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# **BARTOLF WEALTH ADVISORS**

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## **Bartolf Wealth Advisors, Inc.**

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## **INVESTMENT MANAGEMENT SERVICES**

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This brochure provides information about the qualifications and business practices of Bartolf Wealth Advisors, Inc. ("BWA").

If you have any questions about the contents of this brochure, please contact Doug Bartolf at 561-799-0245 and/or [djb@bartolfwealth.com](mailto:djb@bartolfwealth.com).

**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 BWA is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

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## **Advisory Business**

- A. Douglas J. Bartolf founded Bartolf Wealth Advisors, Inc. (“BWA”) in October 2004. He remains the sole owner and investment advisor of the firm. He was born January 17, 1962 and graduated Miami University in 1984 with a Bachelors of Science degree in Finance. He was employed from 1984-1996 as a trust and estates officer with various large New York City based Private Banks. In 1996, he obtained the necessary licenses to become a registered advisor and worked with NBD Bank and Bank One managing accounts for the brokerage divisions. He managed investment accounts for high net worth individuals from 1996 until 2004, when he left Bank One. He has served in various capacities at his church in North Palm Beach, Florida and in Castle Rock, Colorado. He has coached inline hockey and baseball teams for 6 years. He is a Past President of the Palm Beach/Martin County Estate Planning Council and speaks to groups who request his expertise.
- B. Bartolf Wealth Advisors provides discretionary and non-discretionary investment management services utilizing a balanced asset allocation comprised of equities, fixed income, exchange traded funds and cash reserves.
- C. Our objective is to provide a comprehensive wealth management solution for each client by integrating planning, investment management, and monitoring/analysis resources with Bartolf Wealth Advisors’ competencies. To meet client needs, we focus on the following:
  - Strategic investment policy
  - Asset allocation
  - Financial and estate planning advice
  - Investment monitoring and performance evaluation
- D. Bartolf Wealth Advisors does not participate in any wrap fee programs.
- E. At year end 2011, assets managed in-house for investment management clients total approximately \$43 million.

## **Fees and Compensation**

- A. Asset-based fee calculated as a percentage of the market value of assets under advisement: .25-1.1%

### **Minimum sized account: \$250,000**

Bartolf Wealth Advisors may negotiate fees or its minimum account size, higher or lower, as specific client needs may dictate.

- B. Fees are billed quarterly in arrears. Bartolf Wealth Advisors maintains an institutional brokerage relationship with Charles Schwab & Co. ("Schwab") and suggests that its clients domicile their assets at Schwab under that master relationship. Client fees are generally deducted from one or more of their Schwab accounts. However if a client prefers, Bartolf Wealth Advisors will bill the client, and they may remit payment directly.
- C. In addition to Bartolf Wealth Advisors' fees, clients pay brokerage commissions at published rates and mutual/exchange traded fund expenses as outlined in each fund's prospectus. Refer to "Brokerage Practices" for further discussion regarding Bartolf Wealth Advisors' relationship with Schwab and brokerage charges.
- D. Fees are billed quarterly in arrears. Term of engagement is one year, automatically renewable annually unless either party sends written notice of its desire to terminate at least thirty days before the end of the current engagement period. Unearned fees, if any, are refunded.
- E. Bartolf Wealth Advisors does not receive compensation for the sale of securities or other investment products to its clients.

## **Performance-Based Fees and Side-by-Side Management**

Bartolf Wealth Advisors offers investment advisory services to clients under a fee structure calculated as a percentage of the market value of assets under management. Since the investment management fee structure is not performance-based, we do not believe this creates a conflict of interest between Bartolf Wealth Advisors and/or our clients.

## **Types of Clients**

Bartolf Wealth Advisors' investment management services are designed for individuals and families with liquid investable assets of at least \$250,000. Account types are typically individual or joint taxable accounts and IRAs. At present, Bartolf Wealth Advisors does not manage any employee benefit plans for businesses although it would consider doing so if asked.

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

- A. Investing involves risk of loss of principal that an investor must be willing to bear. Bartolf Wealth Advisors' investment philosophy centers on the belief that the majority of investment return is attributable to the asset allocation decision. We seek to devise an asset allocation objective intended to produce either the highest return at that level of risk (interim return volatility) acceptable to the client, or the lowest risk for the client's return objective. Bartolf Wealth Advisors' portfolios include equity, fixed income and, where appropriate, exchange traded funds and cash reserves.

Ongoing rebalancing to objectives is another primary tenet of our investment philosophy. Disciplined rebalancing to asset allocation objectives can smooth interim returns and, more importantly reduce total risk. As a general rule, rebalancing takes place whenever 1) the market value of any asset class is 20% greater or less than its allocation objective and/or 2) the portfolio's overall standard

deviation (a measure of interim return volatility) is 20% greater or less than objective. Rebalancing will also occur if the client's changing circumstances dictate a change in the asset allocation objective.

- B. All investments are subject to risk. Some of the most common risks to securities investing include loss of principal, loss of purchasing power after taxes and inflation, and loss of principal resulting from rising interest rates.
- C. Bartolf Wealth Advisors currently does not and never has, but may in the future recommend investments in vehicles such as hedge funds, private real estate, and private equity, many of which are unregistered securities. These vehicles are generally riskier and much more speculative than traditional equity and fixed income investments. In addition to the risks mentioned above, these investments are subject to the following risks, among others:
  - Unregistered securities are not governed by regulatory authorities such as the U.S. Securities and Exchange Commission
  - Loss of entire investment due to the speculative nature of the investment or leverage, among other reasons
  - Lack of liquidity – lack of a public marketplace, lock-ups and other restrictions on the transfer or sale of interests
  - Dependence on one or few key personnel
  - High fees and expenses

### **Disciplinary Information**

- A. Criminal or Civil Action involving Bartolf Wealth Advisors or its Management - Not applicable
- B. Administrative Proceedings Before the S.E.C. or other regulatory agency - Not applicable
- C. Self-regulatory Organization Proceedings - Not applicable

### **Other Financial Industry Activities and Affiliations**

- A. Broker-dealer registration - Not applicable
- B. Futures, Commodity Pool Operator, Commodity Trading Advisor - Not applicable
- C. Douglas J. Bartolf is the President and sole owner of Bartolf Wealth Advisors.

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

- A. Bartolf Wealth Advisors has adopted the “Code of Ethics and Standards of Professional Conduct” of the CFA Institute. Bartolf Wealth Advisors will provide a copy to any client or prospective client upon request.
- B. Refer to item C above in “Other Financial Industry Activities and Affiliations.”
- C. Bartolf Wealth Advisors manages portfolios for family members of Mr. Bartolf (“Bartolf family members”). Bartolf Wealth Advisors invests in many of the same securities for both clients and Bartolf family members. On occasion, Bartolf Wealth Advisors aggregates purchase or sale trades resulting in the same price for all clients involved, which eliminates a potential conflict of interest. If trade aggregation is not possible and similar trades occur on the same day, Bartolf Wealth Advisors’ policy is to provide non-Bartolf family clients with the better execution price, if any.
- D. Refer to Item C. above.

## Brokerage Practices

- A. Bartolf Wealth Advisors may recommend that clients establish their primary brokerage accounts with the Schwab Institutional division of Charles Schwab and Co, a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although Bartolf Wealth Advisors may recommend that clients establish accounts at Schwab, it is the client's decision to custody assets at Schwab.

Schwab provides Bartolf Wealth Advisors with access to its institutional trading and custody services, which are typically not available to retail investors. These services are available to Bartolf Wealth Advisors on an unsolicited basis, at no charge so long as Bartolf Wealth Advisors maintains a total of \$25 million of clients' assets in accounts at Schwab Institutional. These services are not contingent upon Bartolf Wealth Advisors committing to Schwab any specific amount of trading commissions. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Bartolf Wealth Advisors client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to Bartolf Wealth Advisors other products and services that benefit Bartolf Wealth Advisors but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Bartolf Wealth Advisors' accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist Bartolf Wealth Advisors in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of Bartolf Wealth Advisor's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help Bartolf Wealth Advisors manage and further develop its business enterprise including (i) compliance, legal and business consulting; (ii) publications and conferences on practice management; and (iii) access to employee benefit providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third party vendors for the types of services rendered to Bartolf Wealth Advisors. In evaluating whether to recommend that clients custody their assets at Schwab, Bartolf Wealth Advisors may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a conflict of interest.

- B. On occasion Bartolf Wealth Advisors aggregates the purchase or sale of securities for its clients through Schwab. This practice results in uniform pricing across all accounts involved in any particular trade, however it does not result in lower commissions per account. Refer to "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading," C and D.

## Review of Accounts

- A. An Investment Policy Statement is prepared for each client and, if appropriate for separate family members. This document outlines the client's investment needs, objectives, risk parameters, and an asset allocation objective.
- B. Account transactions are monitored on a daily basis. Formal account reviews occur quarterly. If market conditions or changes in client circumstances dictate, reviews are also conducted on an as-needed basis.
- C. Reviews include consolidation of each client's separately managed accounts in order to ascertain overall performance in absolute terms, relative to comparable market indices and to the client's specific objectives. Reviews also focus on individual manager performance within the context of the overall asset allocation strategy. Douglas J. Bartolf is the sole reviewer. Each client is provided a written review at least annually, and face-to-face meetings are scheduled quarterly in the first year and at least annually thereafter. Each written quarterly review includes market commentary, holdings and market values statement, and performance.

### **Client Referrals and Other Compensation**

Bartolf Wealth Advisors does not receive any compensation for client referrals to another investment advisor. Bartolf Wealth Advisors does not pay any compensation for referrals made to it.

### **Custody**

Under government regulations, Bartolf Wealth Advisors is deemed to have custody of client assets if, for example, a client authorizes us to instruct Schwab to deduct our fees directly from a client account domiciled at Schwab or grants Bartolf Wealth Advisors authority to move money to another person's account. Schwab maintains actual custody of client assets. Clients receive statements generally monthly, but at least quarterly from all qualified custodians. To the extent that Bartolf Wealth Advisors provides quarterly reports on account market values and performance, Bartolf Wealth Advisors advises the client in writing to compare its report to the qualified custodian's statement for accuracy.

### **Investment Discretion**

Bartolf Wealth Advisors will accept discretionary authority to manage client's assets. In order to grant Bartolf Wealth Advisors authority, the client must execute the standard power of attorney provided by the broker-dealer, in Bartolf Wealth Advisors' case generally Schwab and Bartolf Wealth Advisors Discretionary Investment Management Agreement.

### **Voting Client Securities**

- A. To the extent that Bartolf Wealth Advisors has discretionary authority, it will accept authority to vote and its policy is to vote proxies as recommended by each company's board of directors.
- B. If a client wishes to vote proxies, Bartolf Wealth Advisors will arrange with the custodian to have proxies delivered to the client.

### **Financial Information**

- A. Not applicable
- B. Not applicable
- C. Not applicable