

## **Item 1: Cover Page of Form ADV Part 2A**

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This brochure provides information about the qualifications and business practices of Baring Financial, LLC. If you have any questions about the contents of this brochure, please contact us at: (360) 671-7257, or by email at: info@baringfinancial.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. Registration does not imply a certain level of skill or training.

Additional information about Baring Financial, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search by our firm name or our identifying number (our CRD number) 173761.

## **Item 2: Material Changes**

Since our last annual update in January 2023, we have made the following material changes:

- We do not offer investments in digital assets in our client portfolios and have removed all such references to digital assets, including crypto currencies.
- We have added details in Item 4 and 5 about our recommendation of third-party advisers. When we recommend a third-party adviser, the client signs paperwork with and pays an additional fee directly to that other adviser.

We periodically make other, non-material changes to improve clarity, add information, or better align our disclosure with the document instructions. We encourage you to read the entire brochure and let us know if you have any questions.

You can request a complete copy of our brochure at any time by contacting us at (360) 671-7257 or [info@baringfinancial.com](mailto:info@baringfinancial.com).

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## **Item 4: Advisory Business**

### **Firm Description**

Baring Financial, LLC (“Baring Financial,” “us,” “we,” “firm”) was founded in 2014 and became registered as an investment adviser in 2015. Melvin Danson is the sole owner of Baring Financial.

We provide personalized, confidential investment management to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, and small businesses.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which our investment management services may be beneficial to the client.

### **Types of Advisory Services**

We provide ongoing asset management services on a discretionary basis. Suitable asset management requires examination of each client’s personal financial affairs. We work with you to set realistic and measurable goals and define objectives to help reach those goals. As a client’s particular circumstances change, we will update your goals and objectives as needed and appropriate.

We gather and retain suitability and profile details for our clients, including the client’s current financial situation, cash flow needs, investment objectives, and other information we need to provide investment advice for the client’s specific situation and investing needs. We create an Investment Policy Statement at the onset of the relationship to reflect each client’s stated goals and objective and help guide our selection of a portfolio model that meets your individual needs. As your goals and objectives change over time, we will update your Investment Policy Statement as needed. Clients may impose restrictions on investing in certain securities or types of securities.

We work with you to implement your customized portfolio. We manage portfolios on a discretionary basis, typically using strategies that contain mutual funds, ETFs, individual equities, and fixed income solutions, though we are not limited to specific security types. We recommend a brokerage/custodial platform we believe best suited to the client’s investments, needs, and the services we will provide to them. See Item 12 of this brochure for a discussion of the costs associated with these different platforms and the conflicts of interest present when we make our recommendation.

- Schwab & Co., Inc. (Schwab) acts as broker-dealer/custodian and offers a full range of products in addition to execution and custodial services. is the primary broker-dealer/custodian we recommend providing our clients with brokerage and custodial services.
- SEI Private Trust (SEI) offers various investment models and programs. We use the SEI platform to create custom models for clients. SEI offers both proprietary and non-

proprietary investment options but does not offer access to all publicly traded securities and cannot custody all publicly traded securities. Individual security management, derivatives, and legacy position management are not generally features of managed accounts at SEI. This is primarily a legacy platform for us. We believe Schwab offers comparable services and we are more likely to recommend Schwab for new clients working with our firm.

- Shareholders Service Group (SSG) is a broker-dealer providing trade execution services for independent investment advisers like Baring Financial. Accounts opened with SSG are custodied with Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation. Pershing LLC also provides clearing and settlement of trades executed through SSG. SSG/Pershing offers a robust brokerage and operational platform. Accounts have investment allocations to customized security selection as well as the ability to use model portfolios.

The details of our asset management services and the fees we charge are captured in our written Investment Advisory Agreement, which is signed prior to the start of the relationship. We provide periodic financial reports to clients as needed, as requested, and as appropriate for the client's given circumstances and planning needs.

Tax preparation work is not included in our investment advisory services. If the client chooses to use the tax preparation services of our affiliate firm, that is done under a separate engagement and fee. Clients are under no obligation to use our tax preparation services. See Item 10 of this brochure for details about our affiliated firm.

We recommend primarily no-load or low-load mutual funds and exchange-traded funds for our clients' portfolios. Other investments may include stocks, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, U.S. government agency securities, and options contracts.

We do not offer investment recommendations regarding privately held securities, and Initial public offerings (IPOs) are not available through our firm.

### **Use of Third-Party Advisers**

At times we recommend the use of a third-party investment adviser to manage a portion of a client's portfolio. We're more likely to recommend a third-party adviser for a larger portfolio with potentially significant future tax liabilities. Clients will sign an account agreement directly with that other adviser through our custodian's third-party adviser platform. That account agreement will authorize the other adviser to charge a fee and directly deduct that fee from the client's account. The fee they charge is in addition to the fee we charge. See Item 5 of this brochure for further discussion of our fees.

### **Important Information for Retirement Investors**

When we recommend that you rollover retirement assets or transfer existing retirement assets, such as a 401(k) or an IRA, to our management, we have a conflict of interest. This is because we will generally earn additional revenue when we manage more assets. In making the recommendation, however, we do so only after determining that the recommendation is in your best interest. Further, in making any recommendation to transfer

or rollover retirement assets, we do so as a “fiduciary,” as that term is defined in ERISA or the Internal Revenue Code, or both. We also acknowledge we are a fiduciary under ERISA or the Internal Revenue Code with respect to our ongoing investment advisory recommendations and discretionary asset management services, as described in the advisory agreement we execute with you. To the extent we provide non-fiduciary services to you, those will be described in the advisory agreement.

### **Termination of Services**

A Client may terminate our Agreement without penalty within five business days of entering into our advisory agreement. After five business days, the client or Baring Financial may terminate an Agreement by written notice to the other party. We are not responsible for investment allocation or advice upon receipt of a client's termination notice. We will also need to inform the custodian of record that the relationship between parties has been terminated if the client has not already done so.

At termination, for any accounts where fees were paid in advance, fees will be billed on a pro rata basis for the portion of the quarter completed and any unearned fees will be refunded to you. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination. We will provide a final invoice detailing the amount of fees charged initially, what was earned (the days the account was managed during the quarter), and the amount of your refund.

For accounts where fees are billed in arrears, fees will be billed on a pro rata basis for the portion of the quarter completed where our fees were earned, but not yet paid. The portfolio value will be as of the last day your assets were under our management and prior to any assets transferring out. We will provide a final invoice detailing the amount of fees charged initially, what was earned (the days the account was managed during the quarter), and the amount due to us.

### **Assets Under Management**

As of January 22, 2024, we managed assets of \$136,435,327, all on a discretionary basis.

## **Item 5: Fees and Compensation**

### **Fee Billing**

Our ongoing asset management fee is based on a percentage of your assets under management with our firm.

Our maximum annual fee is 1.3%. Depending on where your assets are custodied, we bill quarterly in advance or quarterly in arrears.

Our maximum annual fee for clients choosing to use our services through SSG's platform is 1.3%. SSG charges a fee for securities transactions in the account and Baring Financial pays those transaction fees on behalf of client accounts held at SSG. We do not pay any other account service or activity fees on behalf of clients (see *Other Fees and Expenses* below). Paying the transaction fees on behalf of clients creates a conflict of interest for us because it gives us an incentive to trade less frequently as it costs us less money. However, we have a fiduciary obligation to trade in a client's portfolio when it is in the client's interests, not whether

it benefits us.

We do not charge more than 1% annually for clients choosing to use our services through SEI's platform. SEI charges .20% annually on all non-SEI investments held in client accounts and our portfolios typically have non-SEI investments. This fee is paid directly by the client to SEI and is detailed in the account-opening paperwork the client signs. Unlike the transaction charges at SSG, Baring Financial does not pay the SEI fee on behalf of clients.

Our fees are negotiable. Baring Financial, in its sole discretion, may waive its fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.). See "Other Fees and Expenses" below and Item 12 of this brochure for the different cost structures of the custodians we recommend.

We bill our fee at the beginning of each new quarter, calculated on the value of your account on the last day of the previous calendar quarter. Clients can pay by check or direct fee deduction through their custodian; however, we usually deduct fees directly from your account through the qualified custodian holding your funds and securities. You authorize this fee deduction through your written client agreement with us and the account opening paperwork with your custodian.

Our maximum annual fee for clients choosing to use our services through Schwab's platform is 1.2%. Schwab has eliminated commissions for online trades of equities, ETFs and options (subject to \$0.65 per contract fee). This means that, in most cases, when we buy and sell these types of securities, clients will not have to pay any commissions to Schwab.

### **Third-Party Advisory Fees**

When a portion of a client's portfolio is managed by a third-party adviser, the client will pay an advisory fee directly to that other adviser. The fee will be disclosed to the client in the paperwork signed with the third-party adviser. The fee to the third-party adviser is separate and in addition to fees the client pays to Baring Financial.

### **Other Fees and Expenses**

The fees that you pay to Baring Financial do not include the fees and expenses charged by your broker-dealer/custodian, platform provides, and other third parties, including the SEC and exchanges. Examples of these fees include platform fees, custodial fees, exchange fees, transaction fees, transfer fees, and wire fees. Baring Financial does not share or otherwise receive any portion of these third-party fees.

Neither Baring Financial nor its associated persons accept compensation for the sale of securities or other investment products.

### **Mutual Fund Fees**

Mutual funds generally charge an internal management fee, also referred to an expense ratio, for their services as investment managers. These fees are in addition to the fees paid by you to Baring Financial, LLC. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are deducted from the fund assets internally and reduce overall return. Neither Baring Financial nor any of its associated

persons share in these fees.

### **Past Due Accounts**

We reserve the right to stop work on any account that is more than 90 days overdue. In addition, we reserve the right to terminate any investment management engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Baring Financial's judgment, to providing proper financial advice. Any unearned portion of fees collected in advance will be refunded within 30 days of our notice of termination.

## **Item 6: Performance-Based Fees and Side-by-Side Management**

We do not charge any fees based on a share of the capital gains or capital appreciation of any client assets. This section is not applicable to our business.

## **Item 7: Types of Clients**

We generally provide investment advice to individuals, banks or thrift institutions, investment companies, pension and profit-sharing plans, trusts, estates, or charitable organizations, corporations or business entities. Client relationships vary in scope and length of service. We do not have a minimum account size.

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

### **Methods of Analysis**

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that Baring Financial may use include, but are not limited to, Morningstar Principia mutual fund information, and Morningstar Principia stock information.

### **Investment Strategies**

The primary investment strategy used on client accounts is strategic asset allocation utilizing a core and satellite approach. This means that we use passively-managed index and exchange-traded funds as the core investments, and then add actively-managed funds where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets.

We have developed asset allocation models as part of our investment process and strategy. The model selected for a specific client is based upon the objectives stated by the client during consultations and we tailor the model to fit the client's individual needs and goals. Each client executes an Investment Policy Statement that documents their objectives and



their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

## **Risks of Loss**

All investments have the risk of loss of principal – the risk that the value of the securities, when sold or otherwise disposed of, may be less than the price paid for the securities. Investing in securities involves risk of loss that clients should be prepared to bear. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Asset Allocation/Strategy/Diversification Risk:** The risk that the mix of asset classes and constituent investments don't perform as expected.
- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations

may result in bankruptcy and/or a declining market value.

- **Concentrated Investment Risk:** Having a large allocation to any specific security, sector, company, or asset class increases the potential to experience greater volatility and other risks. Since the value of any given security can drop to zero, diversification is a key strategy to manage this risk.

The above description of potential risks is not intended to be an exhaustive explanation of all risks you may encounter in engaging our firm for advisory services. We encourage you to ask us about the risks related to your specific portfolio and investments.

## **Item 9: Disciplinary Information**

### **Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **Affiliations**

Melvin Danson is a licensed insurance agent selling life, disability and long-term care and owns an affiliated firm, Logan Danson, LLC, a licensed insurance agency as well as a company offering tax preparation and consulting work. Investment advisor representatives (IARs) of Baring Financial, including its owner, Melvin Danson, also work for Logan Danson. Clients who buy insurance products through Melvin Danson or use Logan Danson's insurance or tax preparation or consulting work, are told that a conflict of interest exists in providing these services.

IARs provide all tax planning services through Logan Danson, not through Baring Financial. A conflict of interest exists in that they have an incentive to recommend the affiliated firm's tax planning services over that of another firm because it generates additional revenue for them. Melvin Danson at times also recommends insurance products to advisory clients. This is a conflict of interest because he has an incentive to recommend insurance products which generate a commission from the sale of such products.

We disclose to clients and prospective clients the conflicts of interest present with these other business activities. We have a fiduciary obligation to put clients' interests first, and we will only make these recommendations when we believe it suitable and appropriate for the client's situation and the considerations of costs. Clients are always free to work with another insurance agent or tax planner and are not required engage the services of Melvin Danson or Logan Danson.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Code of Ethics**

We have adopted a Code of Ethics that incorporates the following general principles that all

employees of our firm are expected to uphold. Our Code of Ethics requires that all employees:

- put our clients' interest first
- conduct all personal securities transactions in a manner to avoid actual or potential conflicts of interest
- treat all client information as confidential

A copy of our Code of Ethics is available upon request to current and prospective clients. Contact the firm's CCO to receive a copy free of charge.

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

Baring Financial employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the personal trading provisions of our Code of Ethics.

### **Personal Trading**

Melvin Danson is the Chief Compliance Officer of Baring Financial. He reviews all personal trading done by himself and other employees at least quarterly. He ensures that employees' personal trading did not disadvantage clients and that employees did not take inappropriate advantage of their position of trust in the firm.

## **Item 12: Brokerage Practices**

### **Recommendation of Custodians / Brokers**

Baring Financial does not maintain custody of your assets, although we are deemed to have custody when you give us authority to withdraw assets from your account (see Item 15: Custody). Your assets must be maintained in an account at a qualified custodian, generally a broker-dealer for accounts we manage. We are independently owned and operated and are not affiliated with any of the custodians/brokers we recommend.

The custodian will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend the following custodians, you will decide whether to do so and will open your account by entering into an account agreement directly with that custodian.

We do not open the account for you, although we typically assist you in doing so. Even though your account is maintained at a particular custodian/broker, and we anticipate most trades will be executed with that custodian, we can still use other brokers to execute trades for your account as described below (see "Your brokerage and custody costs").

Baring Financial recommends several different custodial platforms. We recommend clients establish brokerage accounts with one or more of the custodian/broker-dealers whose institutional platforms we use, which will vary depending your particular brokerage and custodial needs. Conflicts of interest associated with these custodial/brokerage arrangements are described below or in Item 14 of this brochure. You should consider these conflicts of interest when selecting your custodian/broker.

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

When considering whether the terms that any custodian/broker provides are, overall, most advantageous to you when compared with other available providers and their services, we take into account a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, ETFs, options, etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security, and stability
- Services delivered or paid for by that custodian/broker-dealer
- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us”)

## **Charles Schwab & Co., Inc.**

We typically recommend Charles Schwab & Co., Inc. (Schwab) for new clients and our other custodian/brokerage relationships are maintained for existing clients who have chosen not to move their accounts over to Schwab.

Schwab is a registered broker-dealer, member SIPC. Schwab provides us with access to its institutional trading and custody services, which are typically not available to Schwab retail investors.

## **Schwab Brokerage and Custody Costs**

For our clients' account that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle in your Schwab account. Certain trades (for example, mutual funds and ETFs) do not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. Schwab's commission rates applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a minimum level of assets in accounts at Schwab. When we do not maintain their required threshold, certain ticket charges will be higher for our clients than if we were over that threshold. While we believe Schwab's rates to be competitive, clients should understand that they may incur slightly higher ticket charges for trades through our firm than with another firm

that has negotiated lower rates.

This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise. In addition to commissions, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

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

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

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

**Services that benefit you.** Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

**Services that do not directly benefit you.** Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts and operating our firm. They include investment research, both Schwab’s own and that of third parties. We 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:

- provide access to client account data (such as duplicate trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide pricing and other market data

- facilitate payment of our fees from our clients' accounts
- 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:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and compliance related needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab provides some of these services itself and in other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. If you did not maintain your account with Schwab, we would be required to pay for those services at a higher price or from our own resources.

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

The availability of these services from Schwab benefits us because we do not have to produce them or pay for them. Schwab has also agreed to pay for certain technology, research, marketing, and compliance consulting services on our behalf. This creates a financial incentive for us to use Schwab because they will pay for certain costs we would otherwise incur directly.

The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How We Select Custodians/Brokers") and not Schwab's services that benefit only us. We also believe that given the limited time frame for requested payment from Schwab and the maximum amount allocated to our firm, this is not a material factor in our decision to recommend Schwab.

### **Shareholder Services Group (SSG)**

SSG is a registered broker-dealer, member SIPC, that offers execution services to independent investment advisers like Baring Financial as well as access to custodial services through Pershing, LLC. We typically recommend SSG for larger accounts because they have operational flexibility and can better facilitate more complicated account servicing options, such as holding a legacy security position and client-directed money movement options. SSG charges a transaction fee for securities bought and sold in client accounts and Baring Financial pays those fees on behalf of our clients. As we discuss in Item 5 of this brochure, this creates a conflict of interest because we have an incentive to trade less as that would cost us less. However, we have a fiduciary duty to our clients and will trade when we believe

it is suitable for the client, not because of the cost to us.

### **SEI Private Trust**

SEI is a trust company offering a suite of proprietary products and account management solutions. SEI charges client accounts an asset-based fee for any non-SEI investment products held in those accounts, the impact of which we consider when recommending SEI to our clients. We do not pay transaction charges on behalf of clients who choose SEI, but clients pay a platform fee of .20% annually when holding non-SEI proprietary products in their accounts. Our fee is lower for SEI accounts because clients have to pay this fee directly rather than Baring Financial absorbing. SEI's platform allows us to use pre-define portfolio models for our clients, which is an operational efficiency for us, that may not directly benefit our clients.

SSG and SEI are compensated through transaction charges, asset-based fees, account service and activity fees, platform fees, and/or trading profits. When the platform offers their own proprietary products, they may also be compensated through a share of the internal expense fees of those products. Baring Financial, LLC does not receive any portion of the fees charged by the custodian/broker-dealers we recommend.

Not all advisors require their clients to direct brokerage. By directing brokerage Baring Financial may not be able achieve the most favorable execution of Client transactions.

### **Soft Dollars**

We do not have any traditional soft dollar arrangements. However, we have access to the institutional platforms of the custodians described above in this section of our brochure. Each custodial platform we use provides us with some level of service as an institutional user of their system, and those services may benefit us and our clients, or just us. We describe that in this Item 12 section above and in Item 14: Client Referrals and Other Compensation.

### **Order Aggregation**

We do not typically aggregate multiple client trades in the same security into one trade (also known as a "block" trade) because most of our trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

## **Item 13: Review of Accounts**

### **Periodic Reviews**

Our CCO reviews client accounts at least annually for suitability and consistency with the client's investment objectives. Accounts are reviewed more frequently if there is any unusual activity in the securities held by such account. Additionally, if macroeconomic events could potentially impact a client's portfolio value, we will review securities to evaluate appropriateness.

### **Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

## **Regular Reports**

Clients receive periodic communications on at least an annual basis. We will provide periodic reports to clients, or upon request. Custodians will provide you with statements directly at least quarterly that will include activity in the account; we encourage you to compare any reports we provide you with the statements you receive directly from the custodian.

## **Item 14: Client Referrals and Other Compensation**

We do not receive referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Baring Financial has a referral arrangement in place with another investment adviser whereby when that other adviser refers clients to us for portfolio management and the client engages us, we will pay the other adviser a portion of the advisory fee we charge. While we use the same fee schedule for all clients, whether they come to us directly or through a referral partner, we have an incentive to keep the fees in-line with our standard fee schedule with the referred clients, and not to accept a negotiated lower fee, because we retain less compensation than for a non-referred client.

We also receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. In addition, Schwab has also agreed to pay for certain products and services for which we would otherwise have to pay once the value of our clients' assets in accounts at Schwab reaches a certain size. You do not pay more for assets maintained at Schwab because of these arrangements. However, we benefit from the arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian/broker. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above in Item 12: Brokerage Practices.

## **Item 15: Custody**

All account assets are held with a qualified custodian and never by Baring Financial. However, Baring Financial is deemed to have custody when either our firm or an investment advisor representative of our firm has control of a client's assets. Examples include if an investment adviser representative acts as trustee for a client. In such circumstances, we will comply with applicable custody regulations and controls to help safeguard client assets, including engaging an independent public accountant to conduct a surprise exam of those assets over which we have custody.

We are also deemed to have custody of your assets if, for example, you authorize us to instruct your custodian to deduct our advisory fees directly from your account or if you grant us authority to move your money to another person's account. Your custodian maintains actual custody of your assets. You will receive account statements directly from your custodian at least quarterly. They will be sent to the email or postal mailing address you provided to your custodian. You should carefully review those statements promptly when you receive them. We also urge you to compare your custodial account statements with periodic statements and other portfolio reports we send you.



## **Item 16: Investment Discretion**

Baring Financial customarily accepts discretionary authority to manage securities accounts on behalf of clients. Clients acknowledge this authority (limited power of attorney) by signing our discretionary management agreement and through their account opening paperwork with the broker-dealer/custodian. When Baring Financial has discretionary authority, that means we have the authority to determine the securities to be bought or sold and the amount of the securities to be bought or sold. Clients may place restrictions on our authority by limiting the securities which may be acquired in their portfolios; such requests will be captured in writing in our investment policy statement with the client. The client is responsible for approving the custodian to be used and opening the account, although we assist with that process.

## **Item 17: Voting Client Securities**

Baring Financial does not vote proxies on securities. Clients are expected to vote their own proxies. Client will receive voting proxies directly from Custodian.

When assistance on voting proxies is requested, Baring Financial will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## **Item 18: Financial Information**

Baring Financial does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

Baring Financial does not require prepayment of fees of more than \$1200 per client and six months or more in advance.

# Privacy Notice

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## Information Security

Baring Financial, LLC maintains an information security program to reduce the risk that your personal and confidential information may be breached.

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## Privacy Policies

Baring Financial, LLC is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the asset management process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your written permission, we share your information with other professionals with you have engaged, such as attorneys, accountants, and mortgage lenders. You may remove this sharing permission at any time by notifying us by telephone, mail, email, or in person.

We never share your personal information with non-affiliates for marketing purposes. We only share your personal information with our affiliates if you request services from our affiliate. We share information as needed to provide you with advisory services such as assisting in opening an investment account for you. We also share information with non-affiliates for our everyday business purposes. Examples of non-affiliates we use for everyday business purposes include our contact management system, financial reporting software, compliance consultants, and accounting firms. We require strict confidentiality in our agreements with non-affiliated third parties that have access to your personal information. Federal and state securities regulators may review our records, including your personal information, as permitted by law.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques, and authentication procedures in our computer environment.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will provide this Privacy Notice to you annually. We also may update our privacy policies from time to time and will notify you of any such changes.