

you work hard to realize **your**
retirement **dreams,** and with the right planning and assistance
they are **within your**
financial **reach**



investment management • estate planning • retirement planning • asset protection strategies

A person wearing a blue suit and a light-colored tie is shown from the chest up. Their hands are held out in front of them, palms facing up, in a gesture of offering or presentation. The background is a blurred image of a tall skyscraper, likely the Chrysler Building, with its distinctive Art Deco architecture. The overall tone is professional and forward-looking.

integrated **solutions** developed
by understanding your **goals** and
financial **needs** now and for the future

Wealth Management takes a comprehensive approach to meeting client needs. We construct integrated solutions that encompass all types of financial issues throughout all phases of clients' financial lives.

In its simplest form, Wealth Management comprises three phases:

- Using a consultative process to establish close relationships with clients. This allows us to gain a detailed understanding of clients' goals and their most important financial aspirations.
- Offering customized choices and solutions designed to fit each individual's circumstances. This select range of interrelated financial services and products might include:
 - investment management
 - estate planning
 - retirement planning
 - asset protection strategies
- Delivering these customized solutions in conjunction with clients and their other professional advisors. We work closely with clients and their other professional advisors to identify specific needs and design solutions to help meet those needs.

W E A L T H M A N A G E M E N T T O O L S

- **Wealth Planning**
- **Account Aggregation**
- **Retirement Plan Management**
- **Estate Counseling**
- **Asset Protection Planning**

The most important wealth planning tool is you. The client's vision should dictate the direction of their planning. In as little as one meeting, we can gather comprehensive data about you while having a meaningful discussion and dialogue on a wide range of planning objectives. You will be able to identify and outline the most important issues that need to be addressed in the wealth planning process. In our experience every family has a unique set of goals, objectives and constraints that dictate the path and tact of the wealth plan. It is imperative for success that your advisor understands you and your future path.

Because Wealth Planning is a dynamic process the advisor should have a wide variety of tools to use, as your financial and life objectives are prioritized and addressed. Some examples of our tools are described below.

Account Aggregation- The Keystone of Wealth Management compiles your personal account information including investment, retirement, insurance, annuities, banking, mortgage, loans, credit cards and bill information into one place. This service can assist you with account organization and will help us as your wealth managers to view your managed and non-managed assets—identifying any areas that may need attention. Any account that you can access online and you wish to include can be listed and valued.

Using our account aggregation services for **Retirement Plan Management** we are usually able to include your employer's retirement plan – i.e. 401(k) into our investment management services. Incorporating your employers retirement plan helps to make sure that all major assets are being monitored and managed in a manner consistent with your plan. Adding the retirement plan to the BCM comprehensive performance reporting will allow you to accurately track the performance of your retirement plan and help determine if changes should be made to improve that part of your portfolio.

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Our process of **Estate Counseling** is designed to help you maintain control of your assets throughout your lifetime; when you are healthy and able to make legal decisions, if you should become disabled, and ultimately, final wealth transfer to other generations. In the wealth management tradition we work closely with estate planning attorneys to assist in the drafting of documents that will eventually control your assets and fulfill your wishes. Creating legal documents is only the first step in controlling your estate. The best estate documents are worthless without proper integration with your assets. Typically, your various assets need to be coordinated with your estate plan with respect to title and beneficiary designations. As your wealth advisor, we will coordinate these changes so that your estate documents perform as designed and we will monitor your future financial decisions so that they remain consistent with your estate planning structure.

Our **Asset Protection Planning** services are designed to look at your total financial picture and identify areas of possible liability exposure. Often clients have second homes, farms, commercial real estate or investment properties that can inadvertently augment their liability exposure. We will provide recommendations on various ways to help limit the possibility that you become the target of litigation. We can work with you to place your assets in legal entities such as Limited Liability Companies, Corporations and Limited Partnerships to reduce your liability of financial disaster as the result of a lawsuit.

with a thorough **understanding** of our clients' needs,
our prudent **investment** strategies
deliver **success,** while
minimizing risk



Balance Sheet

Assets

Current Assets:
Cash

\$1,332,758

\$ 310,535
665,913
223,502

I N V E S T M E N T M A N A G E M E N T

Our **Investment Management** process is a product of both extensive client research to understand what prudent investors want and integration of proven Nobel Prize winning investment theory. The result is a process that gives equal attention to asset growth and principal protection. We believe that if a client's investment portfolio can be resistant to the market downdrafts and participate in the market advances, this will help the client to be financially successful. We define a successful portfolio return as one that closely tracks an appropriate market index with a risk level that is lower than the index. For nearly two decades we have been consistently able to produce this quality risk and return mix for our clients. Our clients have worked hard to accumulate their wealth and we work hard to protect that wealth.

INVESTMENT MANAGEMENT PROCESS

Step 1: Investment Policy Statement—An IPS is a written investment plan that dictates how your portfolio will be constructed and managed. In a clear manner, we provide investment education on the fundamental principles that will guide your investment process. This document outlines responsibilities and expectations for managing your investment accounts. Only when you feel comfortable with this plan and approve the IPS will any implementation begin.

Step 2: Implementation—Our implementation process includes both a review of your accounts and coordinating their consolidation and transfer to an independent institutional custodian if warranted. We prepare the proper forms and instructions to make this process easy and efficient.

Step 3: Investment Management—Being an independent firm we have open access to all investment types and tools. Your portfolio will be consistently managed in a format that is appropriate for your wealth situation and goals as directed by your IPS.

Step 4: Account Rebalancing—It is imperative that the IPS that was created be followed. A rebalancing program will help you manage market ups and downs as well as keep you on track towards your goals. Studies have found that rebalancing on a regular schedule can help augment return and lower total portfolio risk.

Step 5: Quarterly Investment Performance Reporting—As part of the ongoing management of investments we provide you quarterly with a simple yet comprehensive way to evaluate your investment performance. This report is a clear and concise document combining all accounts we manage.

Step 6: Income Tax Planning—Our unique active tax management system is used to reduce capital gains tax liability from investments through year-end tax management. This service has provided our clients with significant tax savings over the years. For Wealth Management clients a tax report is forwarded at year end directly to your tax professional from our office to simplify your tax return preparation.

Step 7: Annual Portfolio Review—At your annual review meeting your advisor will meet with you to analyze your current portfolio. Specifically we will:

- Review the IPS and review investment performance compared to IPS goals
- Quantify your level of actual portfolio risk
- Discuss the current market environment
- Determine if any updates are required

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Why is it so important to monitor and manage risk?

If you could choose to invest in a stock or a bond and both would produce a 5% return, what investment would you pick? Most prudent investors would choose the bond because of the lower risk of principal loss. The example below illustrates the impact of volatility and why it is so important to manage.

Two investors invest their \$1,000,000 savings with two managers over a five year period. The first investor earns a consistent 8% each year, while the other investor earns 15%, loses 3%, earns 18%, loses 12% and gains 22% over the five years. Both of these investors have earned an average of 8% over the years but the first investor has a balance in his account that is \$56,159.00 more than the second investor - or a "real" return of 5.5% more than the second investor.

Investor A	Investor B
After Year 1 \$1,080,000 = +8%	\$1,150,000 = +15%
After Year 2 \$1,166,400 = +8%	\$1,115,500 = -3%
After Year 3 \$1,259,712 = +8%	\$1,316,290 = +18%
After Year 4 \$1,360,489 = +8%	\$1,158,335 = -12%
After Year 5 \$1,469,328 = +8%	\$1,413,169 = +22%
Average return 8%	Ending +/- (\$56,159)

Investors understand that yearly returns will not be consistent but this example shows how the variability of returns can affect your wealth and why managing volatility is critical to the long term success of your financial goals.

WHAT YOU CAN EXPECT FROM US

As your advisor and in consideration of the trust you place in us, you can expect that:

- We will act as your fiduciary – treating your money with the same care and prudence that we would treat our own.
- We will have no allegiance to any company, product, or service, beyond our belief in its ability to help you reach your goals.
- We will get to know you, your personal goals, your struggles and challenges around money, and tailor our recommendations so that they help you create a better life.
- We will treat your financial information in strict confidentiality.
- We will treat you with respect, professionalism, honesty, and maintain a nonjudgmental attitude toward the goals and information you present to us.
- We will review your individual portfolio every quarter and inform you of any needed changes.
- We will be available to you during business hours, by phone or in person.
- We will deliver important advice even if it may create discomfort in the short-term. The people we work with prefer us to be honest whenever we encounter what seems to be a disconnect between stated goals and financial or purchase decisions.

Our relationship should be proactive, flexible, value-added and enjoyable. If we ever stop respecting one another or enjoying our relationship, then the relationship needs to be evaluated. We provide the right for either party to end the working relationship at any time and for any reason upon thirty (30) days written notice to the other party as provided for in the client agreement.

W H A T W E E X P E C T F R O M Y O U

The following outlines what we expect from you in order for you to maximize our resources and make the advisory relationship a success:

- You agree to recognize that we don't have all the answers, and that financial planning—like life – is really not an exact science.
- You agree to maintain realistic investment objectives and a willingness to communicate those expectations to our firm clearly.
- You agree to provide a documented history of your financial affairs, i.e. estate documents, income verification and investments.
- You agree to share with us your life goals and desired financial outcomes.
- You agree to share with us information and issues that you may not share with anyone but your family, as financial planning is very personal.
- You agree to be open to developing and adhering to a long-range approach to investing and be open to understanding to the best of your ability the results and application of risk in your investment strategies.
- You agree to commit to providing us with feedback on our service and communication efforts.
- You agree to notify us regarding major financial commitments, problems or questions that arise between our scheduled meetings and update us with any new information.
- You agree to inform us if anything is said or done that upsets you or doesn't feel right, bringing your concerns to the attention of the firm so that they can be resolved as soon as possible.

YOUR DREAMS, WITHIN YOUR REACH



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