

# Maryland Capital Management

## Client Relationship Summary



March 15, 2022

PLEASE RETAIN A COPY OF THIS DOCUMENT FOR YOUR RECORDS

Maryland Capital Management (“MCM”) is registered with the Securities and Exchange Commission (“SEC”) as an Investment Adviser. The services provided and fees charged by brokerage firms and investment advisers are different and it is important for retail investors to understand the differences. Free and simple [tools](#) are available for investors to research firms and financial professionals that also provide educational materials about broker-dealers, investment advisers, and investing in general.

### What investment services and advice can you provide me?

MCM offers investment advice and portfolio management solutions that provide access to equity, fixed income, alternative and balanced investment strategies. We do not offer proprietary products and primarily use individual exchange traded securities in our portfolios. Our experienced portfolio managers will design an investment strategy that considers your tax situation, income needs, time horizon, and risk tolerance with the goal of meeting your specific needs and objectives.

Our strategies are monitored on a weekly basis by our investment committee and your account will be supervised and evaluated by your portfolio manager on a regular basis. You will receive a quarterly portfolio and performance report as well as have the opportunity for an in-person review meeting with your Portfolio Manager annually. We encourage you to carefully review your quarterly reports and compare them to the account statements you will receive from your custodian. Portfolio monitoring and quarterly reporting is part of our standard service and there is no additional fee.

MCM manages assets on a discretionary basis. This means that you grant us written authority to supervise and direct the investment of your account without prior discussion and your consent. In addition, we require a \$500,000 minimum opening portfolio balance however, we may choose to waive the minimum in certain circumstances. More detailed information about our strategies, services and how we do business is included in our [brochure](#).

#### Conversation Starters: Questions you may want to ask your Financial Advisor

- ✓ ***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?***

### What fees will I pay?

The fee you pay MCM to manage your account is called an asset-based fee and is calculated on the last day of each quarter as a percentage of the average daily value of the assets in your account. This means that the amount of your quarterly fee may increase or decrease based on the daily value of your account and whether you add assets or withdraw assets. Equity, balanced and alternative portfolio management services are calculated at an annual rate of 1.00% of account assets under management. Fixed income portfolio management services are calculated at an annual rate of 0.75% of account assets under management. In addition to MCM’s management fee, you may pay fees to a custodian or other third party for brokerage and other transactions. A more detailed explanation of the fees you may pay is included in our [brochure](#).

**FEE CALCULATION EXAMPLE:**

**$\$2,000,000$  Assets X 1.00% Fee =  $\$20,000$  annually**

**4 Quarters =  $\$5,000$  Quarterly Fee**

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.

**Conversation Starters: Questions you may want to ask your Financial Advisor**

- ✓ ***Help me understand how these fees and costs might affect my investments. If I give you  $\$10,000$  to invest, how much will go to fees and costs, and how much will be invested for me?***

**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?**

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries 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. We must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts of interest. Here is an example to help you understand what this means.

MCM participates in the Schwab Advisor Network (“Schwab”). Schwab provides us and our clients with access to its trading, custody, reporting, and related services. Some of those services help us manage and grow our business and are available at no charge to us if our clients collectively maintain a total of at least \$10 million of their assets at Schwab. The \$10 million minimum may give us incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab’s services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest however we believe that the quality of service Schwab provides as a custodian and broker is in the best interest of our clients. Additional details about this potential conflict and others are provided in our [brochure](#).

**How do your financial professionals make money?**

MCM’s portfolio managers and financial professionals are compensated with a fixed annual salary and a discretionary bonus. Each professional’s annual salary and bonus are based on factors including, but not limited to, experience, tenure with the firm and individual contributions to MCM and its growth.

**Do you or your financial professionals have legal or disciplinary history?**

MCM does not have any legal or disciplinary history. Investors can access a free and simple search [tool](#) to further research MCM, our employees and other financial professionals.

The most current copy of Form CRS and additional information about MCM can be obtained on our [website](#) or by calling 410-547-2666. Your primary contact person is always your designated portfolio manager however any sensitive questions or concerns can be directed to the President or Chief Compliance Officer using the contact details on our [website](#).

**Conversation Starters: Questions you may want to ask your Financial Advisor**

- ✓ ***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 he or she 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?***