

# Mountain Pacific Investment Advisers, LLC

877 West Main Street Suite 704  
Boise, ID 83702

Phone: 208-336-1422

Fax: 208-336-1428

[www.mountain-pacific.com](http://www.mountain-pacific.com)

## **Form ADV Part 2A Brochure**

Date of Brochure: 03/20/2024

This brochure provides information about the qualifications and business practices of Mountain Pacific Investment Advisers, LLC. If you have any questions about the contents of this brochure, please contact us at 208-336-1422. 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.

Additional information about Mountain Pacific Investment Advisers is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Mountain Pacific Investment Advisers is a registered investment adviser with the U.S. Securities and Exchange Commission. This registration does not imply a certain level of skill or training.

## Item 2 Material Changes

This section includes a summary of material changes to our brochure since the last annual update. There are the following material changes in this brochure since the last annual updating amendment of Mountain Pacific Investment Advisers LLC filed on March 13, 2023. Material changes relate to Mountain Pacific Investment Advisers LLC's policies, practices or conflicts of interests.

Matthew Lindstrom and Nathan Oakley are now greater than 25% owners of the firm and control persons.

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## Item 4 Advisory Business

### **Description of Advisory Firm**

Mountain Pacific Investment Advisers (“Mountain Pacific”) is a registered investment adviser with the U.S. Securities and Exchange Commission with its principal place of business located in Boise, Idaho. Mountain Pacific and its predecessor have provided investment advisory services since 1973, advising clients from across the country, with a specific focus in Idaho, the Mountain West, and the Pacific Northwest. Mountain Pacific is independent and has no affiliation with a brokerage firm, bank, or insurance company. The principal shareholders of the firm are William Palumbo, Bruce Reeder, Matthew Lindstrom and Nathan Oakley .

### **Description of Advisory Services**

Mountain Pacific provides investment management and financial planning and consulting services.

#### *Investment Management*

Our primary advisory service is investment management. As part of the investment management service, we generally provide the following services to clients:

- Asset allocation
- Security selection
- Development of a client profile and suitability questionnaire
- Performance reporting
- Distribution planning (for retirement income, or distributions from an endowment)
- Proxy voting
- Securities Class Action Claim Filing
- Conference calls, virtual and in-person meetings
- Coordination with legal and tax advisers
- Communication with an organization’s Board of Directors

We provide discretionary investment management services tailored to meet your needs and investment objectives. Typically, our investment process starts with a personal discussion with you, in which we determine your investment objectives, risk tolerance, liquidity needs, time horizon, and other relevant information (“suitability information”). Based on these discussions, we identify an asset allocation and investment strategy and manage the portfolio accordingly. We may utilize an appropriate model portfolio, or we may customize an investment portfolio to meet your investment objectives and risk tolerance.

Investment selection and account supervision are guided by your stated objectives (i.e., aggressive growth, growth, growth and income, or preservation of capital), as well as tax

considerations. Once your portfolio has been established, we review the portfolio at a minimum on an annual basis, and if necessary, rebalance the portfolio according to your needs. More frequent reviews are triggered by material changes in your circumstances, the market, or the political/economic environment.

Upon your request, we may agree to provide advice on accounts that are not managed by our firm (e.g., 401k and 403b accounts). Such advice will only be furnished on a periodic and non-continuous basis. It will be your responsibility to act on any of the recommendations we provide and to initiate a request for each review.

### *Financial Planning and Consulting Services*

The financial planning and consulting services we provide include assistance in defining and quantifying goals and priorities and the evaluation of needs for retirement planning. Our financial planning primarily focuses on retirement planning; however, if we identify a need for estate planning, tax planning or insurance, then we work collaboratively with your attorney, CPA, and insurance agent. We do not provide legal, tax or insurance advice. Please consult an attorney, CPA, or insurance agent to follow up on any recommendations we provide.

Typically, our financial planning process includes gathering information about your financial circumstances, objectives, and other financial data, reviewing and analyzing your goals and needs, and then preparing a written financial plan. Occasionally, we may provide the results and recommendations orally.

Financial plans will vary in length and scope because each financial plan is customized to the client to address their specific goals and objectives. Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. Our financial plans contain assumptions on interest and inflation rates, along with past trends and performance of the market and economy. Past performance is in no way an indication of future performance. You must promptly notify our firm if your financial situation, goals, objectives, or needs change. You are under no obligation to act on our recommendations. We will update your financial plan periodically upon your request.

Our financial planning and consulting services are included in our investment management fee. Therefore, clients that utilize financial planning/consulting services do not pay a higher fee than those who do not use these services.

### **Types of Investments**

We primarily offer advice on equity securities, mutual funds, exchange-traded funds (ETFs), corporate debt securities, and certificates of deposit. Nonetheless, our investment recommendations are not limited to any specific product or service and will generally include advice regarding a variety of marketable securities. Because some types of investments or strategies involve certain additional degrees of risk, they will only be implemented when consistent with the client's stated investment objectives, risk tolerance, liquidity, and time horizon (see Item 8, "Methods of Analysis, Investment Strategies and Risk of Loss"). Clients

can provide written instructions to impose limitations on specific security transactions; however, in practice, this is rarely done.

### **Assets under Management**

Mountain Pacific manages on a discretionary basis \$ 1,931,996,135 in assets as of December 31, 2023.

## **Item 5 Fees and Compensation**

We are compensated for investment advisory services by receiving a fee based on a percentage of the fair market value of assets under management. The value of the assets will be based on the last business day of each calendar quarter. The fees are payable in advance at the beginning of each calendar quarter. Fees are debited per the fee authorization in the Wealth Management Agreement. While almost all our clients choose to have their fee debited to their account, we will invoice clients upon request.

Because our fee schedule is tiered, we offer lower fees to clients with higher levels of assets. At our discretion, we may combine the account values of family members to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in you paying a reduced advisory fee based on the available breakpoints in the fee schedule.

### **Standard Annual Fee Schedule**

- First \$1,000,000 1.00% annually
- Next \$2,000,000 (\$1,000,001-3,000,000) 0.75% annually
- Above \$3,000,000 0.50% annually

### **Fee Calculation Examples**

- 1) Clients with \$500,000 in AUM are billed annually 1% on the first \$1M.
- 2) Clients with \$2,500,000 in AUM are billed annually 1% on the first \$1M, plus .75% on the next \$1.5M.
- 3) Clients with \$5,500,000 in AUM are billed annually 1% on the first \$1M, plus .75% on the next \$2M, plus .50% on the remaining \$2.5M.

If an account is terminated, fees will be prorated to the date of termination, and any unearned portion of prepaid fees will be refunded to the client. Clients are subject to the fee schedule in effect at the time the client entered the advisory relationship. Therefore, our firm's fees differ among clients.

Our fees are negotiable based upon a variety of factors, including, but not limited to, the size of the relationship, services offered, and complexity of the relationship. Discounts, not generally available to our advisory clients, may be offered to foundations, charities, and family members and friends of associated persons of our firm. In all cases, a client's assigned fee will be

specified in the Wealth Management Agreement that will be signed before the commencement of the working relationship with our firm.

### **Additional Fees and Expenses**

We occasionally utilize mutual funds and Exchange Traded Funds (ETFs) in client portfolios, and these funds have separate and distinct fees that are in addition to the fees paid to Mountain Pacific for advisory services. These fees and expenses are described in each fund's prospectus and generally include a management fee, other fund expenses, and a possible distribution fee.

You may also incur transaction charges and/or brokerage fees when purchasing or selling securities. These transaction charges and fees are typically imposed by the broker-dealer/custodian through whom your account transactions are executed. You may also incur fees and expenses charged by custodians (such as an annual IRA custodial fee, SEC or foreign fees, wire transfer fee, or a fee for a debit card or banking services). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Mutual fund and custodial charges, fees, and commissions are exclusive of and in addition to our fees, and we do not receive any portion of these commissions, fees, or costs.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

We do not charge performance-based fees (fees based on a share of capital gains or capital appreciation of your assets), nor do we offer side-by-side management (charging performance-based fees and another type of fee such as hourly or asset-based).

## **Item 7 Types of Clients**

### **Types of Clients**

We provide investment advisory services to individuals, high net worth individuals, trusts, estates, pensions, profit-sharing plans, corporations and other businesses, charitable organizations, and foundations.

### **Account Minimum**

In general, we require a minimum of \$1,000,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if the client appears to have significant potential to increase assets under our management. We may combine the account values of family members to meet the stated minimum.

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

We use the following methods of analysis in formulating our investment advice and managing client assets:

## Methods of Analysis

- **Fundamental Analysis:** Fundamental analysis is a method of evaluating a security to assess its intrinsic value by examining related economic, financial, and other qualitative and quantitative factors. We study anything that can affect the security's value, including macroeconomic factors (e.g., economy and industry conditions) and microeconomic factors (e.g., financial conditions and company management) to determine whether the security is undervalued or overvalued. The risk of fundamental analysis is that information obtained may be incorrect, and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance. Also, although fundamental analysis helps identify securities that may be a good value based on its current fundamentals, there is no guarantee that other investors will recognize this value and reward the company with a higher stock price.
- **Bottom-up Investment Analysis:** Bottom-up investment analysis entails analyzing individual securities for their merits, such as valuation, management competence, pricing power, and other unique characteristics of the company. Bottom-up investment analysis does not focus on economic cycles or market cycles firsthand for capital allocation decisions but instead aims to find the best companies regardless of economic, market, or industry macro trends. Bottom-up investing takes more of a microeconomic approach to investing rather than a macroeconomic one.
- **Qualitative Analysis:** Qualitative analysis of securities uses subjective judgment based on unquantifiable information, such as management expertise, industry cycles, and the strength of research and development. We subjectively evaluate non-quantifiable factors not readily subject to measurement and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.
- **Mutual Fund & ETF Analysis:** Generally, if we use mutual funds or exchange-traded funds (ETF), we invest in broad-based index funds versus actively managed funds. During our analysis, we typically review the expense ratio, management tenure, long-term performance, number of holdings, turnover ratio, tax efficiency, and fund overlap to determine if a mutual fund or ETF is appropriate for the client account. A risk of mutual fund and ETF analysis is that past performance does not guarantee future results.

## Investment Strategy

- **Common Stock:** Our common stock investment strategy is based on growth at a reasonable price (GARP). We use a bottom-up approach to our common stock security selection and use fundamental analysis to find companies that are undervalued and have solid sustainable growth potential. We typically invest in stocks that have a moderate price to earnings ratio, reasonable price relative to risk, proven management team, recurring revenue, and a unique ability to generate growth (e.g., innovation, research, mergers/acquisitions).
- **Fixed Income:** We typically purchase fixed income securities with laddered maturities in sequential years to minimize the risk of fluctuations in interest rates. Our fixed income strategy is designed to balance a portfolio, thereby reducing its exposure to the volatility

of the stock market. Fixed income securities typically include corporate debt, certificates of deposit, U.S. government securities, mutual funds or exchange-traded funds. We generally invest cash balances in either taxable money market funds, tax-free money market funds, or FDIC insured bank sweep accounts.

- **Other Security Types:** When clients do not have enough assets to diversify with individual securities, we invest in a mutual fund or an exchange-traded fund (ETF) to obtain exposure to common stocks or fixed income. Generally, we invest in broad-based index funds versus actively managed funds. This passive strategy is designed to invest in the market while avoiding the risk of individual security selection. Common stocks are generally riskier than fixed income, so a fund that invests in common stocks tends to be riskier than a fixed income fund.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional before and throughout the investing of your assets.

### **Risk of Loss**

Investing in securities involves the risk of loss that clients should be prepared to bear. Clients should be aware that investments made on their behalf are risky and that loss of client funds is possible in both individual selections and in total, especially with respect to common stock. We seek to reduce risk by investing in a broadly diversified portfolio of common stocks, fixed income securities, mutual funds, or exchange-traded funds. Investments in common stock entail general market risk (systematic risk), the risk of individual selection (unsystematic risk), currency risk, and liquidity risk. Investments in fixed income securities entail interest rate risk, credit risk, inflation risk, reinvestment risk, redemption risk, and liquidity risk. While we strive for superior performance, Mountain Pacific cannot guarantee any level of return.

## [Item 9 Disciplinary Information](#)

Mountain Pacific and its management have not been involved in any legal or disciplinary events related to past or present investment advisory services.

## [Item 10 Other Financial Industry Activities and Affiliations](#)

Mountain Pacific and its management are not involved in any other financial industry activities and do not have other industry affiliations.

## [Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading](#)

### **Description of our Code of Ethics**



Our Code of Ethics establishes rules of conduct for our employees. The purpose of the Code is to preclude activities that may lead to or give the appearance of conflicts of interest, insider trading, and other forms of prohibited or unethical business conduct. The Code of Ethics is designed to, among other things, govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that Mountain Pacific and its employees owe a fiduciary duty to Mountain Pacific's clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

Mountain Pacific and our employees are subject to the following specific fiduciary obligations when dealing with clients:

- The duty to have a reasonable, independent basis for the investment advice provided
- The duty to obtain best execution for a client's transactions where the firm can direct brokerage transactions for the client
- The duty to ensure that investment advice is suitable to meet the client's individual objectives, needs, and circumstances
- A duty to be loyal to clients

### **Personal Trading Practices**

Our employees can trade for their accounts in securities which are recommended to and purchased for our clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their accounts.

Our Code of Ethics requires pre-clearance of all employee transactions and allows trading on the same day as client trading activity but requires the employee to get the same average price as the client. Because the Code of Ethics permits 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. Employee trading is regularly monitored under the Code of Ethics to prevent conflicts of interest between our clients and us.

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

To avoid conflicts of interest, we do not perform agency cross transactions or principal trading transactions. An agency cross transaction is a transaction in which an investment adviser acts as the broker for both his client and the other party to the transaction. While Mountain Pacific does not engage in agency cross transactions, situations arise where a cross transaction between two clients benefits each other. In such an instance, Mountain Pacific will arrange for the custodian to act as agent/broker between the clients. A principal trading transaction is defined as a transaction where an adviser, acting as principal for its account, buys from or sells any security to any advisory client.

A complete copy of our Code of Ethics is available to you upon request at 208-336-1422.

## Item 12 Brokerage Practices

Our firm services private clients and institutional clients. Brokerage practices differ between the two client types.

### **The Custodians and Brokers We Use**

*Private Clients:* Client assets must be maintained in an account at a qualified custodian, generally a broker-dealer or bank. We generally recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian.

We are independently owned and operated and are not affiliated with Schwab or any other broker-dealer. Schwab will hold your assets in a brokerage account and buy and sell securities as we instruct them. While we recommend that you use Schwab as a custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client Referrals and Other Compensation). You should consider these conflicts of interest when selecting your custodian. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, and we anticipate that most trades will be executed through Schwab, we can use other brokers to execute trades for your account, as described below (see “Your Brokerage and Custody Costs”).

*Institutional Clients:* We do not make recommendations or influence the selection of the qualified custodian for institutional clients. However, institutional clients allow Mountain Pacific to select broker-dealers for trade execution.

### **How We Select Custodians/Brokers-Dealers**

*Private & Institutional Clients:* We seek to recommend a custodian/broker-dealer who will hold client assets and execute transactions on terms that are, overall, advantageous compared to other available providers and their services. We consider a range of factors, including:

- Transaction services and asset custody services
- Capability to execute trades
- Capability to facilitate transfers and payments
- The breadth of available investment products
- Availability of investment research and tools
- Quality of services
- Competitiveness of the price of services
- Reputation, financial strength, stability
- Prior service to us and our clients

- Availability of other products and services that benefit us, as discussed below

### **Your Brokerage and Custody Costs**

*Private Clients:* Mountain Pacific primarily utilizes Schwab as our clients' custodian, which generally does not charge separately for custody services but is compensated by charging a commission or other fees on trades they execute and by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. Certain trades (for example, stock, many mutual funds and ETFs) do not incur Schwab commissions or transaction fees. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, to minimize your trading costs, we generally have Schwab execute trades for your account. In practice, most clients do not use prime broker or trade away services.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How We Select Custodians/Broker-Dealers"). By using another broker or dealer, you may pay lower transaction costs.

*Institutional Clients:* Institutional Clients typically incur custodial costs and brokerage costs. Mountain Pacific does not recommend custodians for institutional clients and does not determine the custody costs. Generally, institutional clients allow us to select broker-dealers for trade execution, and the broker-dealers are compensated by charging a commission or other fees on trades they execute.

### **Products and Services Available to Us from Custodians/Brokers**

*Private Clients:* Schwab Advisor Services is Schwab's business serving independent investment advisory firms like Mountain Pacific. They provide our clients and us with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab private customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

- **Services That Benefit You:** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum

initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

- **Services That May Not Directly Benefit You:** Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm.

Schwab makes available software and other technology that:

- Provide access to client account data (duplicate trade confirms and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate the payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and related compliance needs
- Publications and conferences on practice management and business succession
- Marketing consulting and support

*Institutional Clients:* The brokers we use to execute trades for institutional clients provide us with access to industry analysts and useful proprietary research. We use these benefits to service all or a substantial number of our clients. Because we receive these benefits, commissions that institutional clients pay may be higher than those charged by other broker-dealers.

### **Our Interest in Custodian/Broker Services**

*Private Clients:* The services provided by Schwab benefit our firm because we do not have to produce or purchase them. We do not have to pay for Schwab's services. The services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that our selection of Schwab as custodian is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How We Select Custodians/Broker-Dealers") and not Schwab's services that benefit only us.

*Institutional Clients:* The access to industry analysts and proprietary research from brokers we use to execute trades for institutional clients is a benefit to our firm because we do not have to produce or pay for these services. The fact that we receive these benefits from brokers is an incentive for us to recommend the use of specific brokers rather than making such a decision based exclusively on your interest in receiving the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that our selection of brokers is in the best interests of our institutional client(s). Our selection is primarily supported by the scope, quality, and price of the broker's services (see "How We Select Custodians/Broker-Dealers") and not the broker's services that benefit only us.

### **Brokerage for Client Referrals**

*Private Clients:* Mountain Pacific receives client referrals from Schwab through our participation in the Schwab Advisor Network ("the Service"). The Service is designed to help investors find an independent investment adviser. Schwab is a broker-dealer independent of and unaffiliated with Mountain Pacific. Schwab does not supervise Mountain Pacific and has no responsibility for its management of client portfolios or other advice or services. Mountain Pacific pays Schwab fees to receive client referrals through the Service. Our participation in the Service may raise potential conflicts of interest described below.

We pay Schwab a participation fee on all referred clients' accounts that are maintained in custody at Schwab and we pay a non-Schwab custody fee on all referred accounts that are maintained at, or transferred to, another custodian. The participation fee paid by Mountain Pacific is a percentage of the fees the client owes to Mountain Pacific or a percentage of the value of the assets in the client's account. The participation fee is calculated based on assets in accounts of our clients who were referred by Schwab and family members living in the same household. Mountain Pacific pays Schwab the participation fee for the period in which the referred client's account is in Schwab's custody. The participation fee is billed to us quarterly and may be increased, decreased, or waived by Schwab from time to time. We are responsible for paying the participation fee, not the client. Mountain Pacific does not charge clients referred through the Service fees greater than the fees it charges clients with similar portfolios that are not referred through the Service.

The non-Schwab custody fee is paid by our firm if custody of a referred client's account is not maintained by, or assets in the account are transferred from, Schwab. This fee does not apply if our client was solely responsible for the decision not to maintain custody at Schwab. The non-Schwab custody fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The non-Schwab custody fee is higher than the participation fees that our firm would generally pay in a single year. Thus, we have an incentive to require that our client accounts be held in custody at Schwab.

For our client accounts maintained in custody at Schwab, Schwab will not charge our client separately for custody but will receive commissions or other transactions-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commissions on trades it executes) for clearance and settlement of trades

executed through broker/dealers other than Schwab. Schwab's fees for trades executed at other broker/dealers are in addition to the other broker/dealer's fees. Thus, we may have an incentive to cause trades to be executed through Schwab rather than another broker/dealer. In addition, we have an incentive to recommend Schwab based on our interest in receiving client referrals rather than on client's interest in receiving most favorable execution. Our firm, nevertheless, acknowledges its duty to seek best execution of trades for our client accounts.

Trades for client accounts in custody at Schwab may be executed through a different broker/dealer than trades for our other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker/dealers.

### **Directed Brokerage**

*Private Clients:* Although we recommend that private clients establish accounts with Schwab, we also have client accounts at other custodians. We will accommodate a client's request to direct their trade executions to a specific broker. However, when a client directs us to use a specific broker, we may not be able to aggregate transactions, obtain volume discounts, or negotiate commissions. Therefore, we may not be able to achieve best execution of trades or achieve competitive transaction costs. Thus, when directing brokerage business, clients should consider whether the commission expenses, execution, clearance, and settlement capabilities that they will obtain through their broker are adequately favorable in comparison to those that we would otherwise obtain for them.

The aggregation of client transactions allows our firm to execute transactions in a more timely, equitable, and efficient manner. We generally aggregate multiple orders for shares of the same securities purchased for advisory accounts we manage at each respective custodian. When we aggregate orders, each participating account pays an average price per share for all transactions plus applicable transaction fees. Our employees can participate in aggregated trades with your accounts.

In certain cases, such as when we trade for client accounts at different custodians some accounts may not be included in aggregated trading, and, therefore, likely traded before or after aggregated traded accounts. When trades are not aggregated, clients generally don't receive the same price for the transaction as those clients who participated in the aggregated trade. To avoid the appearance of favoring institutional clients over private clients, we rotate the order in which either buy or sell transactions are executed for institutional and private clients when these transactions occur across successive days for any given security.

### **How We Allocate Unfilled Trades**

*Private Clients:* We generally use market orders or flexible limit orders that are filled for clients.. As a result, there is rarely a need to allocate unfilled trades. However, in the event there is a need to allocate unfilled trades fairly and equitably, we will do so at our discretion.

## Item 13 Review of Accounts

The investment adviser representative assigned to your managed account and/or a designated portfolio manager monitors your investments on an ongoing basis and re-balances your portfolio(s) periodically. In addition, we conduct internal account reviews annually to ensure that the advisory services provided to you are consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- Changes in your financial circumstances
- Changes in your risk/return objectives
- Contributions and withdrawals
- Year-end tax planning
- Market moving events
- Changes in the political or economic environment

We provide you written semi-annual reports summarizing account performance, balances, and holdings. In addition, you will receive trade confirmations, monthly or quarterly statements, and annual tax reporting statements from your custodian.

If you elect our financial planning and consulting services, the investment adviser assigned to you will update your financial plan periodically upon your request. A written financial plan may be produced and presented to you and/or we may provide you with oral recommendations.

## Item 14 Client Referrals and Other Compensation

We receive referrals from our existing clients, as well as from other professional service providers, such as lawyers and accountants. While this might provide an incentive for us to discount fees for clients or professionals who refer business to us, it is our strict policy not to do so. Referrals from other professional service providers could cause us to want to return the referrals. However, we are careful to refer our business, and that of our clients, in as unbiased a way as possible. Therefore, we frequently provide multiple names when asked for referrals to professional service providers. None of these individuals or firms are compensated in any way for providing client referrals. You are under no obligation to use the professionals we recommend.

We compensate Schwab for referring clients to us. Please see the section in Item 12 above entitled Brokerage for Client Referrals for further information on this and for disclosures on research and other benefits we receive from our relationship with Schwab.

## Item 15 Custody

Mountain Pacific is deemed to have custody of client funds when the firm can deduct its investment management fees directly from client accounts. Most clients authorize this practice because they find it more convenient than writing and mailing checks to the firm. Although we have deemed custody of client funds, our firm does not have actual custody of client funds. The custodian maintains possession of all client funds. Aside from direct debiting of investment management fees directly from client accounts, we do not have any other types of custody of client assets.

On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. In addition to the periodic statements that clients receive directly from their custodian, we also send reports directly to our clients on a semi-annual basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account holdings and values are correct and current. Clients should contact us directly if they believe that there is an error in their statement.

## Item 16 Investment Discretion

At the inception of our relationship with a client, Mountain Pacific obtains an executed Wealth Management Agreement signed by the client that grants discretionary authority. Our discretionary authority includes the ability to determine the type of security and/or amount of securities that can be bought or sold for the client's portfolio without obtaining the client's consent for each transaction.

In all cases, we exercise our discretionary authority in a manner that is consistent with the client's stated investment objectives (i.e., investment goals, liquidity needs, time horizon, and risk tolerance). A client may provide written instructions to impose limitations on specific security transactions; however, in practice, this is rarely done.

## Item 17 Voting Client Securities

### **Proxy Voting**

We generally assume responsibility to perform proxy voting for the client; however, a limited number of clients elect to retain voting authority for the securities in their accounts. These clients receive proxy forms for their securities or other related solicitations directly from their custodians. These clients may elect to contact us with questions related to specific solicitations.

We use Institutional Shareholder Services Inc. (ISS), an independent proxy voting service provider, to vote all proxies on behalf of client accounts per ISS's US Proxy Voting Guidelines (ISS Recommendations). Additional information about ISS and the ISS US Proxy Voting Guidelines are available at <https://www.issgovernance.com/policy-gateway/voting-policies/>



The ISS Recommendations are designed with the intent of maximizing the long-term economic benefits of shareholders. ISS's role is to execute the proxy voting and ensure that the voting procedures are completed and documented. This process helps to ensure that proxies voted are in the best interest of the client and insulates, as much as possible, voting decisions from conflicts of interest. Generally, ISS will form a single opinion on proxy issues and place votes consistently across all client accounts. If necessary, Mountain Pacific can override ISS vote recommendations. However, we will do so only if we believe that a different vote is in the best interest of the client. Clients can direct our vote on specific matters, but they must do so in writing.

We understand the importance of exercising clients' votes and will take all reasonable steps to exercise this right in all cases. However, if ISS does not receive a timely ballot from the custodian, then the proxy will not be voted. Also, we have the right to refrain from voting a proxy when we determine the cost of voting the proxy exceeds the expected benefit to the client.

Clients can request a copy of the ISS US Proxy Voting Guidelines or information on how your proxies were voted by telephone at 208-336-1422.

### **Corporate Actions**

We use Institutional Shareholder Services Inc. ("ISS") to provide class action litigation monitoring and securities claim filing services. ISS monitors each claim our clients have, collects the applicable documentation, interprets the terms of each settlement, files the appropriate claim form, interacts with the administrators, and distributes the award on the client's behalf. They charge a contingency fee of 15%, which is subtracted from the award when the award is paid. In some circumstances, when the award is small, it is foreign litigation, or we don't have sufficient information to file a claim, we will not file a claim.

## **Item 18 Financial Information**

Mountain Pacific does not require or solicit prepayment of fees over \$1,200 per client more than six months in advance of services rendered; therefore, we are not required to include a balance sheet. We do not have any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients, and we have never been the subject of a bankruptcy petition.

# Mountain Pacific Investment Advisers, LLC

877 West Main Street Suite 704  
Boise, ID 83702

Phone: 208-336-1422  
Fax: 208-336-1428

[www.mountain-pacific.com](http://www.mountain-pacific.com)

## **Form ADV Part 2B Brochure Supplement**

Date of Brochure: 3/15/2024

William J. Palumbo  
Bruce A. Reeder  
Matthew M. Lindstrom, CPA/CFA  
Nathan C. Oakley, CFA

This Brochure Supplement provides information about supervised persons of Mountain Pacific Investment Advisers, LLC listed above that supplements the Mountain Pacific Investment Advisers, LLC. Brochure. You should have received a copy of that Brochure. Please contact us at 208-336-1422 if you did not receive Mountain Pacific's Brochure or if you have any questions about the contents of this supplement.

Additional information about the above-supervised persons is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**William Palumbo: DOB 1953**

Graduated Phi Beta Kappa from the University of Virginia, with a major in economics. Mr. Palumbo holds an M.B.A. degree in Finance from New York University (1979), and a Law degree from Stanford University (1982). From 1976 to 1979, he was employed as a corporate bond analyst by Moody's Investors Service in New York. Before joining Mountain Pacific in 1983, Mr. Palumbo was a management consultant with Bain and Company in Menlo Park, California.

**Bruce Reeder: DOB 1955**

Received a Bachelor of Business Administration degree from the University of Iowa (1978) and a CPA certificate from the California Board of Accountancy. From 1979 to 1982, Bruce was employed as an auditor for Ernst & Young in Kansas City, Missouri, and later in San Francisco, California. In the early 1980's Bruce changed his CPA license from active to inactive status. Before joining Mountain Pacific in 1999, he was a Vice President and senior finance manager with Bank of America, San Francisco.

**Matthew Lindstrom, CPA, CFA: DOB 1981**

Graduated from Brigham Young University with a Bachelor of Science and Master of Accountancy (2006). Matthew earned a CPA certificate from the state of Colorado in 2007, where he held a license until 2017. Currently, he is licensed as a CPA in the state of Idaho and is a member of the AICPA and ISCPA. He worked for Ernst & Young as an auditor from 2006-2010 in Denver, Colorado. Before joining Mountain Pacific in 2017, Matthew worked in accounting and finance for Gold Fields and Suncor Energy in Denver, Colorado. Matthew earned the CFA (Chartered Financial Analyst) designation in 2021.

**Nathan Oakley, CFA: DOB 1976**

Graduated from the University of Puget Sound with Bachelor of Science degrees in Economics and Mathematics (1998). He earned the CFA (Chartered Financial Analyst) designation in 2002 while working as a portfolio manager at Washington Mutual Bank in Seattle. Before joining Mountain Pacific in 2019, he worked as a managing director in the Asset and Liability Management team of PNC Financial Services Group in Pittsburgh (2003-2018).

**Item 3 Disciplinary Information**

There is no reported disciplinary history for individuals listed in this brochure supplement

**Item 4 Other Business Activities**

There are no other business activities for individuals listed in this brochure supplement

**Item 5 Additional Compensation**

There are no additional forms of compensation for individuals listed in this brochure supplement

## Item 6 Supervision

Matthew Michael Lindstrom , Chief Compliance Officer of the firm, supervises all compliance and personal investment related activities of the individuals listed. Bruce Reeder, partner of the firm, supervises the activities of Mr. Lindstrom.

## Professional Designation Qualifications

This summary of Professional Designation Qualifications is provided to assist you in evaluating the professional designations and minimum requirements of our investment professionals to hold these designations. “Understanding Professional Designations” may also be helpful and found on the FINRA website at <https://www.finra.org/investors/professional-designations>

## **About the Chartered Financial Analyst (CFA) Designation**

The Chartered Financial Analyst (CFA) charter is a professional designation established in 1962 and awarded by CFA Institute. To earn the CFA charter, candidates must pass three sequential, six-hour examinations over two to four years. The three levels of the CFA Program test a wide range of investment topics, including ethical and professional standards, fixed-income analysis, alternative and derivative investments, and portfolio management and wealth planning. Also, candidates must have at least four years of acceptable professional experience in the investment decision-making process and must commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

## **About the Certified Public Accountant (CPA) Designation**

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), 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), and successful passage of the Uniform CPA Examination.

To maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over two years or 120 hours over three years). Additionally, all American Institute of Certified Public Accountants (AICPA) Members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. Most state boards of accountancy have adopted the AICPA's Code of Professional Conduct within their state accountancy laws or have created their own.