV 2, we are required to discuss any material changes that have been made to Form ADV since the last Annual Amendment.

### **Material Changes since the Last Update**

Since the filing of our Annual Amendment on March 17, 2023, we have the following Material Change to report:

- This Form was updated to clarify that we do not vote proxies on behalf of clients. Please see Item 17 (Voting Client Securities)

### **Annual Update**

You will receive a summary of any material changes to our Form ADV brochure within 120 days of our fiscal year-end. We may also provide updated disclosure information about material changes on a more frequent basis. Any summaries of changes will include the date of the last annual update of the ADV.

The Supplement to our Form ADV Brochure (Form ADV Part 2B) provides you with information regarding our employees that provide investment advice.

### **Full Brochure Available**

Our Form ADV may be requested at any time, without charge, by contacting Sarah L. Lane, Chief Compliance Officer, Secretary, Treasurer and Financial Planner at (503) 244-8879 or [sarah@clsadvisors.com](mailto:sarah@clsadvisors.com). Additional information about the Firm is also available via the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website also provides information about any employees affiliated with the Firm who are registered as investment adviser representatives.

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## Item 4: Advisory Business

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### **Firm Information**

This Disclosure Brochure (“Form ADV Part 2”) provides information regarding the qualifications, business practices, and the advisory services provided by CLS Financial Advisors, Inc. (CLS or “the Firm”, “we”, “us”, “ours”).

We are a federally Registered Investment Adviser with the U.S. Securities and Exchange Commission (“SEC”). We were founded in 2001 and are owned and operated by Lori L. Pajunen-Luck, Ryan A. Genor and Sarah L. Lane.

Our investment advisory services are driven by and coordinated with each client’s individual financial goals. Our approach uses broadly diversified portfolios and a systematic strategy to manage investments.

### **Our Process**

#### ***Wealth Management***

We set up an initial meeting at no charge to get to know potential new clients, so we understand who they are and what they need. We assess whether our approach is a good fit for their needs. Assuming there is a good fit, we then help clients define goals, organize their financial assets and formulate a systematic strategy to manage them. We incorporate risk tolerance technology, asset allocation design, and asset monitoring tailored to each unique situation. We coordinate employer retirement account choices with other investments to build a diversified portfolio. After the strategy is implemented, we are available to answer questions and help with financial decisions. We meet with clients quarterly, or as needed, to review portfolio performance, discuss current issues, and re-assess goals and plans.

We include ongoing planning work and investment monitoring in our advisory fees. We prepare and update retirement planning projections and work with our clients and their attorneys on estate planning issues. We review risk management needs and coordinate with insurance agents. We address cash flow and budgeting issues and planning for college costs for clients who have those needs. We consider tax planning in all financial and investment plans.

Our investment recommendations generally include mutual funds, exchange-traded funds, and exchange-listed equity securities. We also recommend certificates of deposit, municipal securities, U.S. government securities, and money market funds. If clients want to hold other types of investments, we will advise them on these investments if we think we are qualified to do so. For example, we do not advise on privately held real estate.

#### ***Limited Consulting Services***

We also offer investment advice on a more limited basis. This may include advice on reviewing a client’s existing portfolio only in an isolated area(s) of concern such as estate planning, retirement planning, or other specific topic.

Advice is provided through consultation with the client and may include determination of financial

objectives, identification of financial problems, cash flow management, tax planning, risk management review, investment management, education funding, retirement planning, and estate planning.

### **Tailored Relationships**

We tailor investment advisory services to the individual needs of the client. Our clients are allowed to impose restrictions on the investments in their account. All limitations and restrictions placed on accounts must be presented to us in writing.

### **Wrap Fee Programs**

A “wrap-fee” program is one that provides the client with advisory and brokerage execution services for an all-inclusive fee. The client is not charged separate fees for the respective components of the total service. We do not sponsor, manage or participate in a Wrap Fee Program.

### **Fiduciary Statement**

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts.

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. We must take into consideration each client’s objectives and act in the best interests of the client. We are prohibited from engaging in any activity that is in conflict with the interests of the client. We have the following responsibilities when working with a client:

- To render impartial advice;
- To make appropriate recommendations based on the client’s needs, financial circumstances, and investment objectives;
- To exercise a high degree of care and diligence to ensure that information is presented in an accurate manner and not in a way to mislead;
- To have a reasonable basis, information, and understanding of the facts in order to provide appropriate recommendations and representations;
- Disclose any material conflict of interest in writing; and
- Treat clients fairly and equitably.

Regulations prohibit us from:

- Employing any device, scheme, or artifice to defraud a client;
- Making any untrue statement of a material fact to a client or omitting to state a material fact when communicating with a client;
- Engaging in any act, practice, or course of business which operates or would operate as fraud or deceit upon a client; or
- Engaging in any manipulative act or practice with a client.

We will act with competence, dignity, integrity, and in an ethical manner, when dealing with clients. We will use reasonable care and exercise independent professional judgement when conducting investment analysis, making investment recommendations, trading, promoting our services, and engaging in other professional activities.

**Assets Under Management**

As of December 31, 2023, we manage \$138,928,682 of client assets; \$119,917,041 on a discretionary basis and \$19,011,641 on a non-discretionary basis. We also have \$14,418,413 in assets under advisement.

## Item 5: Fees and Compensation

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We are fee-only advisors, meaning we are compensated only by our clients and do not receive compensation or commissions from any other parties. We believe this method of compensation minimizes conflicts of interest. We base our fees on hourly charges, fixed fees, and a percentage of assets under management which are described below.

### **Compensation – Investment Management Services**

Our investment management fees are as follows:

If total assets are under \$1,000,000, the annual fee schedule is:

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$0 to \$1,000,000	1.25% per annum or \$9,000, whichever is less

If total assets are over \$1,000,000, the annual fee schedule is:

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
First \$0 to \$1,000,000	\$9,000
Plus amounts \$1,000,000 to \$3,500,000	0.75%
Plus amounts over \$3,500,000	0.50%

The asset-based fee is billed on a quarterly basis, in arrears, based upon the market value of the Household Assets, including cash, on the last day of the quarter as valued by the custodian.

Generally, our minimum annual fee for Investment Management services is \$9,000.

### **Calculation of Fees and Payments**

The specific manner in which we charge fees is established in a client's written agreement with us. For first-year clients, the fee will be based on the market value of the account as of the day we were able to view the account at the custodian holding the client's assets. Fees for partial quarters at the beginning or termination of the agreement will be prorated.

In consideration of our services, the client will pay us a quarterly fee billed at the end of the quarter paid directly to us from the assets held in the portfolio. The client agrees to execute any authorization(s) required by any Custodian in furtherance of the direct fee deduction arrangement. Alternatively, the quarterly fee may be paid by invoice with payment due within 30 days from the date of the invoice. A late fee of 1.5% per month is charged upon any balance unpaid within one month of the invoice date. The fee will be calculated quarterly based on the market value of the account on the last trading day of the previous calendar quarter.

We may modify the terms of the fee agreement by giving clients 30 days written notice in advance.

All invoiced balances due, per the calculations shown above, are rounded either up or down to the nearest dollar.

### **Compensation – Limited Consulting Services**

Consulting fees will be charged in one of two ways:

- As a fixed fee, typically ranging from \$1,000 to \$10,000, depending on the nature and complexity of each client's circumstances, or
- On an hourly basis of \$300 per hour.

All consulting fees are due in arrears, upon completion of the services.

### **Other Fees**

There are no additional types of fees or expenses that our clients pay in connection with the delivery of advisory services.

### **Cash Balances**

Some of your assets may be held as cash and remain uninvested. Holding a portion of your assets in cash and cash alternatives, i.e., money market fund shares, may be based on your desire to have an allocation to cash as an asset class, to support a phased market entrance strategy, to facilitate transaction execution, to have available funds for withdrawal needs or to pay fees, or to provide for asset protection during periods of volatile market conditions. Your cash and cash equivalents will be subject to our investment advisory fees unless otherwise agreed upon. You may experience negative performance on the cash portion of your portfolio if the investment advisory fees charged are higher than the returns you receive from your cash.

### **General Information on Compensation and Other Fees**

In certain circumstances, fees, account minimums and payment terms are negotiable depending on client's unique situation – such as the size of the aggregate related party portfolio size, family holdings, low-cost basis securities, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation.

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus.



Such charges, fees and commissions are exclusive of and in addition to our fees, and we shall not receive any portion of these commissions, fees, and costs.

All fees paid to us for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client could invest in a mutual fund directly, without our services. In that case, the client would not receive our services, which are designed, among other things, to assist the client in determining which mutual funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

### **Mutual Fund Share Class Selection**

Similar investment management services may (or may not) be available from other investment advisers for a lower fee. Investment management fees, which include investment management and transaction costs, may be more or less costly than paying for the services separately, depending upon the investment advisory fees charged, the number of transactions for the account, the mutual fund share class you purchase and the underlying 12(b)-1 fee, and the level of brokerage and other fees that would be payable if you obtained the services available under the program individually.

### **Rollover Recommendations**

As part of our investment advisory services to our clients, we may recommend that clients roll assets from their employer's retirement plan, such as a 401(k), 457, or ERISA 403(b) account (collectively, a "Plan Account"), to an individual retirement account, such as a SIMPLE IRA, SEP IRA, Traditional IRA, or Roth IRA (collectively, an "IRA Account") that we will advise on the client's behalf. We may also recommend rollovers from IRA Accounts to Plan Accounts, from Plan Accounts to Plan Accounts, and from IRA Accounts to IRA Accounts. When we provide any of the foregoing rollover recommendations we are acting as fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts.

If the client elects to roll the assets to an IRA that is subject to our advisement, we will charge the client an asset-based fee as set forth in the advisory agreement the client executed with our firm. This creates a conflict of interest because it creates a financial incentive for our firm to recommend the rollover to the client (i.e., receipt of additional fee-based compensation). Clients are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if clients do complete the rollover, clients are under no obligation to have the assets in an IRA advised on by our firm. Due to the foregoing conflict of interest, when we make rollover recommendations, we operate under a special rule that requires us to act in our clients' best interests and not put our interests ahead of our clients'.

Under this special rule's provisions, we must:

- meet a professional standard of care when making investment recommendations (give prudent advice);
- never put our financial interests ahead of our clients' when making recommendations (give loyal advice);
- avoid misleading statements about conflicts of interest, fees, and investments;
- follow policies and procedures designed to ensure that we give advice that is in our clients' best interests;
- charge no more than a reasonable fee for our services; and
- give clients basic information about conflicts of interest.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, clients should consider the costs and benefits of a rollover. Note that an employee will typically have four options in this situation:

1. leaving the funds in the employer's (former employer's) plan;
2. moving the funds to a new employer's retirement plan;
3. cashing out and taking a taxable distribution from the plan; or
4. rolling the funds into an IRA rollover account.

Each of these options has positives and negatives. Because of that, along with the importance of understanding the differences between these types of accounts, we will provide clients with an explanation of the advantages and disadvantages of both account types and the basis for our belief that the rollover transaction we recommend is in your best interests. As an alternative to providing clients with a rollover recommendation, we may instead take an entirely educational approach in accordance with the U.S. Department of Labor's Interpretive Bulletin 96-1. Under this approach, our role will be limited only to providing a client with general educational materials regarding the pros and cons of rollover transactions. We will make no recommendation to clients regarding the prospective rollover of client assets and our clients are advised to speak with their trusted tax and legal advisors with respect to rollover decisions. As part of this educational approach, we may provide our clients with materials discussing some or all of the following topics: the general pros and cons of rollover transactions; the benefits of retirement plan participation; the impact of pre-retirement withdrawals on retirement income; the investment options available inside their Plan Account; and high level discussion of general investment concepts (e.g., risk versus return, the benefits of diversification and asset allocation, historical returns of certain asset classes, etc.). We may also provide clients with questionnaires and/or interactive investment materials that may provide a means for them to independently determine their future retirement income needs and to assess the impact of different asset allocations on their retirement income. Our clients will make their own final rollover decision.

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

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“Performance-based fees” are fees based on the capital gains or capital appreciation in an account. We do not charge performance-based fees. “Side-by-side management” refers to the practice of managing both accounts that are charged a performance-based fee and accounts that are charged other types of fees, such as asset-based fees and hourly fees. Because we do not charge performance-based fees, we do not engage in side-by-side management.

## Item 7: Types of Clients

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### **Types of Clients**

We provide investment advice to individuals, high net worth individuals and trusts. Our clients are generally professionals, business owners, corporate executives or retirees. However, there is no “typical” client. When working with us, clients must be willing to be involved in the planning, implementation, and monitoring processes. It is our belief that this level of involvement helps them gain a sense of empowerment and security so that they are informed about their investments. Although our clients are involved in the planning process, it need not be time consuming on an ongoing basis. We work with clients to plan how much time they want to devote to the process.

### **Account Minimums**

Clients receiving ongoing investment management services will generally be assessed a \$9,000 minimum annual fee. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

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

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### Methods of Analysis

Our approach is based on the science of the capital markets, rather than speculation and market timing, using primarily Dimensional Fund Advisors (DFA) mutual funds. This approach builds broadly diversified portfolios in the worldwide fixed-income and equity markets, combined with periodic rebalancing. Portfolio design is tailored to each client's risk tolerance and preferences. For example, tax-managed funds and environmentally sustainable funds are available. Fixed income and cash parts of portfolios emphasize safety of principal.

### Investment Strategies

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time.

### Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

**All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. Although we manage assets in a manner consistent with your investment objectives and risk tolerance, there can be no guarantee that our efforts will be successful. You should be prepared to bear the following risks of loss:**

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties (i.e., Non-traded REITs and other alternative investments) are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Cybersecurity Risk:** A breach in cyber security refers to both intentional and unintentional events that may cause an account to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause an account to incur regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures, and/or financial loss.
- **Pandemic Risk:** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption.
- **Custodial Risk:** This risk is the probability that a party to a transaction will be unable or unwilling to fulfill its contractual obligations either due to technological errors, control failures, malfeasance, or potential regulatory liabilities.

## **Item 9: Disciplinary Information**

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We are required to disclose all pertinent facts regarding any legal, regulatory or disciplinary events that would be material to your evaluation of the Firm or the integrity of our management.

There have never been any legal, regulatory or disciplinary actions against the Firm or our management persons.

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

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### **Financial Industry Activities**

We are not registered as a broker-dealer, and none of our management persons are registered representatives of a broker-dealer. We are not registered and do not have an application pending as a securities broker-dealer, futures commission merchant, commodity pool operator or commodity trading advisor.

We do not have arrangements that are material to our business and clients and investors with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser, futures commission merchant, bank or thrift institution, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited liability companies.

### **Other Affiliations – Accountant or Accounting Firm**

Lori L. Pajunen-Luck, Ryan A. Genor and Sarah L. Lane are Certified Public Accountants. Ryan A. Genor is a shareholder of Schultz Group CPAs, PC, an accounting firm providing traditional accounting and tax consulting services. Both Lori L. Pajunen-Luck and Sarah L. Lane provide services to clients of Schultz Group on a part-time basis. Our clients may also become clients of Schultz Group but are not required to do so. We do not pay or receive referral fees from the accounting firm.

### **Other Investment Advisors**

We do not recommend or select other investment advisors for our clients.



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

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### **Code of Ethics**

Our employees must comply with a Code of Ethics and Statement for Insider Trading (the “Code”). The Code describes our high standard of business conduct, and fiduciary duty to our clients. The Code’s key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

Our employees must acknowledge the terms of the Code at least annually, and any employee not in compliance with the Code may be subject to termination.

### **Participation or Interest in Client Transactions – Personal Securities Transactions**

Both the Firm and our employees may buy or sell securities identical to those recommended to clients for their personal accounts. The Code, described above, is designed to assure that the personal securities transactions, activities and interests of the employees of the Firm will not interfere with (i) making decisions in the best interest of clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities, primarily mutual funds, have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our clients. In addition, the Code requires pre-clearance of many transactions. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. The Firm may maintain a list of restricted securities that employees may not purchase or sell based upon having (or possibly having) access to inside information. Employee trading is continually monitored under the Code and designed to reasonably prevent conflicts of interest between the Firm and our clients.

### **Participation or Interest in Client Transactions and Principal/Agency Cross Trades**

We do not recommend any securities to our clients in which we have a material financial interest. We do not affect any principal or agency cross securities transactions for client accounts. We also do not cross trades between client accounts.

### **Participation or Interest in Client Transactions – Aggregation**

Neither we, nor our employees, aggregate (block) trades with clients.

## Item 12: Brokerage Practices

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### **Research and Other Soft Dollar Benefits**

We do not receive formal soft dollar benefits other than execution from broker/dealers in connection with client securities transactions. See disclosure below in “Brokerage – Other Economic Benefits.”

### **Brokerage for Client Referrals**

We do not receive client referrals from broker/dealers.

### **Directed Brokerage**

While not routine, the client may direct us to use a particular broker-dealer to execute some or all transactions for the client. This brokerage direction must be requested by the client in writing. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to “batch” client transactions for execution through other broker-dealers with orders for other accounts managed by us. By directing brokerage, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Not all advisers require or allow their clients to direct brokerage. Subject to our duty of best execution, we may decline a client’s request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

If the client requests us to arrange for the execution of securities brokerage transactions for the client’s account, we shall direct such transactions through broker-dealers that we reasonably believe will provide best execution. We shall periodically and systematically review our policies and procedures regarding recommending broker-dealers to our client in light of our duty to obtain best execution.

### **Directed Brokerage - Other Economic Benefits**

We shall generally recommend that portfolio management clients establish brokerage accounts with certain registered broker-dealers to maintain custody of clients' assets and to effect trades for their accounts.

We are independently owned and operated and not affiliated with any broker-dealer. Broker-dealers provide us with access to institutional trading and custody services, which are typically not available to their retail investors. These services generally are available to independent investment advisors on an unsolicited basis **and are not otherwise contingent upon our commitment to the broker-dealer for any specific amount of business** (assets in custody or trading).

For our client accounts maintained there, each broker-dealer is compensated through commissions or other transaction-related fees for securities trades that are executed through their firm or that settle into their client accounts. The brokerage commissions and/or transaction fees charged by any broker-dealer are exclusive of and in addition to our fees.

### **Brokerage - Other Economic Benefits**

We may have the opportunity to receive traditional “non-cash benefits” from broker/dealers such as customized statements; receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk servicing advisors exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client portfolios; ability to have investment advisory fees deducted directly from client portfolios; access to an electronic communication network for client order entry and portfolio information; access to mutual funds which generally require significantly high minimum initial investments or those that are otherwise only generally available to institutional investors; reporting features; receipt of industry communications; and perhaps discounts on business-related products.

Broker/dealers may also provide general access to research and perhaps discounts on research products. Any research received is used for the benefit of all clients. We have no written or verbal arrangements whereby we receive soft dollars. While we endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of any additional compensation itself creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

### **Trade Aggregation**

We may aggregate trades for multiple accounts. Trade aggregation is the act of trading a large block of a security in a single order. Shares of a purchased security are then allocated to the appropriate accounts in the appropriate proportion. The main purposes of order aggregation are (i) for ease of trading and (ii) to obtain a lower transaction cost associated with trading a larger quantity.

Orders for the same security entered on behalf of more than one client may be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. If the order is filled at different prices during the day, the prices are averaged for the day so that all participating accounts receive the same price. If an order has not been filled completely so that there are not enough shares to allocate among all the clients equally, shares will be allocated in good faith, based on the following considerations: amount of cash in the account, existing asset allocation and industry exposure, risk profile, and type of security. If a partial execution is attained at the end of the trading day, we will generally allocate shares on a pro rata basis but may fill small orders entirely before applying the pro rata allocation. All clients participating in each aggregated order shall receive the average price and subject to minimum ticket charges, pay a pro-rata portion of commissions.

Our allocation procedure seeks to be fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other clients.

Accounts for us or our employees will not be included in a block trade with client accounts.

## Item 13: Review of Accounts

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### **Reviews**

We review all of client's relevant information, including investment portfolios. The individuals completing these reviews are Lori L. Pajunen-Luck, President and Financial Planner, Ryan A. Genor, Vice President and Financial Planner, and Sarah L. Lane Chief Compliance Officer, Secretary, Treasurer and Financial Planner

Portfolios are generally monitored on a quarterly basis; however, reviews could also occur at the time of new deposits, material changes in client's financial information, changes in economic cycles, at our discretion, or as often as the client directs. Reviews entail analyzing securities, sensitivity to overall markets, economic changes, investment results and asset allocation, etc., to ensure the investment strategy and expectations are structured to continue to meet clients' objectives.

### **Review Triggers**

Other conditions that may trigger a review are changes in market, political or economic conditions, tax laws, new investment information, and changes in a client's own situation, (such as retirement, termination of employment, physical move, or inheritance).

### **Reporting**

Each month, the custodian provides clients with an account statement for each client account, which may include individual holdings, cost basis information, deposits and withdrawals, accrued income, dividends, and performance. We may also provide clients with periodic reports regarding their holdings, allocations, and performance.

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

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We do not receive any economic benefits (other than normal compensation and benefits described in Item 12) from any firm or individual for providing investment advice.

### **Compensation – Client Referrals**

We have been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees, and other similar sources. We do not compensate referring parties for these referrals.

## Item 15: Custody

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### **Custody – Fee Debiting**

Clients may authorize us (in the client agreement) to debit fees directly from their account at the broker dealer, bank or other qualified custodian (“custodian”). The custodian is advised in writing of the limitation of our access to the account. The custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to the Firm.

### **Custody – Account Statements**

Clients receive at least quarterly statements from the custodian that holds and maintains client’s investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the reports that we provide. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16: Investment Discretion**

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We may accept limited power of attorney to act on a discretionary basis on behalf of clients. A limited power of attorney allows us to execute trades on behalf of clients. When such limited powers exist between the Firm and the client, we have the authority to determine, without obtaining specific client consent, both the amount and type of securities to be bought to satisfy client account objectives.

If we have not been given discretionary authority, we consult with the client prior to each trade.

## Item 17: Voting Client Securities

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### **Proxy Voting**

We do not have any authority to and do not vote proxies on behalf of clients, nor do we make any express or implied recommendation with respect to voting proxies. Clients retain the sole responsibility for receiving and voting proxies that they receive directly from either their custodian or transfer agents. Clients may contact us for information about proxy voting.



## Item 18: Financial Information

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We have no financial commitments that impair our ability to meet contractual and fiduciary commitments to clients and we have never been the subject of a bankruptcy proceeding.

We do not require prepayment of fees of both more than \$1,200 per client, **and** more than six months in advance; and therefore, we are not required to provide a balance sheet to clients.

## Part 2B of Form ADV – Brochure Supplement

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### **CLS Financial Advisors, Inc.** Form ADV Part 2A Investment Adviser Brochure

9700 SW Capitol Highway, Suite 285  
Portland, Oregon 97219  
(503) 244-8879  
[www.clsadvisors.com](http://www.clsadvisors.com)

February 2024

This Brochure Supplement provides information about the Firm's ("we," "us," "our") employees that supplements our Brochure. You should have received a copy of that Brochure. Please contact Sarah L. Lane, Chief Compliance Officer, Secretary, Treasurer and Financial Planner at (503) 244-8879 or [sarah@clsadvisors.com](mailto:sarah@clsadvisors.com) if you did not receive our Brochure or if you have any questions about the contents of this Supplement.

Additional information about our employee(s) referenced above is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search this site using a unique identifying number, known as a CRD number for each employee.

## Item 2: Educational Background and Business Experience

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This brochure supplement provides information about Lori L. Pajunen-Luck, Ryan A. Genor and Sarah L. Lane.

### **Education and Business Background**

We require that employees who provide investment advice have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework and certifications include: PFS, CPA, CFP®, MBA, CFA, ChFC, JD, CTFA, or EA. Additionally, advisers must have work experience that demonstrates their aptitude for financial planning and investment management.

### **Supervised Persons**

***Lori L. Pajunen-Luck***  
CRD #: 5756508

Born 1956

### **Business Background:**

CLS Financial Advisors, Inc.  
President and Financial Planner

2001 to Present

Schultz Group CPAs, PC  
CPA

1988 to Present

Schultz Group CPAs, PC  
Shareholder

1993 to 2020

### **Formal Education after High School:**

Portland State University  
Master of Taxation

Oregon State University

Bachelor of Science in Business Administration with concentrations in Accounting and Finance

### **Volunteer Positions:**

Member, CPA Evolution Task Force to revise and update the 2024 CPA Exam	2020 to 2021
Commissioner, AICPA National Accreditation Commission	2016 to 2019
Member, AICPA PFS Executive Committee	2013 to 2016
Co-Chair, Oregon Society of CPAs Personal Financial Planning Knowledge Network	2011 to 2013
Beta Alpha Psi, Speaker	2010 to 2020
Member, AICPA PFS Credential Committee	2009 to 2013
Member, AICPA National PFS Networking Group	2007 to 2012

### **Professional Designations:**

Certified Public Accountant (CPA)  
Personal Financial Specialist (PFS)

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**Ryan A. Genor**  
**CRD#: 3130458**

Born 1975

**Business Background:**

CLS Financial Advisors, Inc.  
Vice President and Financial Planner

2011 to Present

Schultz Group CPAs, PC  
Shareholder

2008 to Present

Schultz Group CPAs, PC  
CPA

2000 to Present

**Formal Education after High School:**

Oregon State University  
Bachelor of Science in Accounting/MIS

**Volunteer Positions:**

Member, OSCPA Northwest Federal Tax Conference Committee

2011 to 2012

**Professional Designations:**

Certified Public Accountant (CPA)  
Personal Financial Specialist (PFS)

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**Sarah L. Lane**  
**CRD #: 6898021**

Born 1984

**Business Background:**

CLS Financial Advisors, Inc.  
Chief Compliance Officer, Secretary, Treasurer and Financial Planner

2016 to Present

Schultz Group CPAs, PC  
CPA

2016 to Present

Patrick Casey and Co., LLP  
Tax Associate

2007 to 2010

**Formal Education after High School:**

University of Connecticut  
Master of Arts in Higher Education and Student Affairs  
University of Oregon  
Bachelor of Science in Accounting

**Professional Designations:**

Certified Public Accountant (CPA)

**Professional Certifications**

Certain of our employees maintain the following professional designations, which require the following minimum requirements:

<b><i>Certified Public Accountant (CPA)</i></b>	
<b>Issued By</b>	State Boards of Accountancy
<b>Prerequisites</b>	<p>Candidate must meet the following requirements:</p> <ul style="list-style-type: none"> <li>• Minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA);</li> <li>• Successful passing of the Uniform CPA Examination</li> </ul>
<b>Education Requirements</b>	At minimum, a college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting)
<b>Exam Type</b>	Uniform CPA Examination
<b>Continuing Education Requirements</b>	Completion of 40 hours of continuing professional education each year (or 80 hours over a two-year period) in order to maintain a CPA license
<b><i>Personal Financial Specialist (PFS)</i></b>	
<b>Issued By</b>	American Institute of Certified Public Accountants (AICPA)
<b>Prerequisites</b>	<p>Candidate must meet the following requirements:</p> <ul style="list-style-type: none"> <li>• Must hold an unrevoked CPA license;</li> <li>• Fulfill 3,000 hours of personal financial planning business experience;</li> <li>• Complete 80 hours of personal financial planning continuing professional education credits;</li> <li>• Pass a comprehensive financial planning exam (PFS Exam); and</li> <li>• Be an active member of the AICPA</li> </ul>
<b>Education Requirements</b>	Must meet minimum education requirements for CPA.
<b>Exam Type</b>	PFS Exam
<b>Continuing Education Requirements</b>	Completion of 60 hours of financial planning continuing professional education credits every three years

**Item 3: Disciplinary Information**

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Neither we nor any of the employees named in this Form ADV Part 2B have been involved in any activities resulting in a disciplinary disclosure.

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

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Lori L. Pajunen-Luck, Ryan A. Genor and Sarah L. Lane are Certified Public Accountants. Ryan A. Genor is a shareholder of Schultz Group CPAs, PC, an accounting firm providing traditional accounting and tax consulting services. Both Lori L. Pajunen-Luck and Sarah L. Lane provide services to clients of Schultz Group on a part-time basis.

## **Item 5: Additional Compensation**

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No Supervised Person receives any economic benefit outside of regular salaries or bonuses related to amount of sales, client referrals or new accounts.

## **Item 6: Supervision**

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Lori L. Pajunen-Luck, Ryan A. Genor and Sarah L. Lane are responsible for supervision of the services and advice provided to clients of the firm. Together, these principals of the Firm prepare investment policies, forms and procedures for working with clients and for managing the Firm.