



**Part 2A of Form ADV: Firm Brochure**

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October 1, 2018

This brochure provides information about the qualifications and business practices of R.W. Baker Wealth Management Group, LLC ("R.W. Baker Wealth"). If you have any questions about the contents of this brochure, please contact us at 307-514-4445 or [rosalyn@rwbakerwealth.com](mailto:rosalyn@rwbakerwealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. R.W. Baker Wealth is a Registered Investment Adviser. Registration as an Investment Adviser with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about R.W. Baker Wealth is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a IARD number. The IARD number for R.W. Baker Wealth is 297087.

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## ITEM 2 – MATERIAL CHANGES

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This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). This is our initial 2A Brochure and, therefore there are no material changes to report.

- Our firm moving from registration with the SEC to registration with various States.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer, Rosalyn W. Baker at 307-514-4445 or [rosalyn@rwbakerwealth.com](mailto:rosalyn@rwbakerwealth.com).

We encourage you to read this document in its entirety.

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#### **ITEM 4 – ADVISORY BUSINESS**

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This Disclosure document is being offered to you by R.W. Baker Wealth Management Group, LLC (“R.W. Baker Wealth” or “Firm”) about the investment advisory services we provide. It discloses information about our services and the way those services are made available to you, the client.

We are an investment management firm located in Cheyenne, WY. We specialize in investment advisory services for individuals, high net worth individuals, and trusts and estates. Our Firm became a registered investment adviser in May 2018. Rosalyn W. Baker is the sole owner of the Firm.

We are committed to helping clients build, manage, and preserve their wealth, and to provide assistance that helps clients to achieve their stated financial goals. We will offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and R.W. Baker Wealth execute an Investment Management Agreement.

##### **Investment Management Services**

We manage advisory accounts on a discretionary and non-discretionary basis. For discretionary accounts, once we have determined a profile and investment plan with a client, we will execute the day-to-day transactions without seeking prior client consent. Account supervision is guided by the written profile and investment policy statement of the client. We may accept accounts with certain restrictions if circumstances warrant. We primarily allocate client assets among various equities, Exchanged Traded Funds (“ETFs”), mutual funds and debt securities in accordance with their stated investment objectives.

During personal discussions with clients, we determine the client’s objectives, time horizons, risk tolerance and liquidity needs. As appropriate, we also review a client’s prior investment history, as well as family composition and background. Based on client needs, we develop a client’s personal profile and investment plan. We then create and manage the client’s investments based on that policy and plan. It is the client’s obligation to notify us immediately if circumstances have changed with respect to their goals.

Once we have determined the appropriate strategy for you and your family and executed the strategy, we will provide ongoing investment review and management services. This approach requires us to periodically review your portfolio.

With our discretionary relationship, we will make changes to the portfolio, as we deem appropriate, to meet your financial objectives. We trade these portfolios based on the

combination of our market views and your objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

We do have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with the appropriate written authorization from you.

Where appropriate, we provide advice about concentrated stock positions held in client portfolios. Typically, these are assets that are ineligible to be custodied at our primary custodian. Clients will engage us to advise on certain investment products that are not maintained at their primary custodian, such as annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans).

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that adversely affect an account's performance. This could result in capital losses in your account.

If a non-discretionary relationship is in place, calls will be placed to the client presenting the recommendation made including a rebalancing recommendation and only upon your authorization will any action be taken on your behalf.

### **Financial Planning**

Through the financial planning process, our team strives to engage our clients in conversations around the family's goals, objectives, priorities, vision, and legacy – both for the near term as well as for future generations. With the unique goals and circumstances of each family in mind, our team will offer financial planning ideas and strategies to address the client's holistic financial picture, including estate, income tax, charitable, cash flow, wealth transfer and family legacy objectives. Our team partners with our client's other advisors (CPA, estate attorney, insurance broker, etc.) to ensure a coordinated effort of all parties toward the client's stated goals. Such services include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets and periodic updates.

Our specific services in preparing your plan may include:

- Review and clarification of your financial goals;
- Assessment of your overall financial position including cash flow, balance sheet, investment strategy, risk management and estate planning;

- Creation of a unique plan for each goal you have, including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession and other personal goals;
- Design of a risk management plan including risk tolerance, risk avoidance, mitigation and transfer, including liquidity as well as various insurance and possible company benefits; and
- Crafting and implementation of, in conjunction with your estate and/or corporate attorneys as tax advisor, goal-oriented investment plan and an estate plan to provide for you and/or your heirs in the event of an incapacity or death. This includes IRA and qualified plans, taxable and trust accounts that require special attention.

A written evaluation of each client's initial situation or Financial Plan is provided to the client. The recommendations will not be reviewed nor updated, unless requested by the client at which point a new Agreement between Client and Adviser may be executed.

When both investment management or plan implementation and investment management services are offered, there is a conflict of interest since there is an incentive for us offering investment management services to recommend products or services for which R.W. Baker Wealth receives compensation. However, R.W. Baker Wealth will make all recommendations independent of such considerations and based solely on our obligations to consider your objectives and needs. As an investment management client, you have the right not to act upon any of our recommendations and not affect the transaction(s) through us if you decide to follow the recommendations.

### **Consulting Services**

We also provide clients investment advice on a more-limited basis on one-or-more isolated areas of concern such as small business consulting, real estate, retirement planning, or any other specific topic. Additionally, we provide advice on non-securities matters about the rendering of estate planning, insurance, real estate, and/or annuity advice.

In these cases, you will be required to select your own investment managers, custodian and/or insurance companies for the implementation of consulting recommendations. If your needs include brokerage and/or other financial services, we will recommend the use of one of several investment managers, brokers, banks, custodians, insurance companies or other financial professionals. You must independently evaluate these firms before opening an account or transacting business, and you have the right to effect business through any firm you choose. Also note, you have the right to choose whether to follow the consulting advice that we provide.

### **Wrap Fee Program**

We do not offer a Wrap Fee Program.

### Assets

As of August 30, 2018, our total assets under management were \$59,514,525.29. We have \$0 discretionary assets under management and \$59,514,525.29 non-discretionary assets under our management.

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## **ITEM 5 - FEES AND COMPENSATION**

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### Investment Management Fees and Compensation

Our Firm charges a fee as compensation for providing Investment Management services on your account. These services include advisory services, investment supervision, and other account-maintenance activities. The Client's custodian(s) charges transaction costs, commissions, custodial fees, redemption fees, retirement plan and administrative fees. See Additional Fees and Expenses below for additional details.

The fees for investment management are based on an annual percentage of assets under management and are applied to the household asset value on a pro-rata basis and billed quarterly in advance. The quarterly fee will be calculated on the market value of the last business day of the calendar quarter. The market value will be determined as reported by the Custodian. Fees are assessed on all assets under management, including securities, cash and money market balances. Margin account balances are not included in the fee billing. (Please note use of margin is not an inherent practice of the firm and only used as an accommodation for a client who has transitional needs.)

Our maximum annual investment advisory fees as a percentage of assets under management is 1.25%. The specific advisory fees are set forth in your Investment Advisory Agreement.

We may negotiate a lower advisory fee. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. In certain circumstances, our fees and the timing of the fee payments may be negotiated.

Unless otherwise instructed by the Client, we will aggregate related client accounts for the purposes of determining the account size and annualized fee. The common practice is often referred to as "householding" portfolios for fee purposes and may result in lower fees than if fees were calculated on portfolios separately. Our method of householding accounts for fee purposes looks at the overall family dynamic and relationship. When applicable and noted in the Investment Management Agreement, concentrated stock positions will also be excluded from the fee calculation.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement to you on a quarterly basis indicating all the amounts deducted from the account including our advisory fees. Our firm will send an invoice to you on a quarterly basis itemizing the fee, the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

The Investment Advisory Agreement may be terminated by the client within five (5) business days of signing the Agreement without penalty or incurring any advisory fees. After the 5 business days, either the Client or the Firm may terminate the Agreement by giving thirty (30) days' prior written notice of termination to the other; provided, however, such termination of the Agreement will not affect: (a) the validity of any actions the Firm has previously taken; (b) the Client's or the Firm's liabilities or obligations for transactions started before termination; or (c) any provision, obligation or right that is specifically designated therein to survive such termination. Upon termination, any fees owed to the Firm will be paid by the Client on a prorated basis as of the effective date of termination, and any fees paid by the Client that have not been earned will be refunded to the Client on a prorated basis as of the effective date of termination.

### **Financial Planning Fees**

We will negotiate the planning fees with you. Fees may vary based on the extent and complexity of your individual or family circumstances and the amount of your assets under our management. We will determine your fee for the designated financial advisory services based on a fixed fee or hourly arrangement described below.

Under our fixed fee arrangement, any fee will be agreed in advance of services being performed. The fee will be determined based on factors including the complexity of your financial situation, agreed upon deliverables, and whether or not you intend to implement any recommendations through R.W. Baker Wealth. Fixed fees for financial plans range from \$1,000 to \$10,000. The specific fixed fee for your financial plan is specified in your planning agreement with R.W. Baker Wealth.

Under our hourly arrangement, financial planning fees are billed at an hourly rate up to \$300.00 per hour depending on the complexity of the client's financial situation. Prior to beginning service, R.W. Baker Wealth will provide an estimate of the approximate hours necessary to complete the plan. If we anticipate exceeding the estimated hours, your IAR will contact you to request authorization to provide additional services. Upon delivery of the plan and billing invoice, the hourly fees will be deducted from any initial payment you paid, and any hourly fee balance remaining will be billed.



Typically, we complete a plan within a month and will present it to you within 90 days of the contract date, if you have provided us all information needed to prepare the financial plan. Fees are billed in with one half (50%) of the estimated fee due and payable at the midway point of the project, with the balance due and payable at the time the financial plan is delivered. You may terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you based on an hourly rate of \$300.00. Services provided up to date of termination but not yet paid to R.W. Baker Wealth will be billed to you based on the hourly rate of \$300.00. We will not require prepayment of more than \$500 in fees per client, six (6) or more months in advance of providing any services.

In no case are our fees based on, or related to, the performance of your funds or investments.

### **Consulting**

We provide consulting services for clients who need advice on a limited scope of work. We will negotiate consulting fees with you. Fees may vary based on the extent and complexity of the consulting project. Fees will be billed as services are rendered. Either party may terminate the agreement. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you as described in the Agreement and at our hourly rate of \$300.

### **Additional Fees and Expenses:**

In addition to the advisory fees paid to our Firm, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include securities, transaction fees, custodial fees, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. R.W. Baker Wealth' brokerage practices are described at length in Item 12, below. Further, our firm does not share in any of these additional fees and expenses outlined above.

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## **ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees) nor engage side by side management.

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## **ITEM 7 - TYPES OF CLIENTS**

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We provide investment advice to individuals, high-net worth individuals, trusts and estates. Our minimum initial account value is \$50,000; however, we may accept accounts for less than the minimum at our sole discretion.

## **ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Our investment management philosophy is a strategy based on several fundamentals including: market efficiency, the importance of asset allocation, long-term investing, evaluating portfolio risk, benefits of diversification, asset allocation, and minimization of investment costs and tax efficiency.

Our investment approach is to build broadly diversified, tax-efficient portfolios that capture the targeted asset class returns in a low-cost manner. We design and implement wealth management solutions that are tailored to its clients' goals and objectives, delivered with personalized service.

Our investment management services are focused on the ongoing selection and management of marketable security portfolios. We provide such services by incorporating a financial planning perspective with a holistic view of each client's investment management needs.

Based upon each client's situation, we help each client understand and plan for their liquidity needs, as well as, develop and maintain an appropriate long-term investment plan. In particular, our Firm:

- Seeks a complete understanding of each client's investment objective.
- Tailors an Investment Policy Statement to describe in writing the objectives of the portfolio, taking into consideration the client's liquidity requirements, investment horizon, risk tolerance, tax status and unique circumstances. This Investment Policy Statement may be amended from time to time, as client circumstances or objectives change
- Implements the Investment Policy Statement using the appropriate account structures and asset classes for the client.
- Monitors portfolio progress and performance through time, rebalancing the portfolio as actual asset allocation deviates from target ranges.
- Reports portfolio performance and balances on a quarterly basis.
- Interacts with tax professionals as requested.

- Meets periodically with clients to review their investments and any changes to their financial situation.

The analysis and selection of securities for client portfolios is based on the cumulative investment experience and research by our Firm's investment professionals. Sources of information utilized for security analysis and investment decision-making may be derived from, but not limited to, the following: commercially available data and evaluation sources, securities rating services, general economic, market and financial information, due diligence reviews, specific investment analysis, financial publications, periodicals, newspapers, journals, and academic white papers, prospectuses and statements of additional information, and other issuer-prepared information.

When the asset allocation is agreed upon, a customized Investment Policy Statement is drafted. This document outlines the investment objectives and constraints of the particular client. The Investment Policy Statement assists both the client and our Firm with a clear understanding of the strategy, as well as, providing the client with a meaningful method for evaluating the portfolio and the Firm. The Investment Policy Statement should be periodically reviewed and modified based upon changing client needs and objectives, as well as, any material changes to the financial markets.

Although our Firm cannot guarantee performance, it strives to create portfolios that, in the long run, should have a reasonable probability of meeting client objectives.

### **Risk of Loss**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

**Market Risk** — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the

risk that you will lose money and your investment could be worth more or less upon liquidation.

**Foreign Securities and Currency Risk** — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

**Capitalization Risk** — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

**Interest Rate Risk** — In a rising rate environment, the value of fixed-income securities generally declines and the value of equity securities may be adversely affected.

**Credit Risk** — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

**Securities Lending Risk** — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

**Exchange-Traded Funds** — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors could lead to the fund's shares trading at either a premium or a discount to its "net asset value."

**Performance of Underlying Managers** — We select the mutual funds and ETFs in the asset allocation portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

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## ITEM 9 - DISCIPLINARY INFORMATION

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We do not have any legal, financial or other "disciplinary" item to report.

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## ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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### Insurance

IARs of our Firm may act as agents appointed with various life, disability or other insurance companies. Our IARs receive commissions, trails, or other compensation from the

respective insurance companies and/or as a result of effecting insurance transactions for clients. However, clients should note that they have the right to decide whether to act on the recommendation and the right to purchase any insurance products through our Firm or its IAR or any licensed insurance agent not affiliated with R.W. Baker Wealth. This creates a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any conflicts of interest.

### **Broker Dealer**

Certain IARs of our Firm are registered representatives of Purshe Kaplan Sterling Investments, LLC ("PKS") a securities broker-dealer, and will be compensated for effecting securities transactions. A portion of the time of these IARs is spent in connection with broker/dealer activities.

As a broker-dealer, PKS engages in a broad range of activities normally associated with securities brokerage firms. Pursuant to the investment advice given by R.W. Baker Wealth or its IARs, investments in securities may be recommended for clients. If PKS is selected as the broker-dealer, PKS and its registered representatives, including IARs of R.W. Baker Wealth, may receive commissions for executing securities transactions. When IARs of R.W. Baker Wealth receive commissions in connection with the advice given to advisory clients, our Firm will reduce a portion of its fees by the amount of the commissions earned by our IARs.

You are advised that if PKS is selected as the broker-dealer, the transaction charges may be higher or lower than the charges you may pay if the transactions were executed at other broker/dealers. You should note, however, that you are under no obligation to purchase securities through IARs of R.W. Baker Wealth or PKS.

Our Firm may provide advice regarding mutual funds. You should be aware that, in addition to the advisory fees you pay in connection with any R.W. Baker Wealth program, each mutual fund also pays its own separate investment advisory fees and other expenses which reduces the return of the portfolio. Such fees and expenses are disclosed in the mutual fund's prospectus. In addition, clients should be aware that mutual funds may be purchased separately, independent of the investment management services of R.W. Baker Wealth.

Moreover, you should note that under the rules and regulations of FINRA, PKS has an obligation to maintain certain client records and perform other functions regarding certain aspects of the investment advisory activities of its registered representatives. These obligations require PKS to coordinate with, and have the cooperation of its registered representatives that operate as, or are otherwise associated with, investment advisers other than PKS.

Certain IARs of our Firm may, in their capacity as registered representatives of PKS, or as agents appointed with various life, disability or other insurance companies, receive commissions, 12(b)-1 fees, trails, or other compensation from the respective product sponsors and/or as a result of effecting securities transactions for clients. As previously noted, when commissions or fees are received by our Firm or these IARs in connection with the advice given to advisory clients, R.W. Baker Wealth may, but is not obligated to, reduce its fee proportionate to the amount of the commission or fee earned by R.W. Baker Wealth or these IARs. However, clients should note that have the right to decide whether to purchase any investment products through our Firm or it IARs.

Clients should be aware that the ability to receive additional compensation by R.W. Baker Wealth and its management persons or employees creates conflicts of interest that impair the objectivity of the Firm and these individuals when making advisory recommendations. R.W. Baker Wealth acts in the best interest of clients as part of our fiduciary duty as a registered investment adviser; we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees;
- we disclose to clients that they have the right to decide to purchase the recommended investment products from our IARs;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients. Conflicts of interests are properly addressed with our clients, disclosed in our Firm documents and mitigated by our Firm's policies and procedures.

IARs of our Firm do not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

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**ITEM 11 - CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS  
AND PERSONAL TRADING**

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Our Firm and persons associated with us are allowed to invest for their own accounts or to have a financial investment in the same securities or other investments that we recommend or acquire for your account and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interest and have established policies to mitigate conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information.

The Code of Ethics is designed to protect our clients to detect and deter misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of R.W. Baker Wealth, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

We have established the following restrictions in order to ensure our firm's fiduciary responsibilities:

1. A director, officer or employee of R.W. Baker Wealth shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No supervised employee of R.W. Baker Wealth shall prefer his or her own interest to that of the advisory client. When the trades for supervised employees are traded in the same aggregated order with client trades, supervised employees and clients receive the same pricing.
2. We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of R.W. Baker Wealth.
3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.

4. We require that all supervised employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
5. Any supervised employee not in observance of the above may be subject to termination.

You may request a complete copy of our Code of Ethics by contacting us at the telephone number on the cover page of this Part 2; Attn: Chief Compliance Officer.

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## **ITEM 12 - BROKERAGE PRACTICES**

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### **The Custodian and Brokers We Use**

#### ***Investment Management Services***

Clients must maintain assets in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. Advisor Services (“Schwab”), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated, and unaffiliated with Schwab. Schwab will hold client assets in a brokerage account, and buy and sell securities when we instruct them to.

While we recommend that clients use Schwab as Custodian, client must decide whether to do so and open accounts with Schwab by entering into account agreements directly with them. The client opens the accounts with Schwab. The accounts will always be held in the name of the client and never in R.W. Baker Wealth or the Investment Advisor Representative’s name.

#### ***How We Select Custodians***

We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

1. Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
2. Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
4. Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)



5. Availability of investment research and tools that assist us in making investment decisions
6. Quality of services
7. Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices
8. Reputation, financial strength, and stability
9. Prior service to R.W. Baker Wealth Advisors and our other clients
10. Availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us from Schwab)

### ***Client Brokerage and Custody Costs***

For our clients' accounts that Schwab maintains, Schwab generally does not charge separately for custody services. However, Schwab receives compensation by charging commissions, ticket charges or other fees on trades that it executes or that settle into clients' Schwab accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see How We Select Brokers/Custodians).

### ***Products and Services Available to Us from Schwab***

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide R.W. Baker Wealth Advisors and our clients with access to its institutional brokerage, trading, custody, reporting, and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts; others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. These are considered soft dollar benefits. This creates a conflict of interest because there is an incentive to recommend Schwab as our Custodian. We have established policies in this regard to mitigate any conflicts of interest. We believe that our selection of Schwab as custodian and broker is in the best interests of clients. R.W. Baker Wealth Advisors will at all times act in the best interest of their clients and act as a fiduciary in carrying out services to clients.

Following is a more detailed description of Schwab's support services:

### ***Services That Benefit Our Clients***

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 our clients and their accounts.

***Services That May Not Directly Benefit Our Clients***

Schwab also makes available to us other products and services that benefit us but may not directly benefit our clients or their accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

1. Provide access to client account data (such as duplicate trade confirmations and account statements)
2. Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
3. Provide pricing and other market data
4. Facilitate payment of our fees from our clients' accounts
5. Assist with back-office functions, recordkeeping, and client reporting

***Services That Generally Benefit Only Us***

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

1. Educational conferences and events
2. Consulting on technology, compliance, legal, and business needs
3. Publications and conferences on practice management and business succession
4. Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

***Our Interest in Schwab's Services***

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions. We believe that our selection of Schwab as custodian and broker is in the best interests of our clients.

Some of the products, services and other benefits provided by Schwab benefit R.W. Baker Wealth Advisors and may not benefit our client accounts. Our recommendation or requirement that you place assets in Schwab's custody may be based in part on benefits

Schwab provides to us, or our agreement to maintain certain Assets Under Management at Schwab, and not solely on the nature, cost or quality of custody and execution services provided by Schwab.

We place trades for our clients' accounts subject to our duty to seek best execution and its other fiduciary duties. Schwab's execution quality may be different than other Custodians.

#### **Aggregation and Allocation of Transactions**

We may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client Investment Advisory Agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day.

We will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

1. Our policy for the aggregation of transactions shall be fully-disclosed separately to our existing clients (if any) and the broker/dealer(s) through which such transactions will be placed;
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our Investment Advisory Agreement with you for which trades are being aggregated.
3. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each client's participation in the transaction;
4. We will prepare a written statement ("Allocation Statement") specifying the participating client accounts and how to allocate the order among those clients;
5. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, the allocation will be distributed to participating accounts on a pro-rata basis;
6. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in

writing and is reviewed by our compliance officer. Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account.

7. We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
8. Individual advice and treatment will be accorded to each advisory client.

### **Trade Errors**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client would not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the Custodian, the Custodian will be responsible for covering all trade error costs. The CCO conducts a quarterly review of trade errors that have occurred during the quarter. If investment gains (net any losses) result from the correcting trade(s), the total gain will be donated to charity. We will never benefit or profit from trade errors.

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## **ITEM 13 - REVIEW OF ACCOUNTS**

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### **Account Reviews and Reviewers – Investment Supervisory Services**

Rosalyn W. Baker will monitor client accounts on at least a monthly basis and perform annual reviews with each client. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Geopolitical and macroeconomic specific events may also trigger reviews.

### **Statements and Reports**

The custodian for the individual client's account will provide clients with an account statement at least quarterly. Reports may also be provided at every client meeting. Communication to clients will be done on an as needed basis with a minimum of 1 contact per calendar year. You are urged to compare the reports and invoices provided by R.W. Baker Wealth against the account statements you receive directly from your account custodian. Please notify R.W. Baker Wealth Management of any discrepancies.

Those clients who are exclusively Consulting or Financial Planning clients (i.e. those who have no assets under management with us in our advisory program) will receive no regular reports from the Firm.

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#### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

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Other than that already disclosed in this Brochure, R.W. Baker Wealth does not receive any additional compensation from third parties for providing investment advice to its clients.

Our Firm does not provide compensation to solicitors for client referrals.

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#### **ITEM 15 – CUSTODY**

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Custody is defined as any legal or actual ability by our firm to access client funds or securities. We do not have physical custody, as it applies to investment advisors.

##### **Deduction of Advisory Fees**

Our firm has custody of the funds and securities as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee. For all accounts, our firm has the authority to have fees deducted directly from client accounts. Our firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. In addition, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Finally, our firm will send an invoice to the client on a quarterly basis. You should carefully review those statements and are urged to compare the statements against reports and invoices received from R.W. Baker Wealth. When you have questions about your account statements, you should contact R.W. Baker Wealth or the qualified custodian preparing the statement. Please refer to Item 5 for more information about the deduction of adviser fees.

##### **Standing Letters of Authorization ("SLOA")**

Our firm is also deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and, under that SLOA, it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. We do not have a beneficial interest on any of the accounts we are deemed to have Custody where SLOAs are on file. In addition, account statements reflecting all activity on the account(s), are delivered directly from the qualified custodian to each client or the client's independent representative, at least quarterly. You should carefully review those statements and are

urged to compare the statements against reports and invoices received from us. When you have questions about your account statements, you should contact us, your Advisor or the qualified custodian preparing the statement.

*Please note clients that are residents of Arizona and Colorado are not allowed to have Standing Letters of Authorization for third party money movement on file with our firm.*

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#### **ITEM 16 – INVESTMENT DISCRETION**

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For discretionary accounts, prior to engaging R.W. Baker Wealth to provide investment advisory services, you will enter a written Agreement with us granting the firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client's investment objective and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable R.W. Baker Wealth, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any stocks, bonds or other securities or assets and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such discretionary authority will be communicated to our Firm in writing by you, the client.

The limitations on investment discretion held by R.W. Baker Wealth for you are:

1. For discretionary accounts, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
2. Any limitations on this discretionary authority shall in writing as indicated on the Investment Advisory Agreement, Appendix B. You may change/amend these limitations upon written notice to R.W. Baker Wealth Management Group.

In some instances, we may not have discretion. We will discuss all transactions with you prior to execution or you will be required to make the trades if in an employer sponsored account.

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#### **ITEM 17 – VOTING YOUR SECURITIES**

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We will **not** vote proxies on your behalf. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Clients can contact our office with questions about a particular solicitation by phone at 307-514-4445.

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**ITEM 18 – FINANCIAL INFORMATION**

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We do not receive or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.

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**ITEM 19 – REQUIREMENT FOR STATE REGISTERED ADVISORS**

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Please see Form ADV Part 2B, Item 2 regarding the formal education and business background of our IARs. Please see Form ADV Part 2B, Item 4 for information regarding the other business activity, along with the time spent of our IARs.

Our IARs have not been involved in or found liable in an arbitration claim or civil, self-regulatory organization or administrative proceeding alleging damages in excess of \$2,500, involving an investment or an investment-related business or activity; fraud, false statement(s), or omissions; theft, embezzlement, or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair, or unethical practices.



**RW Baker Wealth Management Group LLC**

100 W. 17TH STREET  
CHEYENNE, WY 82001  
307-514-4445

**Rosalyn Wallach Baker**  
**2B Supplemental Brochure**

**October 2018**

The Brochure Supplement provides information about Rosalyn Baker (CRD#1078293) that supplements the RW Baker Wealth Management Group LLC Brochure. You should have received a copy of the Brochure. Please contact the Chief Compliance Officer at 307-630-5466. if you did not receive RW Baker Wealth Management Group LLC's Brochure or if you have any questions about the contents of this supplement.

Additional information about Rosalyn Baker is available on the SEC's website at SEC Adviser Info. You can search this site by a unique identifying number, known as the CRD number listed above.



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## ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

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**Rosalyn W. Baker**

Born: 1940

Post-Secondary Education:

- No formal post-secondary education

Recent Business Experience:

- *RW Baker Wealth Management Group LLC*, Investment Advisor Representative/Owner, 06/2018- Present
- *Purshe Kaplan Sterling, LLC*, Registered Representative, 06/2018 – Present
- *RBC Capital Markets LLC*, Financial Advisor, 06/1998 – 06/2018
- *Dain Rauscher Incorporated*, Financial Advisor, 05/1983 - 1998

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## ITEM 3 - DISCIPLINARY INFORMATION

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Rosalyn Baker has no history of any legal or disciplinary events that deems to be material to a client's consideration of Rosalyn Baker to act as their investment adviser representative. FINRA's BrokerCheck® may have additional information regarding the disciplinary history of Rosalyn Baker that is not included in this brochure supplement. (SEC Adviser Info).

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## ITEM 4 - OTHER BUSINESS ACTIVITIES

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Rosalyn Baker is a Registered Representative of Purshe Kaplan Sterling, LLC a securities broker/dealer, and a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and an investment adviser registered with the U.S Securities and Exchange Commission ("SEC").

As a broker-dealer, Purshe Kaplan Sterling, LLC engages in a broad range of activities normally associated with securities brokerage firms. Pursuant to the investment advice given by Rosalyn Baker, investments in securities will be recommended for you. If Purshe Kaplan Sterling, LLC is selected as the broker-dealer, it will affect transactions in securities for you, a client of RW Baker Wealth Management Group LLC and Rosalyn Baker. By serving as the broker-dealer, Purshe Kaplan Sterling, LLC and Rosalyn Baker will receive commissions for executing securities transactions.

Rosalyn Baker will provide advice regarding mutual funds securities. You should be aware that, in addition to the advisory fees paid by you, each mutual funds also charges its own

separate investment advisory fees and other expenses (internal management fees). In addition, you should be aware that mutual funds may be purchased separately independent of the investment management services of RW Baker Wealth Management Group LLC.

Rosalyn Baker, in her capacity as registered representatives of Purshe Kaplan Sterling, LLC, or as agents appointed with various life, disability or other insurance companies, receives commissions, 12(b) -1 fees, trails, or other compensation from the respective product sponsors and/or as a result of effecting securities transactions for you. However, you should note that you have the right to decide to purchase any investment products through Rosalyn Baker as her role in as a Registered Representative with PKS. She is able to offer a variety of services through Purshe Kaplan Sterling, LLC in addition to the advisory services she is able to offer through RW Baker Wealth Management Group LLC.

Rosalyn Baker is an insurance agent. It is anticipated that a small portion, less than (10%) of her time, will be spent providing these insurance products. In such capacity, she offers fixed and variable life insurance products and receive normal and customary commissions as a result of any purchases made by clients. The client has a right to purchase fixed or variable life insurance through Rosalyn Baker on a commissionable basis. In addition, Rosalyn Baker receives other compensation such as fixed or variable life trails. The potential for receipt of commissions and other compensation gives her incentive to recommend insurance products based on the compensation received, rather than on the client's needs. This creates a conflict of interest with clients. To mitigate this conflict, disclosure is made to the client at the time purchase is made, identifying the nature of the transaction or relationship, the role to be played and any compensation (e.g., commissions, trails) to be paid by the client and/or received by the insurance agent. Clients have the right to decide whether to act on the recommendation and the right to purchase any insurance products through the Firm or Ms. Baker.

In addition to serving as your investment advisory representative, Rosalyn Baker is a Successor Trustee for family related accounts - the Richard M. Baker and Timothy Baker Trust. Her time spent on this activity is approximately 5 hours per month.

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#### **ITEM 5 - ADDITIONAL COMPENSATION**

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Rosalyn Baker does not receive any economic benefit for providing advisory services beyond the scope of RW Baker Wealth Management Group LLC and business activities listed in Item 4.

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#### **ITEM 6 - SUPERVISION**

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Rosalyn Baker is the Chief Compliance Officer of RW Baker Wealth Management Group LLC. Her activities are generally supervised in accordance with the Firm's compliance procedures and Rosalyn Baker adheres to the policies and procedures of the Firm. Specific

areas of review include transactions, account suitability and written correspondence including email, among other activities. Rosalyn Baker may be reached at 307-514-4445.

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**ITEM 7 - REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

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Rosalyn Baker has not been involved in or found liable in an arbitration claim or civil, self-regulatory organization or administrative proceeding alleging damages in excess of \$2,500, involving an investment or an investment-related business or activity; fraud, false statement(s), or omissions; theft, embezzlement, or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair, or unethical practices. Rosalyn Baker has not been the subject of a bankruptcy petition. To the best of our ability all material conflicts of interest are disclosed regarding the Firm, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.