

# **Bowen Financial Services, LLC**

## **ADV Part 2A, Firm Brochure**

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**March 30, 2023**

This Brochure provides information about the qualifications and business practices of Bowen Financial Services, LLC (“Bowen Financial”). Bowen Financial is a Fee-Only investment advisory firm. If you have any questions about the contents of this Brochure, please contact us at 804-897-2850 or by email at [info@BowenFinancial.com](mailto:info@BowenFinancial.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.

Bowen Financial is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Bowen Financial is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search this cite using a unique identifying number, known as a CRD number. Bowen Financial’s CRD Number is 116714 and its SEC File number is 801-126244.

## **Item 2 – Summary of Material Changes**

There have been no material changes since the March 31, 2022 annual update filing.

### **Full Brochure Available**

Bowen Financial's Form ADV may be requested at any time without charge by contacting Bowen Financial at 804-897-2850 or [info@BowenFinancial.com](mailto:info@BowenFinancial.com)

Additional information about Bowen Financial is also available via the SEC's website <https://adviserinfo.sec.gov/firm/summary/116714>. The SEC's website also provides information about any persons affiliated with Bowen Financial who are registered, or are required to be registered, as investment adviser representatives of Bowen Financial.

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## **Item 4 – Advisory Business**

### **Description of Bowen Financial Services, LLC.**

Bowen Financial Services, LLC (“Bowen Financial”) was formed in 1999 by a certified public accountant and certified financial planner who desired clients receive objective investment advice. In recent years, the principal of the firm has devoted the vast majority of his business efforts toward constructing a world-class investment advisory firm, dedicated to the fiduciary principal that the client’s best interests should remain paramount at all times.

Bowen Financial offers to provide financial planning and investment management to individuals, trusts, estates and small businesses. Bowen Financial works with clients to define financial objectives and to develop strategies for reaching those objectives, some of which may include: retirement planning, estate planning, education planning, tax planning, capital needs analysis in case of death or disability, investment planning and/or other issues specific to the client. Clients may impose restrictions on investing in certain securities or types of securities.

Bowen Financial is a fee-only financial services firm meaning compensation is solely from fees paid directly by clients. The firm does not receive commissions based on the client’s purchase of financial products. No commissions in any form are accepted. No referral fees are paid or accepted. No benefits are received from custodians based on client securities transactions. The firm is not affiliated with entities that sell financial products or securities.

Assets under the direct management of Bowen Financial are held by independent custodian TD Ameritrade, or others in the client’s name. Bowen Financial does not act as custodian of client assets.

John G. Bowen, CPA, CFP® is a member of the National Association of Personal Financial Advisors and a NAPFA-Registered Financial Advisor. As such, John has taken the NAPFA Fiduciary Oath:

The advisor shall exercise his/her best efforts to act in good faith and in the best interests of the client. The advisor shall provide written disclosure to the client prior to the engagement of the advisor, and thereafter throughout the term of the engagement, of any conflicts of interest, which will or reasonably may compromise the impartiality or independence of the advisor.

The advisor, or any party in which the advisor has a financial interest, does not receive any compensation or other remuneration that is contingent on any client's purchase or sale of a financial product. The advisor does not receive a fee or other compensation from another party based on the referral of a client or the client's business.

### **Portfolio Construction Overview**

Bowen Financial will create a portfolio consisting of some combination of the following, depending on the particular needs of the client: no-load or load-waived mutual funds, exchange traded funds ("ETFs"), individual equities, bonds, certificates of deposit or other investment products. Bowen Financial will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. Mutual funds and ETFs will be selected on the basis of any or all of the following criteria: the asset class targeted by the fund, the fund's adherence to the stated investment goals, the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Clients will retain individual ownership of all securities.

### **Wrap Fee Programs**

Bowen Financial does not participate in a wrap fee program.

### **Amount of Assets upon Which Investment Advice is Provided**

As of December 31, 2022, Bowen Financial provided Advice on approximately \$122,474,000 of financial assets for approximately 67 family groups on a discretionary basis. Family groups may consist of more than one client (i.e., client and spouse, plus one or more adult or minor children, and retirement plans for which the client serves as plan sponsor).

### **Miscellaneous Disclosures:**

Client Obligations. In performing its services, Bowen Financial will not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains the

client's responsibility to promptly notify Bowen Financial if there is ever any change in the client's financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Bowen Financial's previous recommendations and/or services.

Retirement Plan Rollovers No Obligation / Potential for Conflict of Interest. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Bowen Financial recommends that a client roll over their retirement plan assets into an account to be managed by Bowen Financial, such a recommendation creates a conflict of interest if Bowen Financial will earn a new (or increase its current) advisory fee as a result of the rollover. Whether Bowen Financial provides a recommendation as to whether a client should engage in a rollover or not, Bowen Financial is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. No client is under any obligation to roll over retirement plan assets to an account managed by Bowen Financial. Bowen Financial's Chief Compliance Officer, John G. Bowen, remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by such a rollover recommendation.

Availability of Mutual Funds and Exchange Traded Funds. Bowen Financial utilizes mutual funds and exchange traded funds for its client portfolios. In addition to Bowen Financial's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). Bowen Financial utilizes the mutual funds and ETFs issued by Dimensional Fund Advisors ("DFA"). DFA funds and ETFs are generally only available through registered investment advisers approved by DFA. Thus, if the client were to terminate Bowen Financial's services, and transition to another adviser who has not been approved by DFA to utilize DFA funds and ETFs, restrictions regarding additional purchases of, or reallocation among other DFA funds and ETFs, will generally apply. ANY QUESTIONS: Bowen Financial's Chief Compliance Officer, John G. Bowen, remains available to address any questions that a client or prospective client may have regarding the above.

Portfolio Trading Activity. As part of its investment advisory services, Bowen Financial will review client portfolios on an ongoing basis to determine if any trades are necessary based upon various factors, including but not limited to investment performance, fund manager

tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when Bowen Financial determines that trades within a client's portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 below during periods of account trading inactivity.

Cash Positions. Bowen Financial continues to treat cash as an asset class. As such, unless determined to the contrary by Bowen Financial, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Bowen Financial's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Bowen Financial may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Bowen Financial's advisory fee could exceed the interest paid by the client's money market fund.

Borrowing Against Assets/Risks. A client who has a need to borrow money could determine to do so by using:

- Margin - The account custodian or broker-dealer lends money to the client. The custodian charges the client interest for the right to borrow money, and uses the assets in the client's brokerage account as collateral or
- Pledged Assets Loan - In consideration for a lender (i.e., a bank, etc.) to make a loan to the client, the client pledges its investment assets held at the account custodian as collateral;

These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e. custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, Bowen Financial does not recommend such borrowing however, if utilized, may be done by the client for a specific purpose unique to the client's situation (i.e. a bridge loan to purchase a new residence). Bowen Financial does not recommend such borrowing for investment purposes (i.e. to invest borrowed funds in the market). Regardless, if the client were to determine to utilize margin or a pledged assets loan, the following economic benefits would inure to Bowen Financial:

- by taking the loan rather than liquidating assets in the client's account, Bowen Financial continues to earn a fee on such Account assets; and,
- if the client invests any portion of the loan proceeds in an account to be managed by Bowen Financial, Bowen Financial will receive an advisory fee on the invested amount; and,
- if Bowen Financial's advisory fee is based upon the higher margined account value (see margin disclosure at Item 5 below), Bowen Financial will earn a correspondingly higher advisory fee. This could provide Bowen Financial with a disincentive to encourage the client to discontinue the use of margin. Please Note: The Client must accept the above risks and potential corresponding consequences associated with the use of margin or a pledged assets loans.

Cybersecurity Risk. The information technology systems and networks that Bowen Financial and its third-party service providers use to provide services to Bowen Financial's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Bowen Financial's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Bowen Financial are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Bowen Financial has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that Bowen Financial does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect: issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Bowen Financial) will be profitable or equal any specific performance levels.



## Item 5 – Fees and Compensation

### **Billing Practices; Deduction of Fees from Client Accounts**

Bowen Financial bases its fees on a percentage of assets under management, hourly charges and fixed fees. The specific manner in which fees are charged by Bowen Financial is established in a client's written agreement with Bowen Financial. The minimum account size is generally \$500,000. Accounts below this minimum may be charged a fee not to exceed \$5,000. These fees are negotiable in special circumstances. It is possible for clients with advisable assets significantly below \$500,000 to pay fees in excess of industry standards. For such clients, similar services may be available elsewhere for a lower fee.

Bowen Financial's financial planning and investment supervisory service fees are charged on a tiered basis. Clients are charged 1% per annum on the first \$2,000,000 of assets under management, 0.75% on the next \$3 million, 0.5% on the next \$5 million, 0.35% on the next \$10 million, and 0.25% on assets over \$20 million.

Aggregation of Client Accounts: Individual accounts for *immediate* family members (husband, wife and dependent children living in the same household) are aggregated and our fees are charged based on the total value of such family members' accounts.

Billing Occurs in Advance; Valuation of Assets: Fees are payable quarterly in advance. Clients will be invoiced in advance at the beginning of each calendar quarter. Billing amounts are based on the value (market value or fair market value in the absence of market value) of the client's account(s) (including both securities and cash) at the end of the previous quarter. Valuations are derived from recognized and independent pricing sources, such as TD Ameritrade Institutional, or other custodians.

Bowen Financial will not hold funds greater than \$1,200 for more than six months in advance of completion of the engagement.

When Authorized, Deduction of Fees from Client Accounts: Clients may choose whether to have their fees billed directly or deducted from client accounts. In certain situations, such as for some qualified retirement plan accounts and traditional IRA accounts, it may be advantageous to the client from a tax perspective to have the portion of Bowen Financial's fees attributable to such accounts directly deducted from such account. Where fees are to be deducted from a client's account, Bowen Financial will request authority from clients to receive quarterly payments directly from the client's account(s) held by an independent qualified custodian, such as TD Ameritrade Institutional. Clients may provide written limited authorization to Bowen Financial to withdraw fees from account(s). Bowen Financial will send to the client an invoice showing the amount of the fee, the value of the client's assets on which the fee was based, and the specific manner in which the fee was calculated. Clients should verify the accuracy of the fee calculations in such invoices. Clients

will also receive custodial statements showing the advisory fees debited from their account(s).

### **General Fee Disclosures**

Bowen Financial, in its sole discretion, may negotiate the scope of services and fees in limited circumstances and may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). Please Note: As a result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. ANY QUESTIONS: Registrant's Chief Compliance Officer, John G. Bowen, remains available to address any questions that a client or prospective client may have regarding advisory fees. Fees may be waived or reduced for advisory personnel or employees.

Either party may terminate an agreement for services provided by Bowen Financial without penalty, upon written notice to the other. If termination occurs before the end of a calendar quarter, a pro-rata refund of unearned fees will be made to the client.

All fees are calculated as described above and are not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client.

All of our fees, and fee minimums are subject to negotiation; factors involved include but are not limited to whether the client is an employee (or a family member related to same), our desire to serve clients in need of the assistance of Bowen Financial's services who otherwise cannot afford our services, the size of the relationship, whether future additions will be undertaken to accounts upon which advice is provided, the level and type of advisory services provided and likely to be provided in the future, and the relationship between the advisor and the client. Generally, our principals and employees are not charged fees on either their accounts or those of immediate family members.

### **Other Fees**

**Custodian Charges Additional Fees.** All fees paid to Bowen Financial for investment advisory and financial planning services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders or the transaction fees charged by the custodian(s). As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Bowen Financial generally recommends that TD Ameritrade serve as the broker-dealer/custodian for client investment management

assets. Broker-dealers such as TD Ameritrade charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians, including TD Ameritrade, do not currently charge fees on individual equity transactions, others do). When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom Bowen Financial and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a “tradeaway” fee charged by TD Ameritrade). These fees/charges are in addition to Bowen Financial’s investment advisory fee. Bowen Financial does not receive any portion of these fees/charges. ANY QUESTIONS: Bowen Financial’s Chief Compliance Officer, John G. Bowen, remains available to address any questions that a client or prospective client may have regarding the above.

**Expense Ratios.** Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by the client to Bowen Financial. Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Mutual fund transaction fees charged by our recommended custodian, TD Ameritrade Institutional, generally vary from \$0 to \$24 for each purchase and sale transaction.

**Cancellation and Termination of Advisory Agreements** Clients may cancel a new advisory agreement without penalty by providing written notice of such cancellation to Bowen Financial within five (5) business days of the date of signing the agreement. Following the 5-day cancellation period, the first periods’ fee is not refundable due to the large volume of initial work to be undertaken by Bowen Financial. Thereafter, either party may terminate the agreement upon 30 days notice in writing to the other party. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, with the refund calculations based *pro rata* to the date of termination (i.e., the date which is 30 days after notice is received or given). Termination of an agreement will not affect: (a) the validity of any action previously taken by Bowen Financial under the agreement; (b) liabilities or obligations of the parties from transactions initiated before termination of the agreement; or (c) a client’s obligation to pay advisor fees (prorated through the date of termination). Upon the termination of the agreement, Bowen Financial will not possess any obligation to recommend or take any action with regard to the securities, cash, or other investments in a client’s account.

**Our Policy on Class Actions, Bankruptcies and Other Legal Proceedings** Clients should note that Bowen Financial will not advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements.

**No Block Trading ("Bunching" of Client Orders)** Bowen Financial does not undertake block trades of clients with those of other clients, as it believes that each transaction should be planned out to take into account the tax consequences of the transaction, and this often involves the sale of specific tax lots. This limits the ability of Bowen Financial to undertake block transactions for its clients with any frequency. As a result, Bowen Financial may not achieve better pricing as to the transaction costs associated with either fixed income or mutual fund or equity trades. Since Bowen Financial endeavors to keep the frequency of mutual fund trades in client accounts at low levels, and since Bowen Financial has negotiated with its primary custodian's transaction fees which Bowen Financial believes to be fairly low, the cost detriment to clients from not bunching trades is believed to be insubstantial.

**Our Trade Error Policy** In all circumstances involving trade errors caused by Bowen Financial, where clients incur losses as a result, clients are "made whole."

**Commissions** Neither Bowen Financial nor any of its supervised persons (employees) accept compensation for the sales of securities or other investment products.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Neither Bowen Financial nor any of its supervised persons (employees) is a party to any performance or incentive-related compensation arrangements with its clients.

## **Item 7 – Types of Clients**

### **Types of Clients**

Bowen Financial provides portfolio management services to individuals, high net worth individuals, families, trusts and estates. Advice may extend to entities related to the client such as small businesses and charitable organizations including foundations, endowments and pension plans, as may be reflected on ADV Part 1, Item 5.D., which can change over time.

## **Account Minimums**

Bowen Financial does not impose a minimum dollar value of assets or other condition for opening or maintaining an account, however the minimum account size is generally \$500,000. Accounts less than \$500,000 may be subject to a minimum quarterly fee of \$1,250.

Bowen Financial, in its sole discretion, may negotiate the scope of services and fees in limited circumstances and may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). Please Note: As a result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

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

### **Our Investment Philosophies and Strategies**

**Generally,** Bowen Financial provides the investment strategy and its implementation for all clients. Clients of Bowen Financial receive the benefit of Bowen Financial's investment philosophies, strategies, due diligence, account monitoring, and personal financial planning recommendations.

Expansive academic research, investment information, and certain proprietary analyses are drawn upon to provide innovative and comprehensive wealth management and investment advisory services. A strategic asset allocation is recommended for each client. Specific no-load (no commissions, no 12b-1 fees) investments are then recommended to clients. Clients' portfolios are then periodically monitored, and changes to investment portfolios are suggested when appropriate. A disciplined approach to rebalancing is employed to maintain asset class exposures within desired risk tolerances, subject to variances permitted for tax planning or other reasons. Clients provide discretion for the investment advisor to undertake trades on clients' accounts.

Clients also receive initial and periodic personal financial planning advice. Most of this advice is provided through periodic private review conferences, as well as through occasional telephone conferences and e-mails.

**Methods of Analyses** In designing investment plans for clients, Bowen Financial relies upon the information supplied by the client and the client's other professional advisors. Such information may pertain to the client's financial situation, estate planning, tax planning, risk management planning, short-term and long-term lifetime financial goals and objectives, investment time horizon, and risk tolerance. This information becomes the basis for the strategic asset allocation plan which we believe will best meet the client's long-term stated goals. The strategic asset allocation provides for investments in those asset classes which Bowen Financial believes (based on historical data) will possess attractive combinations of return, risk, and correlation over the long term.

A tremendous amount of academic research reveals that strategic asset allocation is determinative of the majority of the expected long-term gross returns of investor's portfolios. Our selection of asset classes is driven by research into global asset classes by such academics as Professor Eugene Fama, Sr. of the University of Chicago Booth Graduate School of Business and the Center for Research in Security Prices, Professor Kenneth French of Dartmouth College, and many other academics and researchers. In connection therewith, the investment advice we provide is based upon long-term investment strategies which incorporate the principles of Modern Portfolio Theory. The utilization of several different asset classes as part of an investor's portfolio is emphasized, as this has been shown to usually effect a reduction in portfolio volatility (*i.e.*, the standard deviation of returns) over long periods of time. Bowen Financial allocates and diversifies the client's assets among various asset classes and then among individual investments, following the investment policy agreed to by the client. The investment approach is firmly rooted in the belief that markets are fairly efficient (although not always rational) and that investors' returns are determined principally by asset allocation decisions. A focus is provided on developing and implementing globally diversified portfolios, principally through the use of low-cost and tax-efficient passively managed stock mutual funds that are generally available only to institutional investors and clients of select advisers.

Investment policy and overall portfolio weightings as between equities and fixed income investments are based upon each client's needs and desires, risk tolerance and the need to assume various risks, and investment time horizon. The portfolios of clients may then follow models designed by Bowen Financial to fit the overall weights of equities (stocks, stock mutual funds, etc.) and fixed income investments (notes, bonds, bond funds, CDs, etc.) in an investor's portfolio. For other clients, the investment portfolio's strategic asset class allocation is customized to meet the specific circumstances of a client, the presence of

investments in 401(k) or other accounts, as well as a perception of the client's understanding of the fundamental forces affecting risk and return in the capital markets. In addition, a client's initial or revised strategic asset allocation may be influenced by a review of the relative valuation levels of various asset classes and the investment time horizon of that client. While asset class "bubbles" are attempted to be discerned when they occur, tactical asset allocation strategies are not generally employed in connection with the management of client portfolios.

**Sources of Information** Our security analysis is based upon a number of factors including those derived from commercially available software technology, securities rating services, general economic and market and financial information, due diligence reviews, and specific investment analyses that clients may request. The main sources of information include commercially available investment information and evaluation services, financial newspapers and journals, academic white papers and periodicals. Prospectuses, statements of additional information, other issuer-prepared information, and data aggregation services (Morningstar, etc.) are also utilized. Investment Advisors also attend various investment and financial planning conferences.

Research is also received from consultants, including financial economists affiliated with Dimensional Funds Advisors (DFA) and other firms. DFA provides historical market analysis, risk/return analysis, and continuing education services. Various computer software programs from DFA and from other third parties may also be utilized to better model the historical and/or expected returns of designed portfolios. The historical valuation levels of various asset classes may be utilized to undertake estimates of the probable long-term (15-year) expected returns of various assets classes, as a means of aiding investment and financial planning decision-making.

**Types of Investments** Each client typically receives an investment portfolio which consists mainly of no-load stock and bond mutual funds. The passively managed stock mutual funds offered by Dimensional Funds Advisors (DFA) are generally recommended. DFA mutual funds offer broad diversification, and most are structured for low turnover, so as to substantially lessen the often substantial transaction costs incurred by mutual funds and ETFs as they trade securities within the fund. Consequently, the DFA stock mutual funds' total fees and costs are believed to be generally lower than the total fees and expenses incurred by most other stock mutual funds (including many ETFs and index funds) when comparing funds in the same asset class(es).

Client portfolios may also include some individual equity or fixed income securities, but these are generally part of clients' investment holdings prior to becoming a client of Bowen Financial.

Publicly traded real estate investment trusts (REITS) and commodities index or passive mutual funds or ETFs may be recommended for certain clients who desire to include real estate or commodities in their asset allocation strategy.

New clients' existing investments are evaluated in light of the desired investment policy objectives. We work with new clients to develop a plan to transition from a client's existing portfolio to the desired portfolio. Investment advice may be offered on any investments held by a client at the start of the advisory relationship. Each client's portfolio holdings and strategic asset allocation are then monitored periodically, taking into account the cash flow needs of the client. Review meetings with clients are held regarding their investment assets under advisement and other personal financial planning issues.

**Client Restrictions on Investments Selected for Portfolios** Clients may place restrictions upon the investments to be held in an investment portfolio. However, because of adviser's utilization of broadly diversified stock mutual funds, our ability to avoid investments in a specific company or industry in accordance with a client's wishes may be limited. Bowen Financial will utilize "socially responsible" mutual funds and/or exchange-traded funds upon the direction of a client. Bowen Financial will also endeavor to educate the client as to the potential impact of restrictions placed on the client's accounts with respect to the specific securities held (or not purchased) or the allocation among various asset classes.

**Risk of Loss, Generally** Investing in securities involves a risk of loss that clients should be prepared to bear. The investment recommendations seek to limit risk through broad global diversification in equities (through broadly diversified stock mutual funds) and investment in high quality diversified bond funds.

However, the investment methodology will still subject the client to declines in the value of their portfolios, which can at times be dramatic. We believe there exists a high probability in most market environments of a long-term (15-year or greater) outperformance of small cap and value stocks, relative to large cap and growth stocks, and hence the stock (equities) portion of an investor's portfolio may be "tilted" toward small cap and value stocks. Accordingly, the normally greater expected returns of the equity portion of the portfolio will in turn often permit the overall allocation to equities (stocks, stock mutual funds) to be reduced, and the allocation to fixed income investments increased. Bowen Financial believes this is the best manner to temper the shorter-term volatility of the stock market, especially for clients who derive cash flow from their portfolios (such as clients who are in retirement years).



Given the long-term nature of the expected equity premium (*i.e.*, the additional expected return for investing in the overall stock market, relative to less “risky” U.S. Treasury bills), and the long-term nature of the expected value and small cap premiums, Bowen Financial’s investment philosophy is best suited for investors who desire a buy-and-hold strategy for a substantial portion of their funds with an investment time horizon of a minimum of ten years, and preferably longer. Even then, investing is inherently uncertain as to future returns. While both macroeconomic and microeconomic risks are evaluated, for purposes of weighing risks and returns and for the computation of the expected returns of various asset classes (for use in financial planning decision-making), Bowen Financial does not generally engage in market-timing activities. Bowen Financial believes the equity, value and small cap premiums are highly likely to occur in the future, over long periods of time. However, there can be no assurance that these premiums will occur over any given time period. While Bowen Financial seeks to reduce non-compensated risks to which a client may be exposed, other risks (including but not limited to the risk of a general stock market decline) may be assumed in order to seek to attain the client’s longer-term financial goals and objectives; however, Bowen Financial cannot provide any guarantee that the client’s goals and objectives will be achieved.

**Risk of Loss** All investment programs, including those of Bowen Financial, have certain risks that are borne by the investor. Investing in securities involves risk of loss that clients should be prepared to bear, including the loss of principal investment. Past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Bowen Financial) will be profitable or equal any specific performance levels. Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and client account values could benefit as a result, it is also possible that asset values may decrease and client account values could suffer a loss. Without limiting the above, Bowen Financial’s clients generally face the following investment risks:

- **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. Certain securities recommended, such as U.S. small cap value and mid cap value stock mutual funds, U.S. small cap and micro-cap mutual funds, and high-yield bond funds, possess higher levels of volatility (as individual asset classes within a portfolio). Bowen Financial may employ these securities as part of an overall strategic asset allocation for a client, and when such is done

Bowen Financial possesses a reasonable belief that the risk-return relationship for these securities will likely be beneficial for the investor over the long term.

- **Inflation Risk:** When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation. Generally, cash in clients' investment accounts is swept into the bank or money market mutual fund accounts of the institutions (TD Ameritrade Institutional). Bowen Financial discusses with each client, during the time of review conferences and at other times, upcoming cash flow needs and seeks to plan accordingly to meet those needs. While it is not the practice to encourage clients to maintain a large amount of cash in their accounts, such may be undertaken at the request of the client, or for other reasons. Upon request of a client, cash balances will be maintained for temporary or short-term purposes.

- **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.

- **Options Contracts Risk:** Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

- **Margin Borrowings Risk:** The use of short-term margin borrowings may result in certain additional risks to a Client. For example, if securities pledged to brokers to secure a Client's margin accounts decline in value, the Client could be subject to a "margin call", pursuant to which it must either deposit additional funds with the broker or be the subject of mandatory liquidation of the pledged securities to compensate for the decline in value.

- **Mutual Fund Risk:** Mutual funds are operated by investment companies that raise money from shareholders and invest it in stocks, bonds, and/or other types of securities. Each fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. Mutual funds charge a separate management fee for their services, so the returns on mutual funds are reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if

the fund is concentrated in a particular sector of the market. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

- **Exchange Traded Fund Risk:** ETFs are marketable securities that are designed to track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds or basket of assets, like an index fund. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to: (i) an ETF's shares may trade at a market price that is above or below its net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

- **CD Maturity Risk:** Please also note that while all Certificates of Deposit (CDs) purchased for our clients are FDIC-insured, the pricing of certain CDs, which trade in the secondary market, can vary; accordingly, due to price declines and/or transaction costs associated with trading, these CDs could lose value if redeemed prior to maturity. When CDs are recommended to clients, it is our intent that clients hold the CDs to maturity.

- **Private Investment Fund Risk:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, according to which the client must establish that they are qualified for investment in the fund, and that they acknowledge and accepts the various risk factors that are associated with such an investment.

**Cash Balances in Client Accounts** Generally, cash in clients' investment accounts is swept into the bank or money market mutual fund accounts of the institutions (TD Ameritrade Institutional). Bowen Financial discusses with each client, during the time of review conferences and at other times, upcoming cash flow needs and seeks to plan accordingly to meet those needs. While it is not the practice to encourage clients to maintain a large amount of cash in their accounts, such may be undertaken at the request of the client, or for other reasons. Upon request of a client, cash balances will be maintained for temporary or short-term purposes.

## **Item 9 – Disciplinary Information**

Bowen Financial does not have any legal or disciplinary events to disclose that are material to a client's or prospective client's evaluation of its advisory business or the integrity of its management.

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

### **Financial Industry Activities**

Bowen Financial is not registered as a broker-dealer, and none of its management persons are registered representatives of a broker dealer.

### **Affiliations**

Neither Bowen Financial nor any of its management persons have a material relationship or arrangement with any related persons in the financial industry.

### **Other Business Activities**

John G. Bowen, CPA, CFP® is the sole owner of John G. Bowen & Co., LLC CPAs. Mr. Bowen has extensive experience in the Income Tax and Estate Planning fields. He offers advice to certain clients, through John G. Bowen & Co., CPAs as requested or needed. The fees for these services may be billed either hourly or for an agreed upon fee. Hourly rates vary with the expertise of the individuals involved. Clients will receive a fee quote prior to the commencement of any such engagement.

## **Item 11 – Code of Ethics**

The employees of Bowen Financial have committed to a Code of Ethics and Fiduciary Oath as outlined by the National Association of Personal Financial Advisors (NAPFA). The key points are: putting clients' interest first, objectivity, confidentiality, competence, fairness and suitability, integrity and honesty, regulatory compliance, full disclosure, and professionalism. CFP® designees are also held to a Code of Ethics as outlined by the CFP® Board of Standards. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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

Bowen Financial and its employees may at times buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades.

The Chief Compliance Officer of Bowen Financial is John G. Bowen. John reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees was not based on inside information and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities market.

Employees are required to put the best interests of the client first. Employees must comply with the Code and the Prohibition of Insider Trading policy. The Code contains provisions reasonably necessary to deter misconduct and conflicts of interest and to detect any violation.

### **Participation or Interest in Client Transactions – Financial Interest and Principal/Agency Cross**

Bowen Financial and its employees do not recommend to clients, or buy or sell for client accounts, securities in which they have a material financial interest.

It is Bowen Financial's policy that the Firm will not affect any principal or agency cross securities transactions for client accounts. Bowen Financial will also not cross trades between client accounts.

## **Item 12 – Brokerage Practices**

### **About Our Relationships with Custodians**

**Non-Participation in Client Referral Programs of Custodians** Bowen Financial will continue to avoid certain relationships with custodians (brokerage firms, etc.) and investment product providers which it believes might materially hamper its independence in providing advice to its clients or result in clients paying higher mutual fund management, administrative, or other product-related fees and costs. For this and other reasons, Bowen Financial does not participate in the client referral programs which may be sponsored by such custodians. Bowen Financial does not receive client referrals from broker/dealers nor does Bowen Financial currently recommend to their clients any mutual funds or ETFs manufactured by affiliates of such custodians (although we may in the future recommend such funds if, after a process of due diligence, Bowen Financial concludes that such mutual funds are the best funds in that particular asset class or would otherwise best meet a client's objectives).

**Use of Custodians. Generally** Bowen Financial utilizes the services of TD Ameritrade, Inc., member FINRA/SIPC ("TD Ameritrade). TD provides our team members with access to institutional trading and custody services, which services are typically not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis and at no charge to them. However, not all independent investment advisors recommend their clients to utilize particular custodians.

Bowen Financial participates in the TD Ameritrade Institutional Services program, a division of TD Ameritrade. Clients may pay transaction fees to TD Ameritrade for the purchase of "no-load" or load-waived funds. Through TD Ameritrade, Bowen Financial has access to an electronic communications network for client order entry and account information; access to the trading desk, and; receipt of duplicate client confirms and statements. TD Ameritrade also makes available other non-cash consideration for non-research products and services that benefit Bowen Financial but may not benefit its clients' accounts. Some of these other products and services assist Bowen Financial in managing and administering clients' accounts. These include software and other technology that provide access to client account data, facilitate trade execution, pricing information and market data, assistance with back-office support, recordkeeping, and client reporting including consolidated statements. TD Ameritrade may also provide other services (or offer discounts on services provided by third party vendors) intended to help Bowen Financial manage and further develop its business enterprise. These services may include consulting, publications and conferences at which advisors and employees of our firms may attend (with no registration fees) and receive education on issues such as practice management, marketing, investment theory, financial planning, business succession, regulatory compliance and information technology.

Before engaging Bowen Financial to provide investment management services, the client will be required to enter into a formal agreement with Bowen Financial setting forth the terms and conditions under which Bowen Financial shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Bowen Financial considers in recommending TD Ameritrade (or another broker-dealer/custodian) include historical relationship with Bowen Financial, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Bowen Financial's clients will comply with Bowen Financial's duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Bowen Financial determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Bowen Financial will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage

commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Bowen Financial's investment management fee.

### **Research and Non-Soft Dollar Benefits**

Following a stringent interview process, Bowen Financial was granted access by Dimensional Fund Advisors (DFA) to its mutual funds in 2001. Dimensional Fund Advisors is a Santa Monica, California-based mutual fund company with over 50 funds and over \$584 billion of assets under management (as of December 31, 2022).

While there is no direct linkage between the investment advice given and the approval of Bowen Financial to access the mutual funds of Dimensional Fund Advisors, economic benefits are received which would not be received if Bowen Financial did not give investment advice to clients. These benefits, which are also received by other Registered Investment Adviser firms granted access to the DFA funds, include: (a) attendance at seminars hosted by Dimensional Fund Advisors at which the investment products of Dimensional Fund Advisors are explained, academic instruction is given on asset allocation strategies, and financial planning and practice management instruction is given. Bowen Financial pays all of the travel and hotel costs for members and staff attending these seminars. Dimensional Fund Advisors provides, at no charge to Bowen Financial and the other attendees at such seminar, the speakers and facilities for the seminar, occasional luncheons or dinners, and the materials handed out at the seminar; (b) access to the "financial advisor" portion of the Dimensional Fund Advisors web site ([www.my.dimensional.com](http://www.my.dimensional.com)), which contains additional academic research, practice management articles, newsletters, educational video presentations, software, and investment returns data; (c) use of the DFA Returns and DFA Allocation Evaluator software programs and accompanying data, which can be utilized to ascertain how different asset classes (as represented by various indices) and different mutual funds of Dimensional Fund Advisors have performed over time and which provide a method for calculation based upon historical results of rate of return and standard deviation for those asset classes and mutual funds; (d) various print materials (including article reprints and DFA brochures); (e) occasional practice management conferences and telephone conferences with Dimensional Fund Advisors' team members, including Regional Directors, research staff, and tax staff, to discuss specific issues relating to academic research relating to investment theory and/or relating to practice development (marketing) and management issues; (f) participation in a regional study group sponsored and hosted by Dimensional Fund Advisors; and (g) other services and benefits.

Bowen Financial is under no obligation to recommend the mutual funds of Dimensional Fund Advisors to Bowen Financial's clients. Bowen Financial recommends funds of Dimensional Fund Advisors or other mutual fund companies or other investment products only when Bowen Financial believes they best suit the client's objectives. Bowen Financial does not provide any payment to Dimensional Fund Advisors for the access provided to

Bowen Financial's clients. Dimensional Fund Advisors does not pay to Bowen Financial any direct monetary compensation to recommend the funds of Dimensional Fund Advisors.

While as a fiduciary, Bowen Financial endeavors to act in its clients' best interests, our requirement that clients maintain much of their assets in accounts at TD may be based in part on the benefit to our firm of the availability of some of the foregoing products and services at no cost to us, and not solely on the nature, cost, or quality of custody and brokerage services provided by the brokers, and this may create a potential conflict of interest. Bowen Financial's clients may, therefore, pay higher transaction fees, commissions (for individual stock and ETF trades), and principal mark-ups and mark-downs (relating to purchases and sales on a principal, as opposed to an agency, basis), than those charged by other discount brokers. However, we have selected TD for their generally low fees relative to another large custodian. Also, please note that we prefer to recommend custodians that possess significant size and financial resources, for purposes of enhanced safety of clients' funds. For all these reasons, the lowest cost custodian for clients may not be recommended to clients by Bowen Financial.

Some investment sponsors provide due diligence events for financial advisors considering their products. The sponsors may provide expense reimbursement for travel and meal expenses for the due diligence events, but reimbursement is not contingent on the use of the investments. Dimensional Fund Advisors provides practice management advice and services to advisors interested in the services and information. Bowen Financial generally pays for travel expenses to participate in conferences provided by Dimensional Fund Advisors

### **Directed Brokerage**

Bowen Financial recommends that its clients utilize the brokerage and custodial services provided by TD Ameritrade. Bowen Financial generally does not accept directed brokerage arrangements (but could make exceptions). A directed brokerage arrangement arises when a client requires that account transactions be effected through a specific brokerdealer/custodian, other than one generally recommended by Bowen Financial (i.e., TD Ameritrade). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Bowen Financial will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Bowen Financial. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Please Note: In the event the client directs Bowen Financial to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Bowen Financial. Please Also Note: Higher transaction costs adversely impact account performance. Please Further



Note: Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

### **Soft Dollars**

Bowen Financial does not receive soft dollar benefits from the custodians to whom we recommend clients.

### **Block Trading**

Please see Item 5 above for a discussion on our block trading practices.

## **Item 13 – Review of Accounts**

### **Periodic Reviews**

The frequency of reviews is individually negotiated with each client. Clients are provided with quarterly, semi-annual or annual reviews, which vary in focus by quarter and may include asset allocation updates and rebalancing, performance reviews, tax and estate plan reviews, investment reviews, cash flow monitoring and more.

Account reviews are performed by John Bowen.

### **Review Triggers**

Account reviews for clients are performed more frequently when market conditions dictate, or when a client's objectives change. A review may be triggered by client request, changes in market conditions, new information about an investment, changes in tax laws, or other important changes.

### **Regular Reports**

Written reports are sent to clients based on their negotiated frequency of reviews. The reports may consist of a letter summarizing market results and our general thoughts on the economy, a statement of holdings from our portfolio accounting software, asset allocation analysis, tax-related information, updates to financial plan reports, portfolio graphs or other reports as needed.

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

### **Incoming Referrals**

Bowen Financial has been fortunate to receive many client referrals over the years. The referrals have come from current clients, estate planning attorneys, accountants, mortgage originators, personal friends and other sources.

Neither Bowen Financial nor any related person of Bowen Financial directly or indirectly compensates any person for client referrals. In addition, Bowen Financial does not maintain solicitor arrangements/pay referral fee compensation to non-employees for new client introductions.

### **Referrals to Other Professionals**

Bowen Financial does not accept referral fees or any form or remuneration from other professionals when a prospect or client is referred to them.

### **Other Compensation – Brokerage Arrangements**

As referenced in Item 12 above, Bowen Financial receives economic benefits from TD Ameritrade, including support services and/or products without cost or at a discount that benefit Bowen Financial but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Bowen Financial accounts, including accounts not maintained at TD Ameritrade.

TD Ameritrade's products and services that assist Bowen Financial in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of Bowen Financial fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting. Bowen Financial's clients do not pay more for investment transactions effected and/or assets maintained at TD Ameritrade as a result of this arrangement. There is no corresponding commitment made by Bowen Financial to TD Ameritrade or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

## **Item 15 – Custody**

### **Custody – Fee Debiting**

Bowen Financial does not accept or maintain physical custody of any client accounts. However, Bowen Financial is authorized to debit fees directly from the client's account at the broker dealer, bank or other qualified custodian ("Custodian") and may also be deemed to have custody based upon the services described under the "Custody-Standing Letters of Authorization" section below. Generally, debiting directly from a client's account is more efficient for both the client and the investment adviser, and there may be tax benefits for the client to this method when fees can be paid from certain tax-deferred accounts. All clients must place their investment assets with a qualified custodian. Client investment assets will be held with a Custodian agreed upon by the client and Bowen Financial. The Custodian is advised in writing of the limitation of Bowen Financial's access to the account. The Custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to Bowen Financial.

### **Custody – Account Statements**

As described above, clients receive at least quarterly statements from the broker dealer, bank or other qualified custodian (Custodian) that holds and maintains the client's investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the account statements or other reports that Bowen Financial provides. Bowen Financial statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **Custody – Standing Letters of Authorization**

Bowen Financial provides other services on behalf of its clients that require disclosure at ADV Part 1, Item 9. In particular, certain clients have signed asset transfer authorizations that permit the Custodian to rely upon instructions from Bowen Financial to transfer client funds to "third parties." In accordance with the guidance provided in the SEC Staff's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subjected to an annual surprise CPA examination.

## **Item 16 – Investment Discretion**

### **Discretion over client accounts**

Through an agreement, Bowen Financial generally accepts limited power of attorney or a separate limited power of attorney to act on a discretionary basis on behalf of clients. A limited power of attorney allows Bowen Financial to execute trades on behalf of clients. Clients may choose to open non-discretionary accounts with Bowen Financial. In those cases, client approval will be obtained before any security is bought or sold. Employee sponsored retirement plans such as 401k plans are not handled on a discretionary basis. In these cases, Bowen Financial provides investment guidance to the plan sponsor and investment education to the plan participants, but the participants have discretion over their own individual investment selection. When discretionary authority exists between Bowen Financial and the client, Bowen Financial has the authority to determine, without obtaining specific client consent, both the amount and type of securities to be bought to satisfy client account objectives. Additionally, Bowen Financial may accept any reasonable limitation or restriction to such authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to Bowen Financial in writing. Bowen Financial reserves the right to refuse to open an account or terminate an account if it believes that the restrictions placed on it are excessive.

Nearly all clients appoint Bowen Financial as the client's agent and attorney-in-fact with respect to undertaking trades in client accounts; Bowen Financial's ability to enter trades electronically for clients often provides reduced transaction fees and other benefits to the client.

Bowen Financial believes that having discretion over client accounts enables our firm to better serve our clients. Moreover, Bowen Financial seeks to undertake a minimal amount of trading in client accounts, to keep transaction fees, other expenses, and tax consequences associated with trading to minimal levels.

When selecting securities and determining amounts, Bowen Financial observes the investment policies, limitations and restrictions of the clients for which it advises.

## **Item 17 – Voting Client Securities**

Bowen Financial does not accept proxy-voting responsibilities for any Client. Clients will receive proxy statements directly from the Custodian or issuer. While Bowen Financial may assist clients in answering their direct questions relating to proxies, the Client retains the sole responsibility for proxy decisions and voting.

Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted; and (2) making all elections, decisions, and filings relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, class actions, or other type actions or events pertaining to the client's investment assets.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Bowen Financial 's financial condition. Bowen Financial 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. Bowen Financial does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance.

## Brochure Supplement (Part 2B of Form ADV)

### Item 1: Cover Page

*Supervised Persons*  
John G. Bowen, CPA, CFP®

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As of March 30, 2023

This brochure supplement provides information about John G. Bowen that supplements our Form ADV, Part 2 (brochure, attached). You should have received a copy of that brochure. Please contact John G. Bowen, Chief Compliance Officer if you did not receive Bowen Financial Services' brochure or if you have any questions about the contents of this supplement.

Additional information about John G. Bowen is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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## **Item 2: Educational Background and Business Experience**

**John G. Bowen, CPA, CFP®, NAPFA -Registered Financial Advisor®, Founder**

Year of Birth: 1958

Formal Education after High School:

State University of New York, B.S. Accounting, 1980

Business Background:

August 1999 to Present – Bowen Financial Services, LLC – Founder

November 1992 to Present – John G. Bowen & Co., LLC CPA – Founder

November 1982 to November 1992 – KPMG, LLP - Senior Manager – Tax

John passed the CPA exam in 1982 and currently holds the Certified Public Accountant (CPA) license in Virginia. 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 at minimum a college education (120 credit hours when John was licensed, with at least a baccalaureate degree and a concentration in accounting), two years experience providing services that involved the use of accounting, attestation, compilation or tax skills, all of which must be achieved under the supervision of, or verification by a CPA, and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, Virginia requires completion of continuing professional education (CPE) of 120 hours over a three year period. Additionally, CPAs are required to follow a rigorous Code of Ethics which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interests (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. Virginia requires CPAs to complete a 2 hour Ethics course annually.

John obtained the Certified Financial Planner® (CFP®) designation in 1998. The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board")

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional

engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education - CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning and estate planning. The CFP Board also requires completion of advanced college-level course study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university. The CFP Board has approved specific academic degrees and professional credentials as fulfilling the education requirement for CFP® certification. Licensed CPAs are automatically eligible to apply for the CFP®. John successfully challenged the CFP® examination based on his CPA license and experience;
- Examination - Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year);
- Continuing Education - Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics - Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

John is a member of the National Association of Personal Financial Advisors (NAPFA). John is also a NAPFA-Registered Financial Advisor®. NAPFA-Registered Financial Advisor® is the top level of membership in the National Association of Personal Financial Advisors. All NAPFA-Registered Financial Advisors® must possess three years of comprehensive financial planning experience and have a sample comprehensive financial plan pass a peer review process.



Since Jan. 1, 2009 all NAPFA-Registered Financial Advisors® must possess a Bachelor's degree from an accredited institution. Since Jan. 1, 2010 new NAPFA-Registered Financial Advisors® must also possess either the Certified Financial Planner™ designation awarded by the Certified Financial Planner Board of Standards, Inc., or (since mid-2010) the American Institute of Certified Public Accountants' Personal Financial Specialist (CPA/PFS) credential. All NAPFA-Registered Financial Advisors® must also adhere to NAPFA's Fiduciary Oath, Standards of Membership and Affiliation, and Bylaws. NAPFA-Registered Financial Advisors® must also comply with NAPFA's industry-leading strict continuing education requirements of sixty hours every two years. All NAPFA-Registered Financial Advisors® provide investment and/or financial advice on a strictly Fee-Only basis as defined by NAPFA. NAPFA defines a Fee-Only financial advisor as one who is compensated solely by the client with neither the advisor nor any related party receiving compensation that is contingent on the purchase or sale of a financial product. No NAPFA-Registered Financial Advisor® may receive commissions, rebates, awards, finder's fees, bonuses or other forms of compensation from others as a result of a client's implementation of the individual's planning recommendations. In addition, NAPFA-Registered Financial Advisors® must continue to meet NAPFA's standards for strong character and adherence to the laws and regulation governing the profession.

John has chosen to participate in NAPFA's "Find an Advisor" listing of advisors, a benefit provided by payment of regular annual membership fees to all NAPFA-Registered Financial Advisors®, NAPFA Corporate Members and NAPFA Provisional members. Only fee-only registered investment advisers who are in these membership categories may participate in the Find an Advisor program. NAPFA does not receive any portion of fees paid by clients who engage a personal financial advisor as a result of the information provided by NAPFA's Find an Advisor program.

### **Item 3: Disciplinary Information:**

Registered investment advisors are required to disclose certain events which may be material to a client's decision regarding whether to invest with the advisor. These include civil or criminal actions involving felonies; misdemeanors involving investments, fraud, false statements, or other acts of misrepresentation; or the violation of an investment-related statute or regulation or any order prohibiting the person from engaging in investment-related activity.

Mr. Bowen has no applicable events to disclose.

### **Item 4: Other Business and Professional Activities:**

John devotes a substantial portion of his time (up to 25% of his business-related time each year) providing tax consulting and tax compliance services through John G. Bowen & Co., LLC CPAs.

John is a member of the Virginia Society of Certified Public Accountants and the American Institute of Certified Public Accountants (Tax and Personal Financial Planning Divisions).

John has served as President of the Central Virginia Chapter of the Financial Planning Association (FPA).

John has been a member of the Small Business Study Group since 1992. This group of Richmond, VA Tax Attorneys and Tax oriented CPAs meets six times annually to discuss developments in the field of taxation.

Previously, John served on the board of directors for the Chesterfield Business Council, the Powderham Neighborhood Association, president of the Stanley Stone Estates Homeowner's Association and the finance committee for the Tarrington Homeowner's Association.

John is past secretary and president of the Kiwanis Club of James River. John first joined the Kiwanis Club of James River in 1992 and remained a member until the club's dissolution in 2013. John is a former member of the Huguenot Trail Rotary Club.

#### **Item 5: Additional Compensation**

Mr. Bowen receives no compensation or economic benefit for providing advisory services outside of his work with Bowen Financial Services, LLC.

#### **Item 6: Supervision**

John Bowen's compliance-related activities are supervised by John Bowen, Chief Compliance Officer.

#### **Item 7: State Disclosure Requirements**

The Advisor's principal executive officer is:

John G. Bowen, CRD 2907797

The Advisor does not engage in any business other than providing investment advice, financial planning and asset management. However, as noted elsewhere, the advisor is affiliated with a CPA firm and its principal devotes time to that business as disclosed above in item 4.

The advisor does not charge performance-based fees. The advisor does not have any arbitration or proceeding results to disclose. The advisor and its personnel have no relationship or arrangement with any issuer of securities.