

FIRM BROCHURE  
*Part 2A of Form ADV*

BOGDANOVICH | WEALTH  
MANAGEMENT, PLLC

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December 31, 2020

This brochure provides information about the qualifications and business practices of Bogdanovich Wealth Management PLLC. If you have any questions about the contents of this brochure, please contact us at (206) 522-4478 or [jeff@jbogdanovich.com](mailto:jeff@jbogdanovich.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Bogdanovich Wealth Management PLLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

# **BOGDANOVICH WEALTH MANAGEMENT PLLC**

Firm Brochure (Part 2A of Form ADV)

December 31, 2020

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# BOGDANOVICH WEALTH MANAGEMENT PLLC

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December 31, 2020

## 1. **Advisory Business**

Bogdanovich Wealth Management PLLC (the "Company") is a Washington state professional limited liability company. Jeffrey J. Bogdanovich, CPA/PFS is the sole member. As a "wealth manager" the firm focuses on addressing all significant aspects of clients' financial life in a consultative way.

The Company tailors advisory services to the individual needs of the clients. The description of advisory services is outlined in each client's personal Investment Advisory Agreement and Investment Policy Agreement. Clients may impose restrictions on investing in certain securities and any restrictions are designated in the Investment Advisory Agreement.

The Company does not participate in wrap fee programs.

As of December 31, 2020, the amount of client assets the firm managed was \$225,496,783.

## 2. **Fees and Compensation**

The Company is compensated for advisory services by charging a percentage of assets under management. Depending on the value and complexity of a client's account, fees are negotiable and range from 0.20% to 0.90% annually.

Fees for management of assets are billed quarterly. The client has the option to have these fees deducted from their accounts. Clients incur trading costs at their custodian which are charged to their accounts. There are no pre-paid fees.

No person or persons at the Company accepts or receives compensation for the sale of securities or other investment products, including asset-based charges or service fees from the sale of mutual funds.

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

No person or persons at the Company accepts or receives performance-based fees.

## 4. **Types of Clients**

The Company provides investment advice primarily to individuals. This also includes owner-dominated pension and profit sharing plans, family trusts and estates.

There is no minimum account size required to open or maintain an account at the Company.

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

Our goal is to provide our clients with a basic foundation on which to build the most appropriate investment strategy and to assist them in developing the confidence to stay with their strategy through all market conditions.

In developing investment plans for clients, we begin with the consideration of their stock / bond allocation. We believe this decision has the greatest impact on portfolio risk (measured in return volatility, potential loss of principal and client comfort). Investors generally accept the fact that stocks are riskier than fixed-income securities, but most are unaware that both asset classes subject investors to what is called "uncompensated risk" – risk exposure that does not result in commensurately higher returns.

"Uncompensated risk" (non-market risk) is risk that can be diversified away. Active investors try to profit by predicting where and when they're going to experience future gains and losses, and

proactively trade in and out of securities, sectors or markets to stay one step ahead. While the idea may seem appealing, decades of academic research demonstrates that the tactic simply does not reliably work. All of the economic forecasts, market trend analyses, and research into individual companies performed by active managers do not, on average, result in higher-than-market returns.

Market risk, on the other hand, cannot be diversified away and investors are compensated for taking it. The more market risk an investor takes (e.g. the greater their allocation to stocks), the higher their expected return.

Index mutual funds were developed in the 1970's to provide investors with market returns. The menu of index funds has been expanded over the years to include indexes for more refined market asset classes, for instance small, value, and international company stocks, and bonds.

As the understanding of markets has improved, academic research has identified certain risk factors with higher expected returns than "the market" as a whole that persist in these markets. Evidence-based investing shifts the emphasis from tracking an index, to continually improving our understanding of these market factors that contribute to the returns we are seeking. By building structured portfolios using fund managers who apply this same evidence to their fund constructions, we feel we can make best use of the academic insights we already know, while efficiently incorporating credible new ones as they emerge.

6. **Disciplinary Information**

The Company has not been the subject of any disciplinary actions or events. This includes no disciplinary actions from the SEC, any self-regulatory organization or any criminal or civil actions.

7. **Other Financial Industry Activities and Affiliations**

The Company prepares income tax returns for some advisory clients, and prepares income tax returns for other non-advisory clients for a fee.

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

The Company is a fiduciary for its investment advisory clients. Because of this fiduciary relationship, it is generally improper for the Company or its employees to: 1) use for their own benefit (or the benefit of anyone other than the client) to the detriment of the client, information about the Company's trading or recommendations for client accounts; or 2) take advantage of investment opportunities that would otherwise be available for the Company's clients.

Also, as a matter of business policy, the Company wants to avoid even the appearance that the Company, its personnel or others receive any improper benefit from information about client trading or accounts or from our relationships with our clients or with the brokerage community.

Improper trading activity can constitute a violation of this Code. Nevertheless, the Code can be violated by failing to file required reports, or by making inaccurate or misleading reports or statements concerning trading activity or securities accounts. Individual conduct can violate this Code even if no clients are harmed by such conduct.

A complete copy of the Company's Code of Ethics is available to any client or prospective client upon request.

Jeffrey J. Bogdanovich buys and sells securities that he recommends to clients and recommends to clients that they buy or sell securities in which he owns. The securities are widely-held and publicly traded (typically large mutual funds).

9. **Brokerage Practices**

Clients wishing to implement the Company's advice are limited to brokers offering trading platforms that allow for trading of certain mutual funds typically utilized by the applicant. Those wishing for the Company to recommend a broker will get a recommendation based on the broker's costs, skills, reputation, dependability and compatibility with the client, and not upon a financial arrangement between the Company and the recommended broker.

Currently the Company participates in the TD AMERITRADE Institutional Services program offered by TD AMERITRADE, Inc. ("TD AMERITRADE") to independent advisors. Benefits in participating in this program include, but are not limited to, receipt of duplicate client statements, the deductibility of investment advisory fees directly from client's accounts, and access to certain mutual funds which require higher minimum initial investments than are ordinarily required of individual investors or are generally only available to institutional investors. Benefits received through participation in this program do not depend upon the amount of transactions directed to TD AMERITRADE.

The Company does not receive soft dollar benefits.

10. **Review of Accounts**

Managed accounts are reviewed daily for activity and monthly for performance. Accounts at other money managers are reviewed when the Company receives the client's statements. Jeffrey J. Bogdanovich reviews all client accounts.

Jeffrey J. Bogdanovich shall be available on a reasonable basis for meetings and telephone and email communication with clients, including explanations of the client's portfolio performance.

The Company encourages clients to contact us if there are any changes in their financial situation or investment objectives, or if clients wish to impose, add or modify any reasonable restrictions to the management of their account.

The Company prepares client reports on a quarterly basis. The reports include overall portfolio performance for the quarter and year-to-date, and position performance for the year-to-date. Clients also receive statements from their custodian.

11. **Client Referrals and Other Compensation**

No person who is not a client provides an economic benefit to the firm for providing investment advice or other advisory services to its clients (i.e. sales awards or other prizes). The Company does not directly or indirectly compensate any person for client referrals.

12. **Custody**

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. The Company urges clients to carefully review such statements and compare them to the performance reports that we provide.

13. **Investment Discretion**

Investment discretion includes the authority to determine asset class selection, pricing and timing of purchases and sales, the direction of investment and reinvestment of assets, all without the client's prior approval. Any limitation on the advisor's discretion shall be in writing.

The Company receives discretionary trading authority from the client when accounts are opened by the client authorizing a limited power of attorney to trade on their behalf. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account, which is documented in the client's investment policy statement.

14. **Voting Client Securities**

As a matter of firm policy and practice, the Company does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. The Company may provide advice to clients regarding the clients' voting of proxies.

Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent and can contact the firm with any questions about a particular solicitation.

15. **Financial Information**

The Company does not require or solicit prepayment of client fees. Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about the Company's financial condition. The Company has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

16. **Brochure Supplement Part 2B**

Supervised Persons

Jeffrey J. Bogdanovich, CPA/PFS is the sole supervised person at the Company.

Educational Background and Business Experience

Jeffrey J. Bogdanovich was born in 1958. He received a Bachelor of Arts Degree (Accounting Concentration) from the University of Washington in 1981. He has worked as a Certified Public Accountant (CPA) for 38 years and as a registered investment advisor for 22 years. He began doing business as a sole proprietor in January, 1996 and established the Company in January, 2008 where he has continued to be the sole member and a wealth manager.

"Certified Public Accountant (CPA)": CPAs are licensed and regulated by their State boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education, minimum experience levels, and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous *Code of Professional Conduct* which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's *Code of Professional Conduct* within their state accountancy laws or have created their own.

"Personal Financial Specialist (PFS)": The PFS credential demonstrates that an individual has met the minimum education, experience and testing required of a CPA in addition to a minimum level of expertise in personal financial planning. A PFS credential holder is required to adhere to the AICPA's *Code of Professional Conduct*, and is encouraged to follow the AICPA's *Statement on Responsibilities in Financial Planning Practice*. To maintain their PFS credential, the recipient must complete 60 hours of financial planning CPE credits every three years. The PFS credential is administered through the AICPA.

Disciplinary Information

Jeffrey J. Bogdanovich has not been the subject of any disciplinary actions or events. This includes no disciplinary actions criminal or civil, no actions from the SEC or any other federal or state or foreign regulatory authority, nor any self-regulatory organization, nor any hearing pertaining to his professional designation or license.

Other Business Activities

Jeffrey J. Bogdanovich does not have business activities outside of the Company.

Additional Compensation

Jeffrey J. Bogdanovich does not receive compensation from non-clients for providing advisory services.

Supervision

Jeffrey J. Bogdanovich is the Owner and Chief Compliance Officer of the Company. He is ultimately responsible for supervising all activities and services provided by the Company.