

## INTRODUCTION

**Maryland Capital Advisors** is an investment advisory firm registered with the Securities and Exchange Commission.

It is important for you to understand how advisory services and fees differ from those of a broker so that you can determine which type of relationship is right for you. You can visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for free and simple tools to research firms and financial professionals, and access educational materials about investment advisers, broker-dealers, and investing.

## WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

We offer **investment advisory services** to high net worth retail investors. We provide these advisory services by managing your investment portfolio according to your unique personal, professional, and financial situation. We work with you to construct a mutually agreed-upon portfolio strategy designed to help you achieve your investment goals. Your portfolio strategy is developed by combining our science-based approach to investing in capital markets, and our decades of trading experience, along with your personal investment timeline and overall financial plan. Your portfolio strategy will consist of an asset allocation plan, where we agree to maintain a certain percentage of “Risk Assets” (gain-seeking assets) and “Low-Risk Assets” (capital preservation assets). When implementing and maintaining your portfolio strategy, we also consider asset location (which type of assets are in which type of accounts) in order to achieve maximum tax efficiency.

Once your assets are invested according to your asset allocation plan, we **regularly monitor** your positions and overall risk level, rebalancing your portfolio when necessary in order to maintain our agreed-upon risk level. We provide quarterly performance reports on your investments that we manage and a [client portal](#) where you can view your investment accounts at any time via a computer or mobile device. We will continue to advise you on your ongoing financial and investment needs, including social security and financial planning, where appropriate. **All of these advisory services are included as part of our standard services.**

Most clients grant us discretionary authority that allows us to buy and sell investments without prior approval before each transaction. In some circumstances, clients may elect non-discretionary authority where we provide advice, but the client ultimately decides what investments to buy and sell. Your Investment Advisory Agreement will clearly indicate which level of authority we will have on your accounts, and it may vary from account to account.

## WHAT FEES WILL I PAY?

We provide investment advisory services for a fee based on a percentage of your assets that we manage, called an **asset-based advisory fee**. We are a fee-only advisory firm, meaning we are compensated only by our clients and do not receive compensation or commissions from any other parties. We believe this method of compensation minimizes conflicts of interest that are common in the investment management industry. Our fee is listed in your Investment Advisory Agreement and is based on a declining tiered schedule from 1.0% to 0.20% on all assets in your managed portfolio. The fee is calculated quarterly, in advance, and will be equal to the agreed upon rate per annum divided by four. You pay our fee quarterly regardless of whether we buy or sell securities within that quarter.

**Other fees** you may incur, such as account-based transaction fees, will be paid out of the assets in your respective accounts and are in addition to the advisory fees paid to us. Since our approach uses primarily low-cost, passively-managed mutual and exchange traded funds, our portfolios are not subject to the higher management expenses of actively-managed funds, nor do they suffer from embedded marketing fees and/or sales charges that are common in many retail-class mutual funds. However, even with using these lower-cost investments, you will be required to pay a proportional share of any mutual fund’s management fees (deducted automatically from fund assets), brokerage commissions for each security transaction (if any), as well as the advisory fees we charge.

**You will pay fees and costs whether you make or lose money on your investments.** Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

**WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN ACTING AS MY INVESTMENT ADVISER?  
HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?**

**When we act as your investment adviser**, we are legally required to act in your best interest and not put our interests ahead of yours. At the same time, the way we make money may create a potential conflict with your interests because the more assets you have in your advisory accounts, the more you will pay in fees. Therefore, we may have an incentive to encourage you to increase the assets in your account. You should understand and ask us about this conflict because it may affect the investment advice we provide you. Here are some examples to help you understand what this means:

**Example 1:** Your account value increases, and while the advisory fee percentage may stay the same, the total compensation you pay us also increases. **Example 2:** Your account value goes down, but you still must pay an advisory fee proportional to your assets under management.

If any material conflicts of interest were to arise which could reasonably be expected to impair our ability to render unbiased and objective advice, we will disclose this information to you.

**HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?**

Our financial professionals are compensated solely based on the amount of client assets they service.

**DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?**

Yes. We encourage you to visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research our firm or any of our financial professionals.

**ADDITIONAL INFORMATION**

You can find information about our firm's investment advisory services by searching CRD #134875 on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Additional information about our advisory services, fees, and conflicts of interest can be found in our [Firm Brochure](#) or by visiting our website at [www.marylandcap.com](http://www.marylandcap.com). You can also contact us for more information or to request a copy of this relationship summary at (410) 604-2741 or [mike@marylandcap.com](mailto:mike@marylandcap.com). We are always available to answer any of your questions.

**CONVERSATION STARTERS**

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?
- Help me understand how fees and other expenses may affect my investments. If I give you \$10,000 to invest, how much will go to fees and expenses, and how much will be invested for me?
- How might your conflicts of interest affect me, and how will you address them?
- As a financial professional, do you have any disciplinary history? For what type of conduct?
- Who is my primary contact person?
- Is that person a representative of an investment adviser or a broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?