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*Baltimore-Washington*

FINANCIAL ADVISORS

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Retirement & Estate Planning | Investment Management | Tax Services | Business Services



## Our Mission

**AT BWFA OUR MISSION IS TO PROVIDE SUPERIOR FINANCIAL ADVICE AND DELIVER THE HIGHEST QUALITY CLIENT EXPERIENCE.**

Understanding our clients' needs and goals is the top priority at BWFA. We achieve this through consistent, two-way communication with every client. We don't believe in a one-size-fits-all approach; every client is unique, and we are prepared to adjust our strategies when new situations arise in our clients' lives.

As an independent, fee-only advisory, and fiduciary standard firm our allegiance is to our clients first. We have no commitments to investment companies, insurance companies, or management firms that encroach on our fiduciary responsibility to our clients. Without hidden incentives or financial ties, our expert staff members are free to singularly focus on what we do best: personally deliver objective financial advice to individuals, families, and organizations.

At every level, BWFA's service meets the highest standard for honesty, confidentiality, and integrity.

These principles have motivated us since the company's inception more than 30 years ago, and they continue to provide the foundation for all that we do today. Our commitment to our clients is paramount.

I would personally like to thank you for taking a closer look at our firm and would appreciate the opportunity to work for you.

*Robert Carpenter*



# Commitment to Our Clients

## WHAT IS OUR BUSINESS?

### **WE ARE WEALTH MANAGERS. WE ACT AS A FINANCIAL BODYGUARD FOR OUR CLIENTS.**

BWFA is one of the area's leading comprehensive wealth management firms. Nationally recognized and based in the Baltimore-Washington region, we serve clients throughout the United States. We have a dedicated team of experts in investment management; financial, retirement, and estate planning; tax services; and business services. We coordinate outside legal, accounting, and business advisory resources as necessary, bringing it all together for our clients.

We are committed to unbiased, professional service and uncommon results. As a member of the National Association of Personal Financial Advisors (NAPFA), we have been dedicated to Fee-Only wealth management for over three decades. Rest assured in the knowledge that we are fiduciaries paid only by you, our clients, and not by insurance, mutual fund, or brokerage companies who may not always have your best interests in mind.



## WHO IS OUR CLIENT?

### **OUR CLIENT IS SOMEONE WHO WANTS EXCEPTIONAL STEWARDSHIP OVER THEIR FINANCIAL PLAN AND INVESTMENT ASSETS.**

There is no typical BWFA client; each is an individual. We serve corporate and government executives, engineers and scientists, educators, small business owners, medical professionals, retirees, and families. Our clients are often well-educated and accomplished in their fields. Along the way many have accumulated significant wealth, many investing \$1 million or more with us.

## WHAT DOES OUR CLIENT VALUE?

### **OUR CLIENTS VALUE PEACE OF MIND, KNOWING THAT THEY ARE MAKING THE MOST OUT OF THEIR WEALTH.**

Our clients value high-quality advice, planning, investment management, and tax help, and benefit from the coordination of these services at one firm. Clients come to us for expert advice and the confidence that comes from having a dedicated wealth management team. Most are busy in their careers or are enjoying a hard-earned retirement and don't want to spend valuable time managing financial affairs.





# Our Philosophy

## We Start By Getting To Know Our Clients

BWFA's advisors evaluate a client's financial goals, financial situation, income needs, tax circumstances, and investment risk tolerance. Based on these factors, we design, construct, and implement a comprehensive wealth management plan appropriate to the client's specific needs and goals.

### FEE-ONLY Only

We don't sell anything here except our advice. We are strictly fee-only, meaning compensation for the services we provide comes solely from our clients. We do not participate in contests, commissions, or bonuses. Our clients always come first, and we are free from the conflicts of interest that are common among other firms.

### ADVICE LEADS THE WAY

BWFA clients receive comprehensive, coordinated financial advice on investment management, financial planning, taxes, and business services. Through a close personal relationship with an experienced advisor we can help you:

- Plan for a predictable and secure retirement
- Manage your investments to provide for your family
- Avoid unexpected taxes
- Plan for a smooth transfer of your estate, while minimizing tax consequences
- Provide advice on mergers and acquisitions for small- to middle-market companies.

### BE CONFIDENT, WE'RE ON THE JOB

Let us help you bring order to your affairs, achieve your goals, and relax in retirement. We offer investment management clients the opportunity to:

- Avoid costly investment pitfalls
- Evaluate alternative approaches to lowering investment risk and improving return
- Reduce excessive fees
- Reduce taxes

### HONEST FEES FOR HONEST WORK

At the end of our initial meeting, we will present you with options on how we can assist you and what it will cost. We do not charge for initial consultations. Clients' annual investment management fees range from .65% to 1.25% of assets under management, depending on the size of their accounts. We disclose fees up front so there are no surprises.

### A TEAM OF SPECIALISTS LED BY YOUR ADVISOR

At BWFA, you work with a dedicated Advisor who is supported by a core team of experienced professionals. We take time to become comfortable with each other, carefully analyzing the intricate financial affairs unique to your situation. You get solid, no-nonsense counsel from experienced people you will come to know well. We have dedicated investment management, financial planning, tax, and business services resources in-house, and will bring in legal, accounting, and other experts as necessary.

"The client experience is the centerpiece of our model. We empower individuals, families, institutions, and endowments to realize their aspirations and achieve their most important goals."

**Robert G. Carpenter**  
*President & CEO*

### CONFIDENTIALITY STATEMENT

All our clients value their privacy, so we will not disclose your personal information to anyone unless law requires it, it is at your direction, or it is necessary to provide you with our services. We have not and will not sell your personal information to anyone.



# Our Core Services

## Retirement and Estate Planning



Retirement and Estate planning is the center of our ongoing relationship with our clients. We provide planning for clients of any age and financial circumstance. Comprehensive retirement and estate planning is a careful, precise process. Our experts help bring clarity to your goals, and identify issues, problems, and solutions that give you confidence in your ability to meet your goals.

We use the latest and most sophisticated forecasting techniques available, and provide year by year financial benchmarks to measure and evaluate your progress. Using our techniques and periodic plan review meetings, we are able to make mid-course adjustments to make sure you stay on target. The goal is peace of mind.

We are careful to review the entire financial background of each client before making any recommendations. The brief form you are sent prior to our first session includes questions on insurance, investments, pensions, estate planning matters, taxes, income, and cash flow. Together we discuss your concerns and will then propose an approach to addressing them, as well as an estimate of the fee we will charge to do so. There is no hidden agenda and no undisclosed conflicts of interest.

## Investment Management



At BWFA, we construct and manage investment portfolios custom tailored to our clients' needs, preferences, and risk tolerance. Generally, these needs fall into three simple categories: growth, conservative growth, and income investments.

We select investments we believe are appropriate, monitor their ability to meet your growth and/or income objectives, and make changes when necessary. The following pages will provide more detail about our approach.

## Tax Planning and Preparation



Each year our clients have the opportunity to meet with a BWFA tax advisor to do tax planning. As advisors, we stay on top of new tax legislation and are always looking for ways to reduce our clients' tax burden. Tax planning and preparation goes well beyond the yearly income tax returns that must be filed. We are also concerned about our clients' estate and gift tax planning, and avoidance of the various penalties that may apply to retirement plan distributions.

An advantage of offering income tax preparation to our financial planning and investment advisory clients is that we are better prepared to give wise tax advice.

Without a solid financial plan, individuals could pay more in taxes than would otherwise be necessary. By trying to anticipate and properly plan for the events in our clients' lives that generate large tax liabilities, we may be able to increase the overall wealth that our clients retain.

## Business Services



You have worked hard shaping your business into a successful enterprise. At BWFA, we believe you deserve the same level of effort from the team working to sell it. Our team of business experts at BWFA provides comprehensive mergers & acquisitions services for small- to middle-market companies and their owners. Our services include business valuations, exit planning advisory, sell-side services, buy-side services, and corporate financing.

We bring value to every transaction by working extensively with the business owner to determine the best solution for his or her particular situation. Our experience spans multiple industries, including healthcare, information technology, government contracting, manufacturing, construction, wholesalers/distributors, business services, and professional services.





# Portfolio Management

## OUR INVESTMENT PHILOSOPHY AND APPROACH

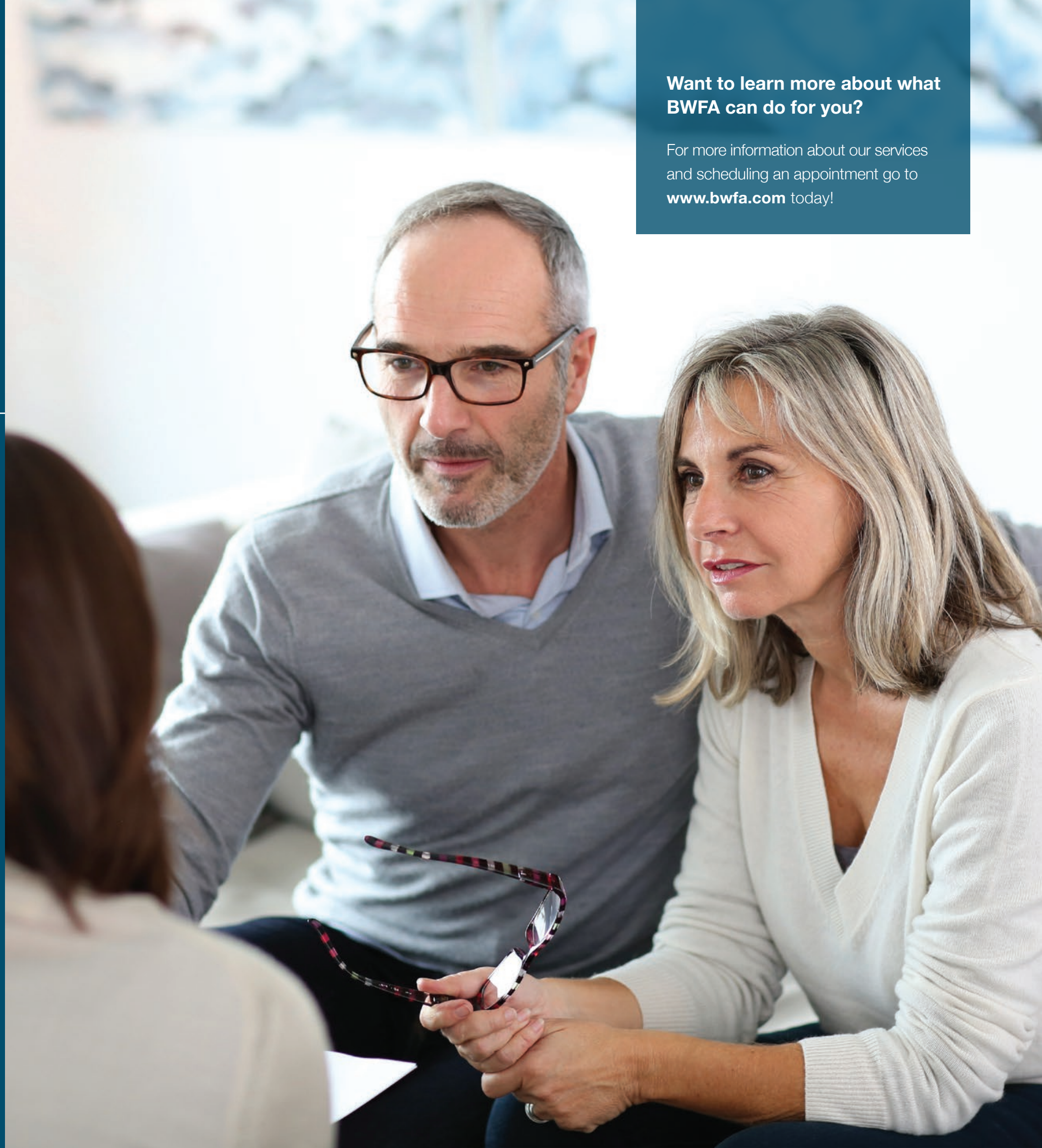
We utilize a bottom-up, value-based, fundamental research approach. We endeavor to select those securities that we believe represent the most attractive opportunities for our clients over the long term. We do not believe that long-term goals can be met by chasing short-term results. Instead, we focus on the bigger picture while also paying attention to the investment environment. Our core investment time horizon is typically three-to-five years. This can be seen in our low portfolio turnover. In summary, we are long-term investors.

Our investment objective emphasizes total return; i.e., a combination of long-term growth of capital and current income. In pursuing this objective, we focus on investing in securities that we believe are undervalued at the time of purchase and have the potential for growth. A guiding principle is the consideration of equity securities, such as common stocks, as units of ownership of a business that we endeavor to purchase when their price appears low in relation to the value of the total enterprise. We invest in securities of U.S. and non-U.S.-based firms, and may hold shares in small-, mid- and large-cap companies.

We typically sell a security when the company shows deteriorating fundamentals, its earnings progress falls short of our expectations, its valuation appears excessive relative to its expected future earnings, management has made missteps or changed strategy, the original thesis for buying the shares no longer applies, or we have accounting-related concerns. We may also adjust positions in order to maintain appropriate portfolio diversification.

**Want to learn more about what BWFA can do for you?**

For more information about our services and scheduling an appointment go to [www.bwfa.com](http://www.bwfa.com) today!







# Portfolio Management

## OUR RESEARCH PROCESS

Potential investment opportunities are identified utilizing a variety of sources and methods, such as our extensive reading about the markets and the companies within it, research we perform on other investments (that leads us to consider competitors, related industries, etc.) and quantitative assessment (based on fundamental factors, such as earnings, cash flow, margin analysis, balance sheet strength, etc.). We may also seek companies that we believe are well-positioned to benefit from our long-term investment outlook.

Prospective investments are analyzed in detail, using a fundamentally based, bottom-up approach. Our research

methodology includes a thorough examination of a company's strategy and outlook, its unique financial characteristics, and the capabilities of its management. In addition, we consider current economic trends as well as our expectations for the future. When performing our analysis, we review key events, SEC filings, published analyses, and other developments that we believe may influence the valuation and long-run suitability of investments. As part of our research process to assess a company's fundamental value, we study its balance sheet, cash flow statement, and earnings history, and evaluate its future prospects.

At the conclusion of the research process, our Investment Committee reviews the research and a vote is taken to determine whether or not our Investment Committee believes the security is suitable for client portfolios. The Investment Committee also regularly reviews securities currently held in client portfolios to determine if they still meet our investment criteria.

## INVESTMENT COMMITTEE

Our Investment Committee has significant knowledge and extensive industry experience. Our Portfolio Managers work as a team in a collaborative approach. Their dedication and commitment over the years has navigated difficult markets with steadiness and skill. Our professionals carefully consider and evaluate proposed investments for their potential for capital appreciation and dividend return while minimizing risk.



## MANAGE OUR CLIENTS' WEALTH

Our Portfolio Managers provide ongoing oversight and management of our clients' investments in accordance with the Investment Committee's analysis of current economic and market conditions. BWFA's Portfolio Managers make changes in a client's portfolio only when they believe the changes will benefit the client. Because BWFA receives no compensation for making trades, advisors act in the best interests of their clients.



## INVESTMENT MODELS

BWFA offers different models in order to meet the needs and goals of individual clients. Each model provides guidelines for allocating client investments among various asset types. After our clients complete an investment risk tolerance assessment, our advisors can better understand each client's attitude toward investment risk. Our advisors work to customize models that meet each client's needs, goals, and risk tolerance in order to enhance their performance.







# Investment Models

CAPITAL APPRECIATION

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CONSERVATIVE GROWTH

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GROWTH AND INCOME

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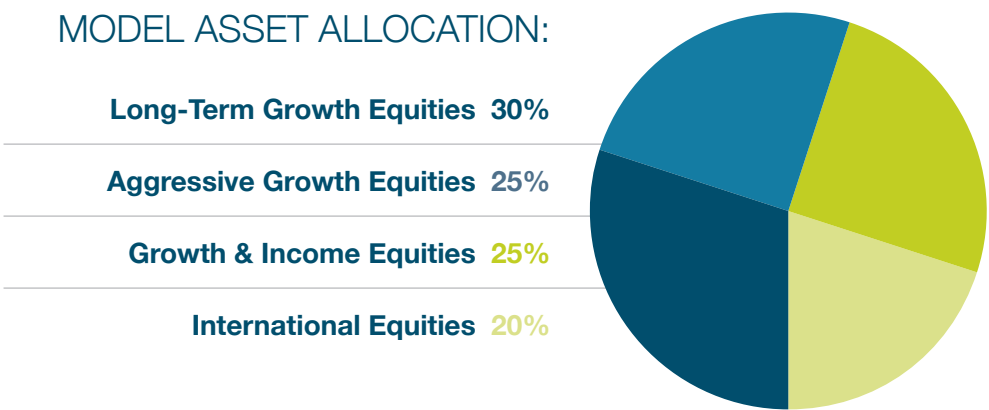
# Capital Appreciation

## OBJECTIVES

The BWFA Capital Appreciation model seeks long-term appreciation of capital with a modest level of current income. Clients who choose this model may experience fluctuation in portfolio value. This model is designed to suit investors who are able to tolerate volatility and typically have an investment horizon of greater than five years. Portfolios invested according to this model may have uncertain short-term investment returns but offer potential for long-term rates of return higher than those of more conservative investment models.

## INVESTMENT DETAILS

Portfolios following this model invest primarily in equities of well-established companies. The emphasis on growth in this model orients the portfolio to stocks of companies experiencing high earnings growth, strong revenue growth and an industry-leading position. A portion of portfolio assets is allocated toward international equities. The global equities we primarily seek represent companies based outside the United States that meet our investment criteria. We avoid using income-producing investments in this model.



## INVESTMENT STRATEGY

Our aim is to create diversified client portfolios that earn favorable investment returns while controlling volatility and risk according to the parameters of each client’s chosen investment model. We work to achieve strong performance over multiple market cycles, relying on the consistent application of a proven investment process. We adhere to an investment philosophy that values both vision and discipline. We do not believe that long-term goals can be met by chasing short-term results. Instead, we focus on the larger picture while remaining mindful of the current environment.

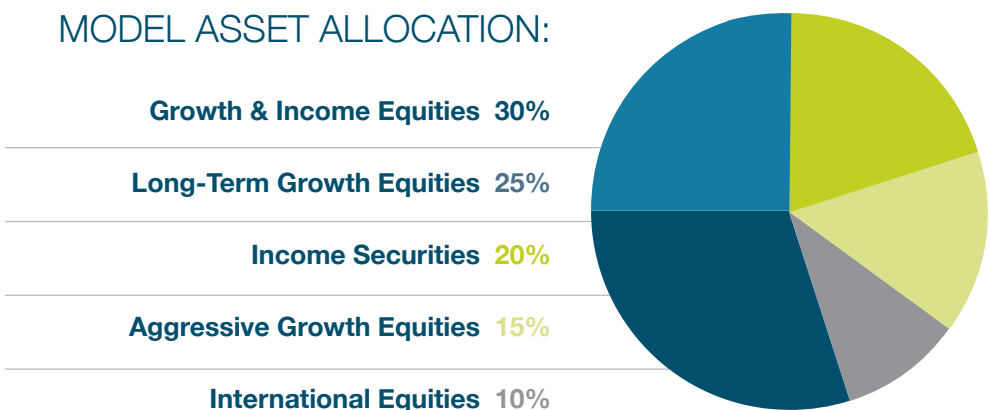
# Conservative Growth

## OBJECTIVES

The BWFA Conservative Growth model seeks capital appreciation with slightly less fluctuation in value than the overall market. It also seeks a moderate level of current income.

## INVESTMENT DETAILS

This model includes investments in various classes of equities, along with a small portion in income-producing securities to provide a “downside cushion” in declining equity markets. The emphasis on growth in this model orients the portfolio to stocks of companies experiencing high earnings growth, strong revenue growth, and an industry-leading position. A portion of portfolio assets is allocated toward international equities. The international investments we primarily seek represent institutions outside the United States that meet our investment criteria.



## INVESTMENT STRATEGY

Our aim is to create diversified client portfolios that earn favorable investment returns while controlling volatility and risk according to the parameters of each client’s chosen investment model. We work to achieve strong performance over multiple market cycles, relying on the consistent application of a proven investment process. We adhere to an investment philosophy that values both vision and discipline. We do not believe that long-term goals can be met by chasing short-term results. Instead, we focus on the larger picture while remaining mindful of the current environment.



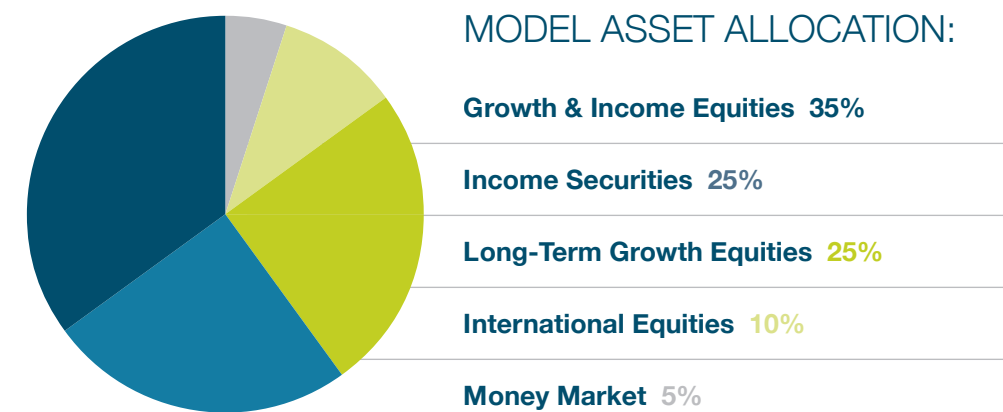
# Growth and Income

## OBJECTIVES

The BWFA Growth and Income model seeks moderate growth using conservative investments, many of which may have strong dividends. Returns from investments provide both income for current consumption and a level of “downside” protection in a declining market. The Growth and Income model is designed to suit investors seeking current income along with a modest level of growth.

## INVESTMENT DETAILS

Investments in this model primarily consist of large dividend-paying stocks and large-capitalization growth stocks. The emphasis on growth in this model orients the portfolio to stocks of companies experiencing high earnings growth, strong revenue growth, and an industry-leading position. The income orientation of the model seeks stable income with relatively moderate risk to capital. A portion of portfolio assets is allocated toward international equities. The international investments we seek primarily represent institutions outside the United States that meet our investment criteria. This model also holds a modest allocation to liquid assets.



## INVESTMENT STRATEGY

Our aim is to create diversified client portfolios that earn favorable investment returns while controlling volatility and risk according to the parameters of each client’s chosen investment model. We work to achieve strong performance over multiple market cycles, relying on the consistent application of a proven investment process. We adhere to an investment philosophy that values both vision and discipline. We do not believe that long-term goals can be met by chasing short-term results. Instead, we focus on the larger picture while remaining mindful of the current environment.



# Client’s Bill of Rights

## CLARITY AND SIMPLICITY COUNT

Communicating complex and confusing issues in a straightforward and easily understood way takes effort and skill, and we fully accept this challenge. Our goal is to make things simple and understandable in all our communications with clients.

## SETTING AND MEETING EXPECTATIONS

We take responsibility for delivering our services accurately, on time, and in a way that is consistent with our clients’ expectations. Interactions between people frequently leave room for misunderstanding, and misunderstanding leads to frustration and disappointment. We work to avoid disappointments or “surprises” for our clients, and take steps to ensure clients are highly satisfied with the work we do for them.

## ACKNOWLEDGING OUR LIMITATIONS

We are not experts in all areas but our clients need expert answers. We will not hesitate to utilize the expertise of other professionals if we believe that a better solution will result for our client. We always work in our clients’ best interests, without exception.

## PROMPT AND ACCURATE ANSWERS

We know our clients expect us to respond promptly and appropriately to all questions and inquiries. We are constantly enhancing our procedures and internal systems to make it fast and easy for our clients to get the answers they need.

## TRUST

We recognize that we are important in the lives of our clients. They have entrusted us with their most sensitive and confidential information. Our clients have the right to expect that we will honor the confidence they have placed in us by delivering the best service we can, with care and skill.

## LOOKING BEYOND THE NUMBERS

Each client is unique and needs individual solutions. We want to understand what is important to each client, so we can provide recommendations that work for them. Much of our analysis involves the use of numbers and quantitative techniques, but we also strive to understand our clients’ dreams, fears, and ambitions.

## WE ARE AVAILABLE

Our clients can contact us whenever they have a question or concern about their financial affairs or our services. We provide ongoing communication in the form of periodic emails, quarterly newsletters, and regular reviews. When more individual attention is needed, we are always available for phone conversations or face-to-face meetings.

*This publication is not a solicitation to buy or sell any securities or advisory products. Baltimore-Washington Financial Advisors is an SEC-Investment Adviser. Registration of an Investment Adviser does not imply any specific level of skill or training and does not constitute an endorsement of the Firm by the Commission. Investing involves risk, including the risk of principal loss. Past performance is no guarantee of future returns.*





# Wealth Management Advice from an Award Winning Firm

**HONORED BY FINANCIAL TIMES, FORBES AND WORTH**

**BETTER SOLUTIONS. BETTER SERVICE. BETTER RESULTS.**

Baltimore-Washington Financial Advisors, Inc. was founded in 1986 and is headquartered in Columbia, Maryland. BWFA is among the largest and oldest independent, Fee-Only financial advisory firms in the Baltimore/Washington metropolitan area. BWFA acts as a fiduciary and serves clients throughout the Mid-Atlantic area and nationally.

BWFA is recognized as a top firm in the industry, with appearances in *Worth*, *Forbes*, and *Fortune* magazine, among others. BWFA professionals are quoted in the *Wall Street Journal*, *Business Week*, *Washington Post*, *Baltimore Sun*, and *InvestmentNews* in addition to others. BWFA is honored to have earned the *Financial Times* FT 300 Award for six years in a row, 2014-2019, *Howard Magazine's* "Best of Howard County" Award for 2015-2019 and *Forbes* Leading Financial Advisor in the Mid-Atlantic.

Baltimore-Washington Financial Advisors invite you to experience the excellence that has formed our reputation as a leading Registered Investment Advisor in the industry.

**Contact us today to schedule your no cost or obligation consultation to learn more.**



Top 300  
**Financial  
Advisors**  
2014-2019



## Expectations

Relax knowing that experienced professionals are looking after your investments every day so you can focus on things that are important to you. Have confidence that you have a customized retirement plan that is updated every year and adjusted for your changing circumstances. Minimize unnecessary taxes and other expenses with the assistance of an integrated team of financial experts.



# Next Steps

## I LIKE WHAT I HEAR - WHAT'S NEXT?

**STEP 1:** Call 410-461-3900 or visit [www.bwfa.com/contact-us/](http://www.bwfa.com/contact-us/) to schedule a free initial consultation.

**STEP 2:** Once you are scheduled we will send an initial consultation form. Please fill out this form and return to us along with any other recent account statements, tax returns, or other documents you may wish to discuss.

**STEP 3:** Come visit our office in Columbia or set up a Skype call to meet some of our experts. See a sample financial plan and get a preview of what it's like to be a BWFA client.

**STEP 4:** Sign a service agreement and continue on your path as a new BWFA client! We'll be with you every step of the way to make it easy and smooth. Our client service team will handle all of the paperwork to transfer your accounts to BWFA. We look forward to working with you.

## CONTACT US

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Better **Solutions.** Better **Service.** Better **Results.**