



2019 / 2020

ANNUAL REPORT

carver
financial
services

Established 1990
An Independent Practice



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 CARVERFINANCIALSERVICES.COM

VISION

TO MAKE PEOPLE’S LIVES BETTER EVERY DAY
– OUR CLIENTS, OUR TEAM MEMBERS AND OUR COMMUNITY.

MISSION STATEMENT

HELP OUR CLIENTS MAINTAIN AND ENHANCE THEIR STANDARD OF LIVING IN THE FUTURE WHILE BEING COMFORTABLE TODAY BY PROVIDING THE INVESTMENT PRODUCTS AND SERVICES THAT THEY NEED, THE PERSONAL SERVICE THAT THEY DESERVE AND THE UNBIASED ADVICE TO ACHIEVE THEIR GOALS THAT IS PROFESSIONALLY AND MORALLY REQUIRED.

PHILOSOPHY

WE BELIEVE IN A LONG-TERM APPROACH TO INVESTING, UTILIZING A DIVERSIFIED PORTFOLIO THAT IS UNIQUE TO EACH CLIENT BASED UPON THEIR NEEDS, OBJECTIVES AND RISK TOLERANCES. INDIVIDUAL INVESTMENTS NEED TO BE SELECTED AS PART OF AN OVERALL WEALTH MANAGEMENT PLAN THAT IS DEVELOPED FOR EACH CLIENT THROUGH A SYSTEMATIC PROCESS.

The information contained in this Annual Report does not purport to be a complete description of the securities, markets, or developments referred to in this material. The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Any information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation. Any opinions are those of Randy Carver and not necessarily those of RJFS or Raymond James. Investments mentioned may not be suitable for all investors. Past performance may not be indicative of future results. Raymond James does not provide legal or tax services. You should discuss any tax or legal matters with the appropriate professional. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Be sure to contact a qualified professional regarding your particular situation before making any investment or withdrawal decision. Diversification and asset allocation does not ensure a profit or guarantee against a loss. Investing involves risk and you may incur a profit or loss regardless of strategy selected. There is no guarantee that these statements, opinions or forecasts provided herein will prove to be correct. Rebalancing a non-retirement account could be a taxable event that may increase your tax liability.

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The year 2020 will mark the 30th anniversary of Carver Financial Services, Inc. While 2019 was an interesting year, with regard to both our firm and the political and economic landscape, we are excited about what 2020 and the next 30 years will bring.

As part of our commitment to being an enduring firm that provides personalized service and world-class wealth management, we have expanded both our physical building and our team. This is counter to the industry trend of reducing staff and human interaction in favor of standardized offerings, automation and using technology to replace conversations with a person. Many firms now offer only set models or proprietary investments. We continue to buck the trend by adding people while using technology to support conversations and to help create customized plans for our clients.

Thank you for taking some of your valuable time to learn more about our enhanced team, expanded building (we doubled our space) and multigeneration initiative, along with how we got started!

We have some exciting plans for 2020 to help you live a more fulfilling life, and we appreciate the opportunity to be your partner. Our vision is to make your life better. We are not just a financial services firm or a financial planning firm. We are here to help you lead the life you want.

Never has the pace of change been this fast, and never will be it be this slow again. We are being inundated with information and are required to make more decisions than ever as we face new challenges, both financially and personally. When our firm was founded 30 years ago, a large part of what we did was provide access to information. Now a large part of what we do is sort through massive amounts of information and data and provide access to what is relevant to you. Our firm's vision — helping make people's lives better — has not changed, although the way we fulfill this mission continues to evolve. Our role at Carver Financial Services, Inc., is to proactively help you achieve your personal vision while simplifying your life. This report is one way we are helping you sort through all the noise and focus on what is important to you. As always, our entire team is here to discuss any questions, concerns or ideas you have.

We believe that investments are merely tools for achieving your personal vision. Our firm is focused on helping you with all aspects of your life. We have a number of exciting events, experiences and trips

planned for 2020 as a reflection of this. From inspirational speakers, an expanded building and team, to some amazing travel experiences, we look forward to making your life better. You can read about some of these exciting opportunities at carverfinancialservices.com.

Our firm believes in a proactive approach to wealth management, tax planning and helping you achieve your vision. Although we do not have a crystal ball about the markets, we can plan based on your personal goals and vision and then make adjustments as needed. We call this Personal Vision Planning®. We expect to see increased volatility and negative news as we approach the 2020 elections. No matter what the future brings, we are here for you.

Our entire team is committed to helping you simplify your life while enhancing your lifestyle as you live your future intentionally, with both a plan and a purpose. We are focused on sharing that journey with you, every step of the way. Our practice will continue to evolve while maintaining our vision of making people's lives better. The things we do and the way we spend our time are so important, and we appreciate your taking time to read this.

Please contact me personally — or anyone on our team — whenever we can be of service. We look forward to being your partner and sharing your life's journey with you.

Best,

Randy Carver

RJFS Registered Principal/ President and CEO Carver Financial Services, Inc.

THE ULTIMATE MEASURE OF A MAN IS NOT WHERE HE STANDS IN MOMENTS OF COMFORT AND CONVENIENCE, BUT WHERE HE STANDS AT TIMES OF CHALLENGE AND CONTROVERSY. »

MARTIN LUTHER KING, JR.

LET'S FOCUS ON THE OPPORTUNITIES

Driving down the road and looking in the rearview mirror works, but only until the road turns. We believe there are many turns in the road ahead. That's why we are focusing on the future in this report while reviewing key information from 2019.

In 2018 we had a pivotal mid-term election that the pundits refused to call in advance after getting it wrong with both the presidential election and how markets would react.

In the hours before the Nov. 8, 2016, election, market strategists predicted that if Donald Trump were to win, stocks could suffer a Brexit-like decline from 9 to 12 percent. But once Trump won his surprise victory, the markets made a surprising move: they went up and then continued to increase the following day, reaching a record high.

By April 2017, CNN reported that Trump's rally was the second best since JFK's election. One article stated, "The S&P 500 has rallied 11.6 percent between Trump's election victory and the final day before

the 100-day mark. That's the second-best performance for that period, since an 18 percent surge under President Kennedy in 1961, according to CFRA Research."

We wrote last year, "We believe that a policy of less regulation and lower taxes bodes well for investors over the next few years, and this is being reflected in the broader market reaction." We believe this will continue to be the case for 2020.

We saw an increased onslaught of media attention for the 2018 midterm election and expect to continue to see this in 2020 with regard to health care, tax policy, illegal immigration, the 2020 presidential election and of course with Donald Trump and his administration. The pace of change and amount of information is growing exponentially.

There are many opportunities for those who can see beyond the challenges and problems. At the same time, we understand that there are challenges both here in the United States and globally, both socially and economically.

As we look forward to 2020 and beyond, the economic and geopolitical landscapes will continue to evolve. The only constant is change itself. Our best defense in this ever-changing environment is to have our financial houses in order. Let's focus on the opportunities while seeking to minimize the risk from potential pitfalls!

WE VALUE LONG-TERM PARTNERSHIPS

A lot of firms seek to provide financial planning advice or sell investments; we are not one of them. We are here to help you achieve your personal goals and vision while simplifying your life. We believe that the key to doing so is hearing what's important to you and then taking a holistic and proactive approach to planning as a long-term partner.

We do not base our advice on short-term market trends or media hype. We base it on you. We are here to provide lifestyle information, guidance and experiences with a customized approach for each client rather than focusing on financial products or models.

Uncertainty remains with regard to taxes, health care and regulatory policy. Whatever the specific outcome, we will face a number of challenges, including a more complex tax and investment planning climate, potentially higher interest rates, inflation and market volatility. Regardless of what happens, we stand by the simple vision on which our firm was founded in 1990 – making people's lives better. Although much has changed with the world, the economy and investments, our commitment to this important vision remains steadfast.

IF YOU CAN FIND A
PATH WITH NO
OBSTACLES, IT
PROBABLY DOESN'T
LEAD ANYWHERE. »
FRANK A. CLARK

THANK YOU FOR ENTRUSTING YOUR FINANCIAL FUTURE TO US

The past few years have been challenging for many, and it's easy to forget how much we truly have to be thankful for. Our entire team is grateful for your confidence in us and for your business. We remain committed and determined to do our best for you, no matter what the future throws at us, and we are thankful for the opportunity to do so.

We also appreciate your support with all our philanthropic work. If there is anything we can do to improve your experience, or if you have ideas that would benefit others, please let us know.

Best wishes for a healthy, happy and prosperous 2020!

CONSTRUCTION UPDATE



The final phase of the 10,000-square-foot building expansion, which began in July, is scheduled to be finished shortly after the first of the year. It includes a 35-foot-high reception area, additional offices and conference rooms. This expansion is part of our continuing commitment to provide our clients, team and community with a comfortable state-of-the-art building.

**CONSTRUCTION
AHEAD**

As with our long-term financial planning strategy, our goal is to be proactive with improving our facilities so that we can continue to provide exceptional service and a great experience for you. We also want to be well-prepared to continue to provide extraordinary service to future generations for decades to come.

The exterior work is moving at a fast pace, as the contractors try and beat the changing weather. There has also been significant progress on the interior, including the HVAC, electrical, plumbing and running the Cat5 cable. Once completed, the drywall, painting and final interior features can be added. We appreciate your patience and understanding over the last few months of our construction project and look forward to having you see the new facility. We are planning on hosting an open house for all our clients and the community to come and see all the work that has been done. We will be sending an announcement out once the date and details are finalized. We hope that you will join us to celebrate!

If you have any ideas for how we can make your experience better, please call or email us or send us a note. If you would like to see photos or view the time lapse video of the construction, please visit carverbuildingupdate.com. We encourage you to contact us with any questions about the project or whenever we can otherwise be of service. We appreciate the opportunity to serve you and are excited to be coming to a close on this six-year project!



DETOUR

CAUTION

MEET THE *TEAM!*

OVER THE LAST 3 DECADES, WE HAVE FORMED A TEAM OF EXPERIENCED PROFESSIONALS TO HELP SERVE OUR CLIENTS. WE LOOK FORWARD TO WORKING WITH YOU TO HELP MEET YOUR INDIVIDUAL NEEDS AND OBJECTIVES WITH THE INVESTMENT VEHICLES THAT YOU NEED AND THE PERSONAL SERVICE THAT YOU DESERVE.

ADVISORS



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TEAM ACCOMPLISHMENTS

The entire team at Carver Financial Services believes in the importance of consistently improving their skills and knowledge in order to be able to provide the highest level of service to you. This dedicated approach, centered around your personal needs and objectives, provides you with practical and innovative solutions.

Members of our team regularly seek out ways to learn from each other, as well as pursue additional certifications and licensing within our industry. They find opportunities to deepen their knowledge through individual study, seminar attendance, continuing education, collaboration and team-focused training.

We are proud to highlight some of their accomplishments in 2019.

Two of our advisors earned their CERTIFIED FINANCIAL PLANNER™ certifications earlier this year. Advisors must first pass six tests before even earning eligibility to sit for the board exam, then spend an average of 1000 hours in total study time. We would like to congratulate Bobbi Bruner, CFP® and Joe Lowe, CFP® for receiving this prestigious designation!

Sr. Registered Associates Becky Mullenax, FPQP™ and Polly Small, FPQP™ are working toward acquiring their Chartered Financial Consultant® designations. Becky has already completed the first module.

Polly, Nancy, and Sr. Registered Associate deJane Toki, FPQP™ earned their 63 licenses earlier this year. Registered Principal RoseAnn DiVincenzo, FPQP™, CRPC® earned her 53 license and Client Service Associate Nicole Remesik is studying for her Series 7 license.

Sr. Registered Associate Tamika Thomas earned her Financial Paraplanner Qualified Professional™ designation in mid-2019. Tamika is now studying to receive her CERTIFIED FINANCIAL PLANNER™ designation, along with Registered Associates Josh Croyle and Ryan Bennett. Josh and Ryan have both successfully passed the first of six tests to be eligible to sit for the board exam.

Josh and Ryan also passed their Health and Life exams this past Spring, and Registered Associate Deanna Kochensparger, FPQP™ is currently studying to take the exam.

We are proud of the hard work and dedication all of our team members strive to achieve when it comes to education. Our goal is to be one of the most highly educated Raymond James offices. Congratulations to Bobbi, Joe, Tamika, Josh, Ryan, Polly, Nancy, deJane, Becky & RoseAnn for their achievements!

Sharing best practices with our peers and learning from industry experts is another important way in which we stay current on cutting-edge ideas and technology.

Nik Wearsch, CFP®, Raj Chatterjee, CFP® and Kelley Drumm had the opportunity to attend the Elite Wealth Advisor Symposium (EWAS) in January. EWAS is a conference for Financial Advisors to educate the advisor in marketing, employee engagement, and creating ideal cultures for their company in the new regulatory environment.

Randy Carver was honored to be a keynote speaker at the 2019 Raymond James National Conference in Las Vegas, NV. A group of staff members had the opportunity to attend this conference as well, including Kale Schulz, CFP®, Dan McGreevy, CFP®, Joe Lowe, CFP®, Sara O'Neil, FPQP™, Becky Mullenax, FPQP™ and Kelley Drumm.

Randy was named to Barron's Top 100 Independent Individual Advisors in the U.S.* He has been included on this prestigious list of top wealth advisors every year since 2010. For the fourth year in a row, Randy was recognized by Forbes list of America's Top 250 Wealth Advisors for 2019.** He was also once again named to the 2019 Financial Times list of Top 400 Financial Advisers.***

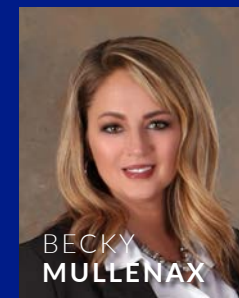
In addition to the national recognition, Carver Financial Services also received two local awards. For the 13th year in a row, Carver Financial Services has won the Fast Track 50 Award for Lake & Geauga Counties. We were also again named by Case Western Reserve University to it's 2019 Weatherhead 100 list. (footnote # - See disclosures page for award information.)

All of these awards are a result of the tremendous dedication and exceptional service of every member at Carver Financial Services.

The skills and expertise we gain from all of these activities is incorporated into our daily process and ultimately creates a better experience for you, our valued client. We are proud of the world-class professionals that make up the team at Carver Financial Services. Our team-based approach allows us to achieve exponentially more than we can as individuals. We are honored to share our knowledge with you, ultimately improve your quality of life and making our community a better place to live.



CONGRATULATIONS!





AWARDS & RECOGNITION



RANDY CARVER RANKED AMONG BARRON'S 2019 TOP 100 INDEPENDENT WEALTH ADVISORS

SEPTEMBER 2019



Randy Carver was once again included on the 2019 Barron's list of the "Top 100 Independent Wealth Advisors" in the country. Randy has been included on this prestigious list of top wealth advisors every year since 2010.

Barron's produced the listing of top advisors after weighing factors such as client assets under management, philanthropic work, compliance record and the overall quality of their practices. Investment performance is not a criterion because client objectives and risk tolerances vary, and advisors rarely have audited performance reports*. There are more than 300,000 licensed financial advisors in the United States so being named one of the top 100 independent advisors is a notable recognition.

RANDY CARVER NAMED TO FORBES' 2019 LIST OF TOP 250 WEALTH ADVISORS IN THE U.S.



SEPTEMBER 12, 2019



FORBES published their 2019 list of Top 250 Wealth Advisors in the United States. This is the fourth year in a row that Randy Carver, President of Carver Financial Services, Inc. and registered Principal with Raymond James Financial Services Inc., was included in this prestigious list. There were more than 30,600 nominations received, seven were recognized in Ohio, with Randy Carver being ranked #104.

CASE WESTERN RESERVE NAMES CARVER FINANCIAL TO IT'S 2019 WEATHERHEAD 100 LIST

SEPTEMBER 2019



Carver Financial Services, Inc. was named by Case Western Reserve University to its 2019 Weatherhead 100 list. Companies recognized on this prestigious Weatherhead 100 list are honored for their percent of revenue growth over the past five years.

The rankings are based on data from the following: 12-month period of net sales from 2014 – 2018, 2014 net sales must be at least \$100,000, headquartered in Ashland, Ashtabula, Cuyahoga, Erie, Geauga, Huron, Lake, Lorain, Mahoning, Medina, Portage, Richland, Stark, Summit, Trumbull or Wayne County, not a franchise or subsidiary of another company between 2014 – 2018 and must be a for-profit organization. Neither Raymond James nor any of its financial advisors pay a fee in exchange for this award/rating. Case Western Reserve University and Weatherhead 100 is not affiliated with Raymond James.

RANDY CARVER NAMED TO 2019 FINANCIAL TIMES TOP 400 FINANCIAL ADVISERS



APRIL 25, 2019



Randy Carver, RJFS Registered Principal, and the President of Carver Financial Services, Inc. was once again named to the 2019 Financial Times list of Top 400 Financial Advisers.

The FT 400 was developed in collaboration with Ignites Research, a subsidiary of the FT that provides specialized content on asset management. To qualify for the list, advisers had to have 10 years of experience and at least \$300 million in assets under management (AUM) and no more than 60% of the AUM with institutional clients. The FT reaches out to some of the largest brokerages in the U.S. and asks them to provide a list of advisers who meet the minimum criteria outlined above. These advisers are then invited to apply for the ranking. Only advisers who submit an online application can be considered for the ranking.

In 2019, roughly 960 applications were received and 400 were selected to the final list (41.7%). The 400 qualified advisers were then scored on six attributes: AUM, AUM growth rate, compliance record, years of experience, industry certifications, and online accessibility. AUM is the top factor, accounting for roughly 60-70 percent of the applicant's score. Additionally, to provide a diversity of advisers, the FT placed a cap on the number of advisers from any one state that's roughly correlated to the distribution of millionaires across the U.S. The ranking may not be representative of any one client's experience, is not an endorsement, and is not indicative of adviser's future performance.



BARRON'S NAMES RANDY CARVER TO ITS TOP 1200 FINANCIAL ADVISOR LIST FOR 2019

MARCH 11, 2019



Barron's Magazine again named Randy Carver as one of the top advisors in the Nation and one of Ohio's ten best financial advisors. Randy has been recognized by Barron's each year since 2008.

Rankings are based on data provided by the nation's 4,000 most productive advisors. Factors included in the rankings: assets under management, revenue produced for the firm, regulatory record, quality of practice and philanthropic work. Investment performance isn't an explicit component because not all advisors have audited results and because performance figures often are influenced more by clients' risk tolerance than by an advisor's investment-picking abilities. Barron's listed their top 1,200 putting Randy in the top 2/5th of 1% of all advisors.

RANDY CARVER NAMED TO FORBES' 2019 BEST-IN-STATE LIST OF TOP WEALTH ADVISORS



FEBRUARY 26, 2019



Randy Carver, RJFS Financial Advisor was recognized on Forbes' list of Best-In-State Wealth Advisors, as one of the top advisors in Ohio. There were more than 29,000 nominations received, 120 were recognized in Ohio, with Randy Carver being ranked #5. This is the third year in a row that Randy has been included on this prestigious list of top wealth advisors from national, regional and independent firms.

REFERRALS

& RELATIONSHIPS IN 2020

Our goal is to provide you and your family with the highest level of personal attention. To do this, we continue to add to our team while limiting the number of new clients we take on.

In 2020, we will be accepting new clients by referral from our existing clients and local professionals. We appreciate your referrals and look forward to helping any of your family, friends or business associates who can benefit from our services. If you know of someone we could help, we are always happy to meet with them without cost or obligation and regardless of assets. Simply ask the person contacting us to let us know that you referred him or her.

People often ask us if we have an investment minimum. Our relationship minimum is generally \$500,000; however, this minimum is waived for family members of our existing clients. If you have friends who do not meet our minimum, but whom you feel we could help, we are happy to speak to them as well — even if they would just like a second opinion.

The investment minimum for new clients does not apply to any existing client. The purpose of the account minimum and referral practice is to enable us to continue providing our existing clients with the highest level of service and attention. We are proud of the fact that we have a large and highly trained staff so we can continue to provide the highest levels of personal attention that you need and deserve.

We continue to provide customized, holistic wealth management rather than the “one size fits all” approach of many firms today. Our team is here to serve you, your family and your friends.



SERVICE

YOUR WAY

We are passionate about serving you at the absolute highest level possible. Our team approach allows us to provide individualized service and is one of the many ways in which we differentiate ourselves. We believe you deserve to be able to speak with any member of our team immediately, all of whom can assist with answering your questions. In addition, we offer a wide range of services not found at most firms. Below are a few of the amenities we provide to better serve you:

CONCIERGE SERVICES

We provide premium amenities ranging from shredding, notary services or meeting space (*with prior notice*), whenever our doors are open.

Any of our associates can assist you with details such as account changes, copies of statements, appointment requests, event registration, issuing checks or placing trades (*registered reps only*).

FINANCIAL PLANNING

If your primary advisor is not available, any of our advisors can assist you with questions related to your financial plan, investments or portfolio.

Please feel free to contact us any time. We are here to serve you!
















EVENT SCHEDULE

Save the dates!

2020

Please mark your calendars for Carver's legendary upcoming events!

	24th ANNUAL RESOURCE BREAKFAST JANUARY 11TH 8:00am - breakfast 9:00am - presentation <i>LaMalfa</i>	 OPEN HOUSE FEBRUARY 13TH 3:00pm-8:00pm <i>Tour of new expansion</i>	 DON CONNELLY MARCH 12TH 7:00pm <i>LaMalfa</i>
 HEALTHY, WEALTHY & WISE MAY 13TH 7:00pm <i>LaMalfa</i>	 TIM GROVES GOLF OUTING JUNE 8TH 11:00am - shotgun start <i>Little Mountain</i>	 10th ANNUAL WINGS & WHEELS AUGUST 1ST 9:00am-3:00pm <i>Lost Nation Airport</i>	 32nd CAPTAINS BASEBALL GAME AUGUST 14TH 5:00pm - doors open 7:00pm - game
 BUSINESS OWNERS SUMMIT SEPTEMBER 19TH <i>TBD</i>	 SINGER SONGWRITER EVENT OCTOBER 21ST 7:00pm <i>Mentor Fine Arts</i>	 ACCREDITED CLE UPDATE DECEMBER 11ST 7:00am-5:00pm <i>LaMalfa</i>	

Raymond James is not affiliated with and does not endorse the services or opinions of any listed non RJ-Speakers

SHOWCASE

OF UPCOMING EVENTS


JANUARY 11TH 2020

24TH ANNUAL RESOURCE BREAKFAST

Join us for a fun and informative morning to learn more about what resources are available for you and your family and to hear our perspective on current events. This event will provide you with a wealth of information on resources, cyber security, new technology and much more. There is neither a cost nor any obligation to join us for breakfast, however, due to limited space reservations are required. You are encouraged to invite family and friends - whether they are clients or not - for this very important and timely event.

TIME & PLACE 8:00am - breakfast | 9:00am - presentation | *LaMalfa - 5783 Heisley Rd., Mentor*


OPEN HOUSE

Please join us for a tour of our new expansion! It will include refreshments and the opportunity to tour the new offices!

TIME & PLACE 3:00pm - 8:00pm tour of new expansion | *7473 Center Street, Mentor*


FEBRUARY 13TH 2020



MARCH 12TH 2020

TIME & PLACE
7:00pm | *LaMalfa - 5783 Heisley Rd., Mentor*

SPECIAL GUEST SPEAKER - DON CONNELLY

We are excited to host (*once again*) Don Connelly. Mr. Connelly is perhaps the financial industry's most successful speaker and storyteller. Don has more than 45 years of experience in the financial services industry and has spoken with tens of thousands of investors and financial services professionals around the world. Audiences at England's Cambridge University, Harvard and the Wharton School of Business have all benefited from his presentations and now you can too! He has shared his wisdom and insight globally in New Zealand, Australia, Spain, Canada, England, Ireland, and South Korea just to mention a few countries. Don Connelly was our very first speaker back in 1987, and we are pleased to welcome him back!

2019

PHILANTHROPY

NOUN

phi·lan·thro·py | \ fə-ˈlan(t)-thrə-pē

plural **philanthropies****definition:** goodwill to fellow members of the human race.¹¹MERRIAM-WEBSTER DICTIONARY DEFINITION

The vision of our firm is to make people's lives better – our clients, our community and our team. Part of fulfilling this mission is our philanthropic work which would not be possible without your support.

Since Carver Financial Services was founded in 1990 you have helped donate more than 130,000 lbs of food for those in need. You have helped donate more than \$275,000 to hundreds of non-profit organizations (see list at the end for this year).

In 2013, we launched a new initiative called "Carver Cares" with the goal of raising awareness of non-profit organizations in our local area, as well as helping support them financially. We have made it our mission to help our clients, our community and our team members live better lives. In 2019, we hosted a number of successful events, and we look forward to a full schedule in 2020. We greatly appreciate the support you provide with all our efforts!

How does the Carver Cares initiative work? We invite a Carver Cares' partner to provide an overview of their organization's mission, needs and services at a Carver event. Those in attendance are given the opportunity to make a donation directly to the organization. Carver Financial matches all donations (up to \$4,000) made to that particular charity, within four weeks of the event. In 2019, we invited the following organizations to introduce themselves at our events.

JANUARY 2019 RESOURCES BREAKFAST/COUNCIL ON AGING

The Carver Cares' partner was Council on Aging, a Lake County organization dedicated to serving the needs of seniors in Lake County. The organization helps guide seniors through the myriad of resources available including case management, home-delivered meals and senior center meals, in-home safety needs, public benefits assistance, and homemaking services. The donations by our clients and friends will allow The Council on Aging to provide needed support for the seniors in our community.

MARCH 2019 JOHN CHOATE/USO OF NORTHERN OHIO

We partnered with the USO of Northern Ohio, which supports the needs of veterans in our local community. The USO was established in 1941. The USO of Northern Ohio is one of the original charter centers, providing support to nearly 50,000 military members and their families who are either from the area or stationed within a military installation within one of the 31 northern Ohio counties served. Donations made by our clients, and with our match, helped the organization support local military families.

MAY 2019 TOWNHALL/JUNIOR ACHIEVEMENT OF CLEVELAND

We partnered with Junior Achievement of Greater Cleveland, which provides in-classroom programs to K-12 students in over 1,500 classrooms across northeast Ohio. Junior Achievement received a combined total of \$2,574 from our clients and our match, which will go towards helping provide financial education for children in our community.

JUNE 2019 ANNUAL TIM GROVES MEMORIAL CHARITY GOLF OUTING

We raised and distributed nearly \$9,000 to Mentor Rotary, Magnolia Clubhouse, Lake County Council on Aging, Crossroads/New Directions, Torchlight Youth Mentoring Alliance, and Ronald McDonald House. All these charities continue to provide important services for our local area.

AUGUST 2019 CLIENT APPRECIATION NIGHT AT THE LAKE COUNTY CAPTAINS

Since 1988, we have coordinated a food drive to benefit local organizations such as the Salvation Army and, more recently, End 68 Hours of Hunger Lake County in conjunction with our Annual Client Appreciation Night. This year, more than 1,500 clients and their families and friends donated more than 900 meals' worth of food that was collected at the Friday night Captains baseball game for End 68 Hours of Hunger Lake County. End 68 Hours of Hunger helps feed those children who would not otherwise have food between the school-provided lunch on Friday and breakfast on Monday. More than 400 children receive food from this program in Lake County.

SEPTEMBER 2019: CHRIS GARDNER/LAKE COUNTY YMCA UNION VILLAGE

The Lake County YMCA Union Village Campus is an intergenerational community hub supporting infants through seniors. This high-tech Wellness Center is a collaboration of the Lake County Y, Willoughby-Eastlake Schools and City of Willoughby to benefit seniors, families and children of all ages.



JUNE
TIM GROVES MEMORIAL
CHARITY GOLF OUTING



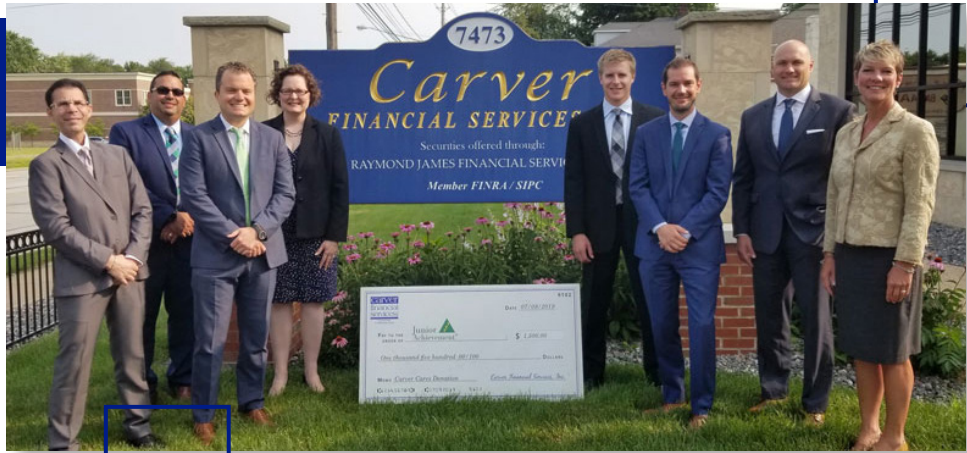
JANUARY
2019 RESOURCE BREAKFAST

MAY
2019 TOWNHALL
EVENT



DO YOU HAVE AN ORGANIZATION IN MIND THAT NEEDS HELP?

PLEASE CONTACT US AND TELL US ABOUT IT! WE LOOK FORWARD TO CONTINUING OUR TRADITION OF GIVING IN 2020 AND APPRECIATE YOUR HELP IN DOING SO.



MAY
2019 JUNIOR ACHIEVEMENT
PRESENTATION

THE FOLLOWING ARE ORGANIZATIONS THAT CARVER FINANCIAL SUPPORTED IN 2019

- AMERICANS OF ITALIAN HERITAGE GOLF OUTING
- CITIZENS FOR LAKE METROPARKS
- CITIZENS FOR LAKE METROPARKS GOLF CLASSIC
- CROSSROADS/BEACON HEALTH
- CROSSROADS/BEACON HEALTH GOLF OUTING
- END 68 HOURS OF HUNGER
- GEAUGA HUMANE SOCIETY RESCUE VILLAGE
- JUNIOR ACHIEVEMENT OF GREATER CLEVELAND
- LAKE COUNTY BAR ASSOCIATION BARRISTER'S BALL
- LAKE COUNTY Y BAR ASSOCIATION GOLF OUTING
- LAKE COUNTY COUNCIL ON AGING
- LAKE COUNTY COUNCIL ON AGING MARCH FOR MEALS
- LAKE COUNTY DEVELOPMENT COUNCIL
- LAKE COUNTY FREE CLINIC
- LAKE COUNTY YMCA UNION VILLAGE
- MACC FOUNDATION
- MAGNOLIA CLUBHOUSE
- MENTOR FIREFIGHTERS HISTORICAL ASSOCIATION
- MENTOR ROTARY
- MENTOR PUBLIC SCHOOLS
- NEW DIRECTIONS
- RATNER SCHOOLS
- RIDGE ELEMENTARY
- RONALD MCDONALD HOUSE
- ST. BASIL THE GREAT GOLF OUTING
- THE SALVATION ARMY
- THE FINE ARTS ASSOCIATION
- TORCHLIGHT YOUTH MENTORING ALLIANCE (FORMERLY BIG BROTHERS & BIG SISTERS)
- USO OF NORTHERN OHIO

CLIENT TRIP EXPERIENCES

We started offering trips to clients more than 20 years ago. The idea was to offer something that people wouldn't or couldn't do on their own, and to provide a turn-key way to travel with a group of like-minded individuals. Clients had saved their entire lives and this was one way to start enjoying some of their resources.

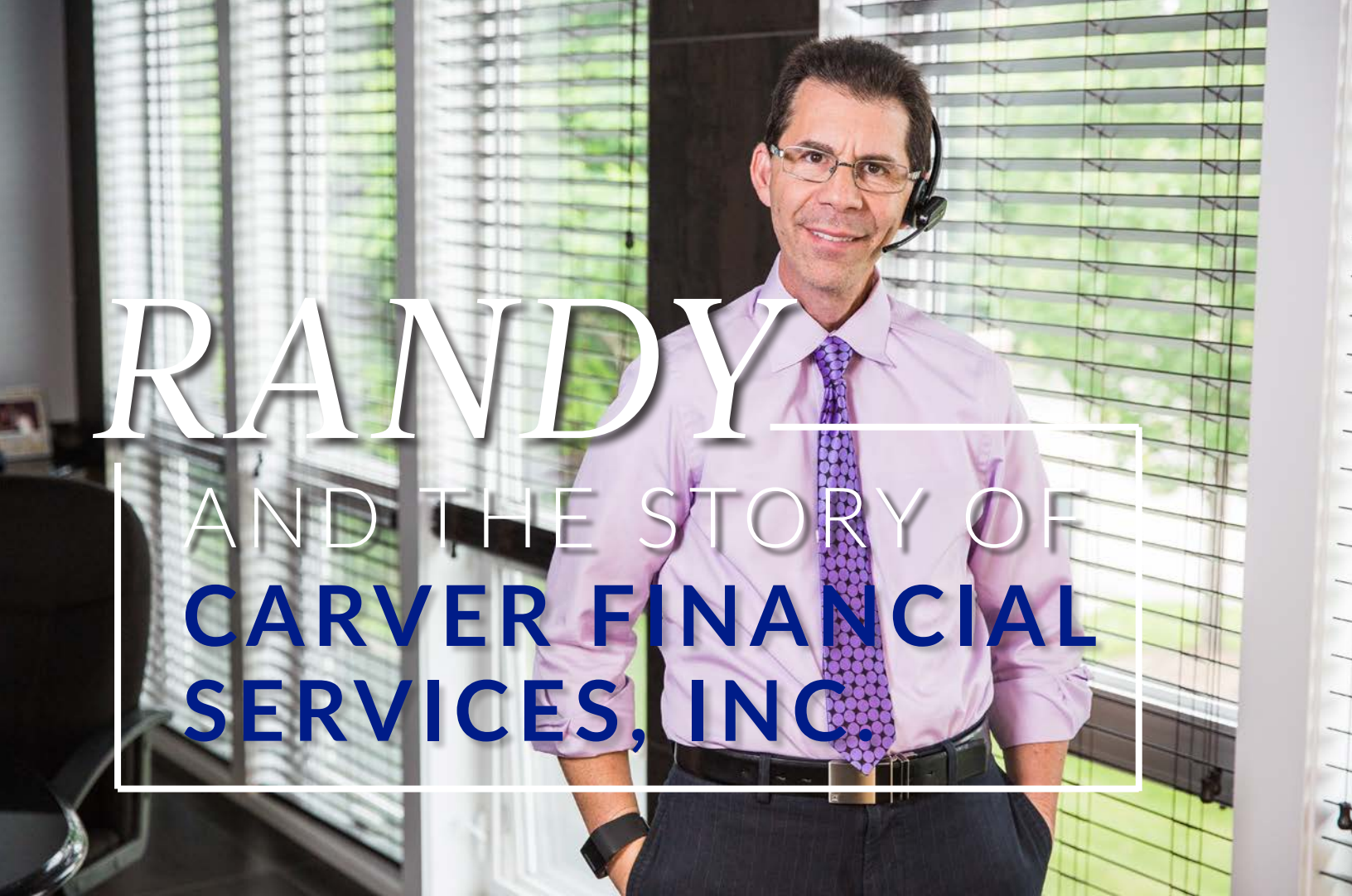
In **March of 2019** we offered a South Africa Safari. This once-in-a-lifetime trip included a safari by Krueger National Park with time at Victoria Falls and Johannesburg.



In **November of 2020** we are offering a Ritz-Carlton Yachting Experience with a 7-day cruise from San Juan Puerto Rico to St. Martin.

All trips are open to any clients, their friends and family; whether they are clients or not. Space is allotted on a first come, first reserved basis. If you see a trip you are interested in, we always encourage you to contact our independent travel coordinator or Randy Carver ASAP to reserve space. Hundreds of clients have joined us over the years for experiences ranging from an Amazon River Cruise, to a trip to Israel and Jordan. Our upcoming trips promise to be fun, educational and unique, with all of the important details handled for you.

If you have questions on any of the trips, would like to be put on a list for early notice about 2021 or have ideas for future trips, please let Randy know! Randy.Carver@raymondjames.com



“WHEN LIFE KNOCKS YOU DOWN, YOU HAVE TWO CHOICES;
STAY DOWN OR GET UP.

FRANK A. CLARK

Over the years I have been asked about the story behind Carver Financial Services, Inc. This is that story. I have been an entrepreneur ever since I was six years old.

My first business involved me gathering dandelions, bunching them into bouquets and selling them door-to-door around the neighborhood. I was selling seed packets and wrapping paper at the age of eight. I was making and selling jam at the age of ten.

Then, my world was turned upside-down at the age of twelve when I was diagnosed with non-Hodgkin’s lymphoma. For the next three years, doctors worked to remove the complete lobe of my left lung, parts of my right lung, my spleen and my thymus. Later, a surgery to remove another mass paralyzed my vocal cord, leaving me with the raspy voice, that I have today.

These three years were among the toughest of my life. The constant chemotherapy, radiation therapy and surgeries took an incredible toll on me, which was only made worse by the fact that I was being treated for the wrong disease. While I had been diagnosed with non-Hodgkin’s lymphoma, we discovered years later that I actually had malignant thymoma—an entirely different disease.

As a result of the treatment and illness, I missed a lot of school—most of sixth grade, all of seventh and eighth grade, and most of ninth grade. Despite this, I was learning constantly. The Wall Street Journal became a daily companion, teaching me about financial markets and investing. I also enjoyed watching the hit TV show M*A*S*H.

Alan Alda, the best surgeon in the unit, had the ability to deal with the worst circumstances and still have fun. This example helped to shape my personal values. We can use our experiences to be the best at something, help others overcome adversity and still not take ourselves too seriously.

Aside from my parents, the person I credit most with getting me through that period was my surgeon, Dr. Robert Filler. He was the only person who, every time he saw me, would look me in the eye and say, “No, you are not going to die.” I’m convinced that his persistent attitude and aggressive approach to helping fight my disease are what ultimately saved me.

Through these experiences, I realized that life is short and needs to be enjoyed. Most of all, I learned that with a positive attitude and persistence, anything is possible. This was something I wanted to help others see so they could achieve their dreams and enjoy their lives.

It was this mindset that spurred me on through the most difficult times, encouraging me to keep growing as an entrepreneur. At the age of fifteen, I started a catering business in my mom’s kitchen and then founded and ran two successful home-renovation companies. It was with these companies that I realized how building something tangible could help others and how much I personally enjoyed seeing the results of this. Ultimately, this would become the vision for Carver Financial Services, Inc.

FIRST COLLEGE, THEN A CAREER

After enrolling at Oberlin College in Ohio, I quickly found that all that time spent reading The Wall Street Journal had paid off. To help pay my way, I would borrow money from my professors, and invest it in futures. After a while, one of my professors suggested that I should start teaching others how to invest as well. I took his advice, and taught a college credit course on investing.

In 1987, I graduated with a bachelor’s degree in economics. Originally, I planned to head home and resume my home renovation businesses. I enjoyed interacting with people and loved seeing tangible results of our work as we improved people’s homes. Instead, I ended up taking a job with a regional brokerage firm and moved to Mentor, Ohio, where I immediately began knocking on thousands of doors to open a new office for them. I had acquired enough clients in just four months to open my own branch in the spring of 1987.

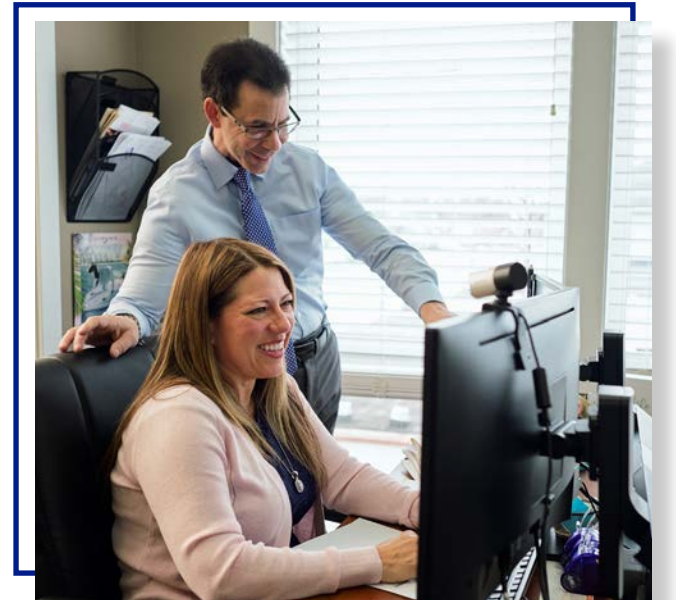
With a lot of hard work and dedication, my office became one of the company’s most successful within three years.

I suffered another catastrophic setback in March of 1989. I was flying a single-engine plane and was forced to crash-land. I suffered collapsed lungs, broken ribs, a cracked larynx and a crushed nose. For almost a year, I couldn’t speak. I would write notes, which my assistant would then take and read to my clients. Again, this was a very challenging period, but the experience helped me improve my listening skills and showed me the importance of working with a team, rather than working alone.

Not yet thirty, the bouts with adversity strengthened my sense of life’s fragility and made me even more determined to help others enjoy their lives. When I started in the financial services business, I believed that we could help people achieve their dreams.

TURNING INDUSTRY STANDARDS UPSIDE-DOWN

After three years, I realized that working for a large investment firm would never come close to aligning with my aspiration of helping people build their financial future based on their hopes, dreams and personal vision. I was happy to be helping people, but at the same time, realized that there was a problem with an industry model



focused simply on selling investments, not providing outstanding customized experiences. I envisioned a company focused on personal service, where the investments were merely tools to help people achieve their personal vision. Unfortunately, that wasn't what I saw most financial advisors, or firms, focusing on. To them, the financial services industry was all about selling investments and getting new clients – not providing lifelong support to the people who had invested with them. In my view that model of financial services was broken. Financial planners should be helping people create experiences and fulfill their vision of a happy life, not pushing investments.

I felt that the company I worked for was no different—a product-focused firm that required its advisors to only sell a limited number of offerings. I felt we should be allowed to offer our clients the best possible financial solution, regardless of what company it came from.

Compounding this problem was the focus on getting new clients, rather than providing an amazing service experience for existing ones. To me, this approach was completely backwards, and not only didn't help people with what they really needed—it did not make good business sense either. I knew that working for a large investment firm would always prevent me from providing the kinds of service and experiences, that our clients deserved. So, I decided to set out on my own and build a new model focused on creating holistic experiences for our clients who we would work with for life. Because the type of firm that I envisioned didn't exist, I created it. This was the beginning of Carver Financial Services, Inc., in December of 1990.

THE BIRTH OF A TRUE TEAM

I established Carver Financial Services, Inc. with the vision statement of, 'To make people's lives better—our clients, our team and our community,' and partnered with Investment Management & Research, which is now Raymond James Financial Services, Inc. My goal was to build a service company that used financial planning and wealth management to help people achieve their personal vision, while simplifying their lives. As an independent business we did not have the pressure to sell any specific product or service. By partnering with a global firm we could provide all of the services that any large investment firm offer – creating the best of both worlds.

While most financial advisors, and firms, focused only on their clients' financial situations, we were passionate about helping people simplify their lives, seize opportunities to experience life's greatest gifts and continually enhance their lifestyles. The vision I had carried since childhood, to live life to the fullest AND to help others do the same, was implemented.

Our approach proved to be a success. As our practice grew, I quickly realized I could not provide the service needed for all of our new clients by myself. It was time to grow our team.

Here again, we turned the existing model upside-down. Most financial services practices had one sales assistant for every three or four advisors, I wanted to do the opposite, hiring three or four highly skilled client concierges for every advisor. That way, our clients could get the attention they wanted, needed, and deserved from a team of concierges who could handle any and all administrative requests.

I envisioned a team of professionals who not only had outstanding credentials, but also the same values and vision that I did for our clients. To do that we have built a team of professionals who bring different skills and experience to the table to create a robust support system for an enduring practice. In growing our practice, it was important to have a firm that would be around for generations to come. We began to hire younger advisors who would learn



and provide intergenerational longevity to the team. While many financial services firms claim to take a team-based approach to financial planning, team members are usually incentive based on what they do individually. Our team, on the other hand, works collaboratively and is compensated collectively.

This innovative approach has paid off, allowing clients to access any team member. We continue to add specific operational, administrative, and planning professionals to our team, so that we can continue to provide personal attention and customized planning to all clients.

PERSONAL VISION PLANNING®

Over the years, we have developed and refined a process for leading clients to achieve their personal vision for the future, while enjoying the present. We call it Personal Vision Planning.

Personal Vision Planning is different from traditional financial planning or investment planning. We work with our clients to build a clear, personalized vision of what their retirement might look like, and then we plan out how they can get there. The planning is based on your vision not investments. Through this process our team offers clients unbiased investment information, and a wide range of financial products and services through Raymond James Financial Services, Inc. While we are an independent firm, we custody our assets with Raymond James and have access to all of the resources of a multi-billion dollar global firm whose offerings include, but are not limited to: investment banking, a trust company, an FDIC insured bank¹ and hundreds of experts on a variety of topics of importance to our clients.

This focus on personal vision and quality of life, rather than on the money itself, is very important to me. As a survivor of cancer, a plane crash and other extreme injuries, I've learned first-hand how precious each moment of each day truly is. Rather than simply helping people to grow wealth, Personal Vision Planning helps our clients to live their best lives possible. All of us at Carver Financial Services are passionate about helping others enjoy life. While the core of what we do is financial planning, we want to create memorable life experiences. These range from once-in-a-lifetime trips, to hosting educational and aspirational presentations by national speakers.

ALWAYS EVOLVING

Throughout this journey, nothing has made me prouder than to watch Carver Financial Services move from being "my firm" to "our firm." United under the shared vision of making people's lives better, we have continued to bring in new generations of team members so that the firm, just like our clients and their families, will be here to serve you and your family for generations to come. Understanding that unforeseen things happen, we have both a detailed business continuity plan and business succession plan in place so that we will always be here to serve you and future generations no matter what challenges we face.

Who knows what the future holds? Life is full of twists and turns. Some of them are wonderful, and others are life-threatening and awful. When we conquer difficulties, we learn that we can be or do anything, despite our circumstances.

Our entire team is committed to helping you simplify your life, while enhancing your lifestyle as you live your future intentionally, with both a plan and a purpose. We are focused on sharing that journey with you, every step of the way. Our practice will continue to evolve while maintaining our vision of making people's lives better. The last 30 years has been an amazing journey and I look forward to sharing the next 30 years with you and your family. **Please contact me, or any of our team, whenever we may be of service.**



¹ Lending services provided by Raymond James Bank N.A. a fully chartered national bank affiliated with Raymond James Financial Services.



MIAMI & WINTER SCHEDULE

As in the past, Randy will be spending three weeks per month in our Mentor, Ohio office this winter and one to two weeks in Miami. The split schedule starts after Thanksgiving and runs through April.

While in Miami, Randy will continue to work a full schedule and conduct phone and Skype reviews with clients. Randy is available to participate in video meetings for anyone who would like to come to the Mentor office, and can meet you personally if you are in the Miami area. As always, our full team is in Mentor to serve you. Thanks to all the great technology, Randy can work from the Miami office just as in Mentor.

For your planning purposes, here is his planned schedule for the next few months. Please let us know if you would like to meet personally, have a call or if we can otherwise be of service at any time!

JANUARY 19TH - FEBRUARY 1ST / MIAMI

JANUARY 24TH - 27TH / VIP CLIENT EXPERIENCE / FT. LAUDERDALE

FEBRUARY 16TH - 29TH / MIAMI

MARCH 15TH - 28TH / MIAMI

DO THEY KNOW US?

Do your beneficiaries and/or the agent for your power of attorney know us? Letting them know who we are is an important part of making their lives easier and making sure your wishes are followed.

A power of attorney (or POA) is a legal document that authorizes someone to act on your behalf if you are unable to do so. The person who gives the authority (you) is called the principal, and the person who has the authority to act for the principal is called the agent or the attorney-in-fact.

If someone has a financial power of attorney for you, it's important that we at least have a copy on file. Having your POA agent speak with us can give him or her some insight into your portfolio and put a face with a name for both of us.

Likewise, holding a family meeting with your beneficiaries can help them understand your financial plan, convey your wishes and put a face with name for them and for us. If you want to set up a family meeting, or a meeting with a beneficiary, we do not have to disclose amounts or details about your portfolio unless you wish to do so.

If your POA or beneficiary lives somewhere else or travels often, we are happy to meet via video conference or simply a phone call. Just contact our office to set up a time to speak or meet.





MULTIGENERATIONAL WEALTH PLANNING

We believe that for many families financial plans should include not one generation, but rather two and sometimes three. Multigenerational wealth planning requires a level of continuity rarely found in the financial planning industry today because of the aging financial advisor population. Planning for the next generation(s) is as important for your financial advisors, and firm you work with, as it can be for many investors.

Although none of the senior advisors at Carver Financial Services, including Randy, have any plans to retire in the near term, we want to make sure we are prepared to serve you for generations to come in the event that something unexpected happens to one of our team members. As we look to the future, we are able to provide that level of continuity through our Multigenerational Wealth Planning Initiative. A key part of this has been adding younger, highly skilled financial advisors to our team. These young professionals add immeasurable value to the service we provide by helping you achieve your financial goals through your retirement and working with your beneficiaries as they inherit your assets. This initiative ensures that we will be here to serve your family for generations to come.

An additional benefit is that many young investors may not have access to a quality financial advisor or may want to work with someone closer to their own age. Carver Financial Services is uniquely positioned to help younger investors create a long-term financial plan geared toward their goals and objectives. In addition to working with a broad spectrum of clients, advisors such as Joe Lowe, Dan McGreevy and Raj Chatterjee can relate directly to the challenges and opportunities that face younger investors while delivering the level of expertise you have come to expect from Carver Financial Services.

We encourage any clients with children or grandchildren who may need assistance with their finances to make an appointment with us to review their financial situations. Moreover, we are happy to do a family meeting with multiple generations to review your estate and wealth-transfer plans. Please note that we can go over the structure of your planning without disclosing amounts or other information you wish to keep private. At the very least, this type of family meeting allows your heirs a chance to "put a face with a name." We look forward to meeting with your family and serving you for generations to come.

SECOND OPINIONS,



AND QUESTIONS TO ASK ADVISORS

In 2019, we had a record number of requests for second opinions on financial portfolios and plans. Most were from friends and family members of current clients. We are happy to provide a second opinion on a financial plan or portfolio without any cost or obligation.

Whether or not someone wants us to review their portfolio, there are some questions that are important for investors to understand when working with advisors. Here are six key questions to find the answers to when comparing advisors and deciding which one you want to work with, along with facts to consider about our firm.

- 1** Are the advisors providing a truly customized portfolio, or do they use models or proprietary products? We develop customized portfolios based on your personal goals, objectives, tax-planning needs and risk tolerance.
- 2** Do they make changes to your portfolio without your permission? We work in partnership with you and do not make any changes without speaking with you. In this way, we can better understand your current needs and make appropriate recommendations.
- 3** Who would you work with if something happened to your advisor? We work as a team with 22 professionals and more than 250 years of combined experience. You can read more about our multigenerational approach on page 28 of this report.
- 4** What type of contingency plan is in place if there were a natural disaster or if something happened to the advisor's office? We have full business continuity plans in place.
- 5** What level of assets do they manage? As of July 2019 we currently manage more than \$1.5 billion in assets for our clients. Because we manage a large amount of assets, we can minimize fees and operate with increased business efficiencies.
- 6** What other resources can they provide? Because of our partnership with Raymond James Financial Services, Inc., we can provide a full trust company, investment banking and personal lending solutions. Moreover, we have access to hundreds of highly-trained professionals and provide you the backing of a global company.

Please contact our office if you, your family or friends would like a second opinion on any portfolios or wealth planning.

BUSINESS CONTINUITY SUCCESSION PLAN

Each year, we see how the loss of key personal data impacts individuals and firms as the result of natural disasters and data breaches.

In 2017, major natural disasters and a huge data breach at Equifax affected millions. In 2018, we saw the breach of 540 million Facebook users' accounts and 500 million Marriott International accounts.

In 2019, cybersecurity issues escalated even more. According to Risk Based Security research published in the 2019 MidYear QuickView Data Breach Report, in the first six months of 2019, there were more than 3,800 publicly disclosed breaches exposing an incredible 4.1 billion compromised records. And 3.2 billion of those records were exposed by just eight breaches.

The vision of Carver Financial Services, Inc., has always been making people's lives better. To do that, we have definitive business continuity plans in place so that we are here for you, regardless of what might happen. Carver Financial Services, Inc., and Raymond James are committed to providing continuous service to you and your family for generations to come. We have taken steps to enable us to continue operating in the event of a personal change, natural or manmade disaster. While we always want to hope for the best, it is important to plan for the worst.

CARVER FINANCIAL SERVICES

In 2018, we expanded and updated our written succession plan and our data backup and disaster recovery protocol.

Our business continuity planning ensures business continuity with regard to the death, disability or termination of any personnel. We have a written succession plan in place should something happen to any of our senior advisors, including Randy. Each of our staff members has a backup person trained in his or her job. The business continuity plans we have implemented in the past have worked flawlessly. We continue to update and enhance them so there will never be an interruption of service to you.

Also, Carver Financial Services has made provisions to operate from an alternative location in the event that our physical office is impacted by a natural or manmade disaster. We employ multiple off-site data-backup procedures to offer data accessibility, should the need arise.

We continue to expand our team of professionals, adding younger advisors who will be here for the next generations. This multi-generational initiative is key to providing continuous service to your family (see article on page 28 of this report).

RAYMOND JAMES

Raymond James has established the Business Continuity Planning (BCP) department, a dedicated team of professionals who oversee the Firm's business continuity management strategy. The BCP Department works closely with business units and the Information Technology Department to employ a standardized

framework for building, maintaining and testing business continuity plans.

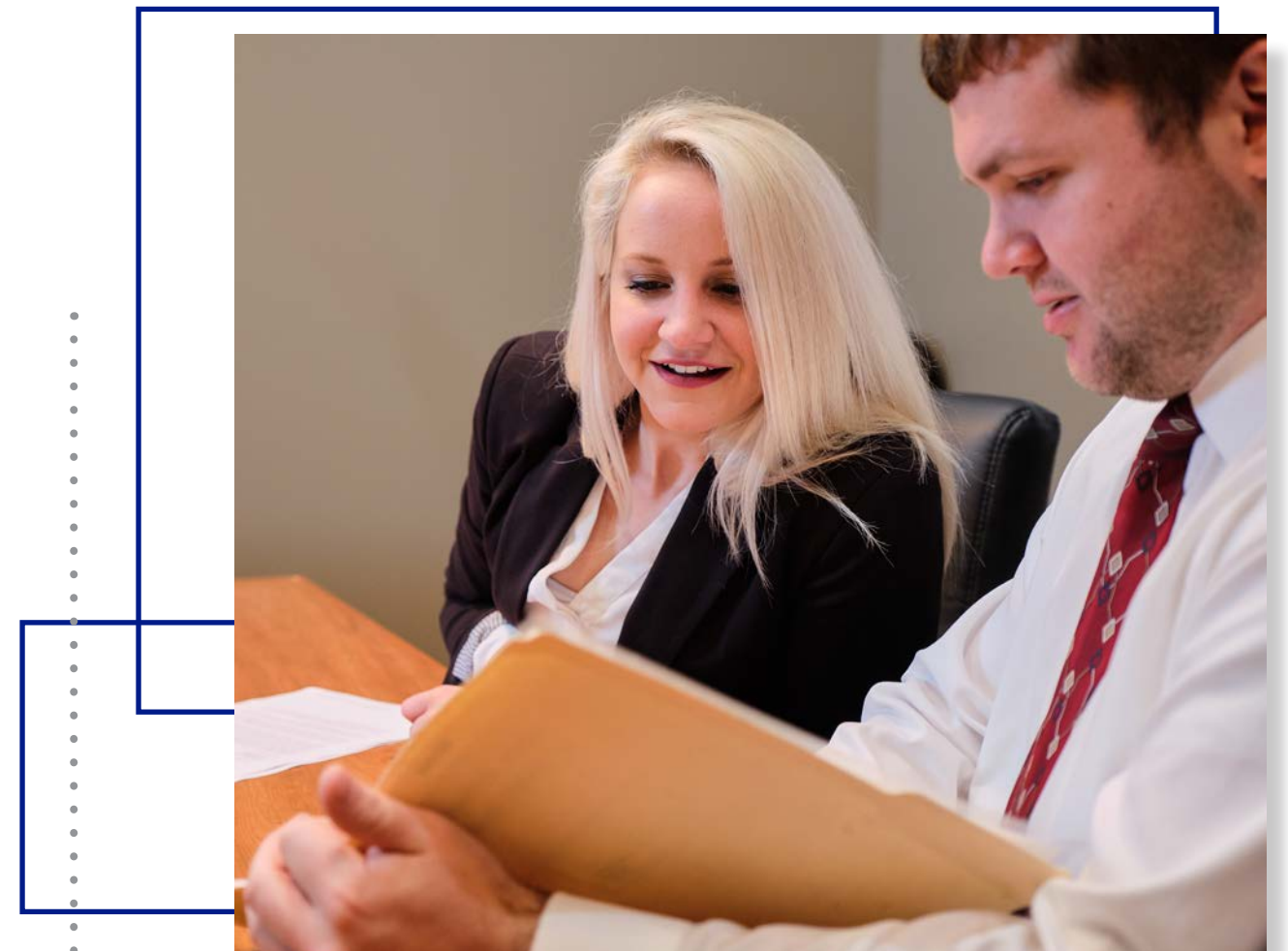
Plans are designed to allow for continued operations of critical business functions in the event of a disaster so that we can provide clients with prompt access to their funds and securities. The plans were successfully implemented during Hurricanes Irma and Rita in 2017. Although the Tampa office was closed, there was no interruption to client services.

As part of the overall BCP strategy, Raymond James maintains geographically dispersed operational locations (for example, in Tampa, Florida, and Southfield, Michigan) to diminish risks posed by local and regional disruptions. Raymond James employs a dual data center strategy in which critical client data and systems are replicated to an alternate location to ensure accessibility. In addition, data retention and backup procedures are in place, including tape backup and off-site storage, offering a tertiary layer of data accessibility, should the need arise.

It's important when working with any professionals to know that they will be there for you when needed. We are committed to being an enduring firm for you and your family, regardless of what's happening in the rest of the world.

¹ Kenneth Kiesnoski, "5 of the Biggest Data Breaches Ever," CNBC, July 30, 2019, <https://www.cnbc.com/2019/07/30/five-of-the-biggest-data-breaches-ever.html>.

² Davey Winder, "Data Breaches Expose 4.1 Billion Records in First Six Months of 2019," Forbes, August 20, 2019, <https://www.forbes.com/sites/daveywinder/2019/08/20/data-breaches-expose-41-billion-records-in-first-six-months-of-2019/#5849efcbd549>.



THERE IS NO CRYSTAL BALL, SO IT'S ALL SPECULATION

In ancient civilizations, shamans used to predict the future by “reading” smoke from a fire. The Mayan calendar predicted that the world would end in 2012. I remember “experts” in the media telling people to sell everything because the end was coming. Ridiculous!

WE ARE HARD-WIRED TO BELIEVE BAD NEWS

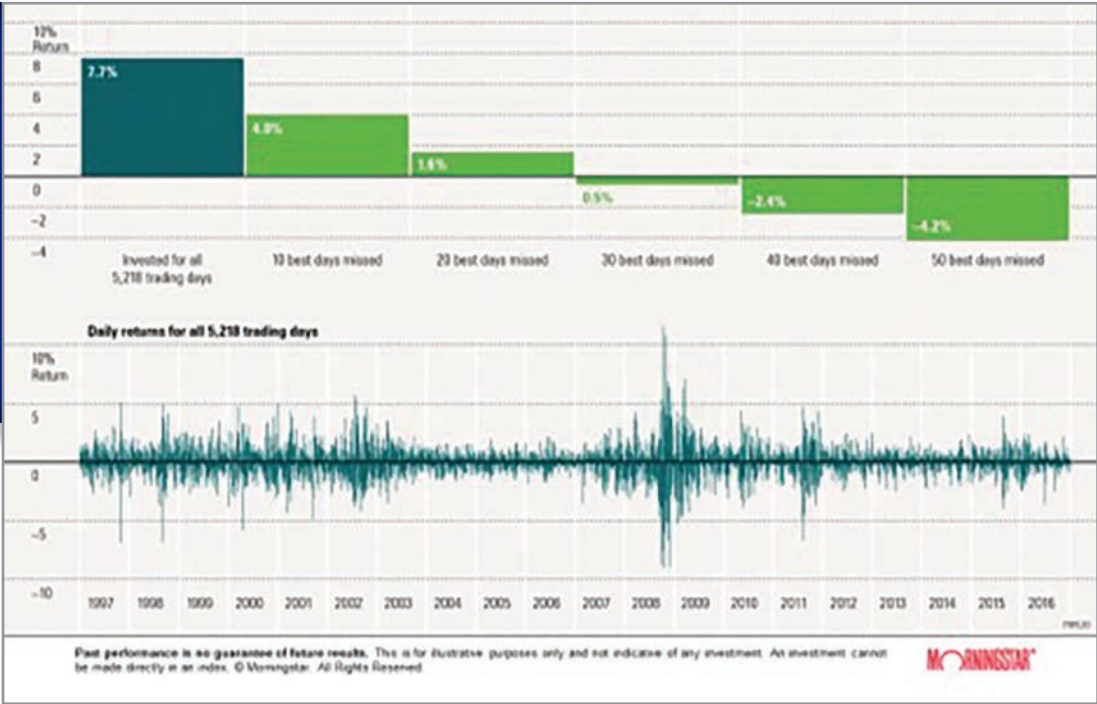
Have you ever asked yourself why we believe what the “experts” in the media are telling us today? Or better yet, what is their underlying motivation? It’s human nature to look out for bad news; this is part of our brain’s evolution from Neanderthals to homo sapiens. A lot of animals have been trying to kill us over the years. We’re wired to stay on high alert and pay special attention if something is deemed a risk. Our brains can convince ourselves of almost anything (called “belief bias”), and we are subject to following what others say (called “groupthink bias”).

WHOEVER WINS THE ELECTION ISN'T AS IMPORTANT AS YOUR PERSONAL PLAN

A common question today is, “What do you think is going to happen if so and so is elected next year?” The most truthful answer is, “We don’t know.” No one does. But we can plan appropriately, regardless of who wins the election.

THE COST OF MARKET TIMING

*Risk of missing
the best days
in the market
1997-2016*



It’s odd to hear half of the country claiming the end of the world is coming if Trump is re-elected, and the other half is claiming it will end if a Democrat is elected. It reminds me how half of the country was worried if Obama would be elected, and the other half wasn’t. Our response was, “It didn’t matter then, and the same holds true today.”

HERE’S WHY.

We develop investment plans that are specific to each client’s personal vision. Then we monitor those plans using a disciplined process of monthly investment monitoring and periodic reviews and rebalancing. We do not try to time (predict) the markets. Trying to predict what the market will do one week, one month or one year from now is impossible. None of us has a crystal ball. Do you know of people who sold all their investments years ago and then kept the proceeds in cash for years, until they were comfortable about investing again? Ask them if they would have done things differently now.

A better approach is to rely on historical data to help guide your decision making. What would have happened to your investments if you sold them every time the price dropped temporarily? The Morningstar® chart shows the impact on returns if you sold them and then missed some of the best days.

Nate Silver, the author of *The Signal and The Noise: Why So Many Predictions Fail –But Some Don’t*, predicted Obama’s re-election in 2012, and the media heralded him as a shaman. But his predictions failed in the 2016 election when President Donald Trump was elected. Why? Because no one can predict the future with accuracy all the time.

WE DON’T HAVE A CRYSTAL BALL, BUT HERE’S WHAT WE THINK

What do we think will happen? Well, if long-term trends persist, then things will continue to gradually get better. Corporate profitability and dividend payouts will increase, which is good for our clients who own shares (stock) in these companies. The standards of living will go up for individuals and their families around the world.

But we accept that the markets could pull back temporarily in the short term — the markets usually fluctuate (called “volatility”) when there’s uncertainty. This is why we reach out to meet with our clients on a regular basis. We help you prepare for your future — something you have much more control over than who is going to be elected the next president of the United States.

There are going to be a lot of predictions before the election. Are you going to “buy” into the speculation, or are you going to stick to your personal plan.

IT'S TAX TIME AGAIN—

1099'S AND DELAYED REPORTING

In 2019, much of the 2018 income tax reporting was delayed due in part to delayed clarification and legislation. We expect much the same in 2020. Although fine to prepare your income taxes as soon as you receive all tax documents, we strongly recommend that you wait until April to file your tax return and consider filing for an extension in the event corrected documents come in at the last minute.

EXPECT REPORTING DELAYS

If you file your taxes and then delayed documents come in, you may need to file an amended return. While Raymond James does everything they can to get information out in a timely and accurate fashion, we expect some delayed reporting.

Because there are often last-minute corrections and delays, many companies will not mail the first round of 1099s until February this year. The first round of 1099s is expected to be sent between February 15th and 28th, 2020. What the IRS terms "delayed 1099s" will not be sent until March 14th. Raymond James has told us they will be mailing 1099s as soon as they receive information from investment companies, however, they expect similar delays just as in 2019.

All tax documents are available via the Client Access online portal as soon as they are generated. You may also give your CPA access to these electronic documents by setting up Third-Party Client Access. Our client concierge team can help you set up Client Access and third-party access if you wish to do so.

It is imperative to remember that certain investment types are prone to income reallocation. Because these reallocations frequently result in delayed or amended 1099s, the IRS grants reporting extensions for clients who hold these types of investments. It is also important to note how some distributions are reported so that you avoid paying unnecessary tax.

For example, if you took a Qualified Charitable Distribution (QCD) from your IRA you do not need to pay tax on this amount. The full distribution is reported on the 1099R – there is no reporting that this is tax exempt. It is suggested that the full distribution is reported on line 15a of the 1040 that on 15b you write, \$0 for the taxable

amount (if you have no other taxable distributions). It is also suggested that you write 'QCD' next to the line to explain why the distribution is tax-exempt.

The other place that we see clients sometimes overpaying tax is by missing the cost basis information and reporting on all proceeds versus just realized capital gains. This is another reason to use an experienced tax preparer or CPA.

FORMS YOU MIGHT RECEIVE

The types of tax forms you receive will depend on the types of investments and income you have. Please note the following:

- **Widely Held Fixed Investment Trusts (WHFITs)** – Under the IRS definition, the affected market segments include Unit Investment Trusts (UITs), Royalty Trusts, Commodity Trusts and Mortgage Pools such as Fannie Mae. Trustees and middlemen of WHFITs are required to report all items of gross income and proceeds on the appropriate Form 1099. The reporting deadline for these items is March 16th, so you may receive a delayed 1099 (early April) if you own these types of investments.
- **1099-B** – If you receive a 1099-B ("Proceeds from Broker and Barter Exchange Transactions"), please keep in mind that you are responsible for reporting the gain or loss on what you sold, not the entire amount. This means that you are responsible for the difference between what you originally paid for an asset and what you sold it for. We will provide cost-basis information on holdings that we have the data for. If you have transferred an asset or cost basis is not showing on your statement, please call our office.
- **W-9** – You might receive a W-9 form from your mutual fund and/or annuity companies. These are used to confirm and/or update your Social Security number. These are mailed as a matter of routine every few years.
- **Nontaxable transactions** – You might receive a 1099 for nontaxable transactions such as an IRA rollover or 1035 exchange of an annuity. A 1035 exchange is reported as Code 6 in box 7, a direct rollover to an IRA is reported as code G in box 7, and a direct rollover to a qualified plan or TSA is reported as Code H in box 7. Receiving one of these 1099s does not necessarily mean you owe taxes, but you should follow the IRS instructions carefully for reporting this type of transaction. You will also receive a 1099 for QCDs as noted above.
- **K-1 forms** – Schedule K-1 forms ("Partner's Share of Income, Deductions, Credits, etc.) are issued by partnerships, S-corporations, trusts and estates to report a taxpayer's prorated share of net income or loss from the entity, along with various separately stated income and deduction items. By law, these forms must be sent by the first March 15th following the close of the partnership's tax year. Therefore, you might not receive your K-1 until late March or even the first week of April.

WORK WITH A CPA TO HELP ENSURE ACCURATE RETURNS

If you have a question about your tax documents, please give us a call. Tax laws are very complex. Extreme care must be used in reporting accurate tax information. Both our office and the Raymond James 1099 Tax Reporting Department can answer many of your questions; however, we are not accountants and cannot provide specific tax or legal advice. We can recommend a qualified Certified Public Account (CPA) if you need assistance in preparing your taxes. We are happy to provide a referral if you need a CPA.

You can also get answers to many of your questions by reading free IRS Publications. You can obtain copies by calling 1-800-TAX-FORM (1-800-829-3676) or by visiting the IRS website at www.irs.gov, where you can also print tax forms.

IMPORTANT TO NOTE - SCAMS

The IRS never demands payment or personal information over the phone or via email. The IRS never asks for a credit card. If you receive such a phone call, it is most likely a scam. The IRS will only contact you in writing via postal if there are any questions or issues.

The IRS will never threaten to bring in local police, immigration officers or other law enforcement to have you arrested for not paying. The IRS also cannot revoke your driver's license or immigration status. Threats like these are common tactics scam artists use to trick victims into buying into their schemes.

Please contact us with any questions regarding your tax reporting or if we can otherwise be of service.



DID YOU KNOW?

Beginning in May 2017, for profit debt-collection companies the IRS hired to collect taxes were allowed to keep about 25 percent of the money they recover for the government. The IRS also gets 25 percent, while the rest goes to the Treasury Department.

CARVER FINANCIAL SERVICES, INC.

2019-2020 | ANNUAL REPORT



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DISCLOSURES

Investment advisory services offered through Raymond James Financial Services Advisors, Inc. Carver Financial Services, Inc. is not a registered broker/dealer and is independent of Raymond James Financial Services.

***Barron's Top 100 Independent Financial Advisors Source:** Barron's "Top 100 Independent Financial Advisors," September 2018 & 2017. Barron's is a registered trademark of Dow Jones & Company, L.P. All rights reserved. The rankings are based on data provided by over 4,000 individual advisors and their firms and include qualitative and quantitative criteria. Data points that relate to quality of practice include professionals with a minimum of 7 years financial services experience, acceptable compliance records, client retention reports, charitable and philanthropic work, quality of practice, designations held, offering services beyond investments offered including estates and trusts, and more. Financial Advisors are quantitatively rated based on varying types of revenues produced and assets under management by the financial professional, with weightings associated for each. Investment performance is not an explicit component because not all advisors have audited results and because performance figures often are influenced more by clients' risk tolerance than by an advisor's investment picking abilities. The ranking may not be representative of any one client's experience, is not an endorsement, and is not indicative of advisor's future performance. Neither Raymond James nor any of its Financial Advisors pay a fee in exchange for this award/rating. Barron's is not affiliated with Raymond James. **Case Western University Weatherhead 100** rankings are based on data from the following: 12-month period of net sales from 2014 - 2018, 2014 net sales must be at least \$100,000, Headquartered in Ashland, Ashtabula, Cuyahoga, Erie, Geauga, Huron, Lake, Lorain, Mahoning, Medina, Portage, Richland, Stark, Summit, Trumbull or Wayne County, not a franchise or subsidiary of another company between 2014 - 2018 and must be a for-profit organization. Neither Raymond James nor any of its Financial Advisors pay a fee in exchange for this award/rating. The Weatherhead 100 awards are the premier celebration of Northeast Ohio's spirit of entrepreneurship and the companies leading the way in Northeast Ohio. Each year, Weatherhead recognizes an elite group of companies who are the best example of leadership, growth and success in our region. Companies that make the list are recognized for their percent of revenue growth over the past five years. **The Forbes ranking of America's Top Wealth Advisors 2019**, developed by SHOOK Research, is based on an algorithm of qualitative and quantitative data, rating thousands of wealth advisors with a minimum of seven years of experience. Ranking algorithm is based on quality of practice, including: telephone and in-person interviews, client retention, industry experience, review of compliance records, firm nominations; and quantitative criteria, including: assets under management and revenue generated for their firms. Investment performance is not a criteria because client objectives and risk tolerances vary, and advisors rarely have audited performance reports. Rankings are based on the opinions of SHOOK Research, LLC which does not receive compensation from the advisors or their firms in exchange for placement on the ranking. Research Summary (as of August 2019): 30,691 Advisor nominations were received, based on thresholds. 12,258 Advisors were invited to complete the online survey. 12,498 Advisors were interviewed by telephone. 2,279 Advisors were interviewed in-person at the Advisors' location. Final list of the top 250 Advisors was then compiled based upon the quantitative criteria. Raymond James is not affiliated with Forbes or Shook Research, LLC. This ranking is not indicative of advisor's future performance, is not an endorsement, and may not be representative of individual clients' experience. Neither Raymond James nor any of its Financial Advisors or RIA firms pay a fee in exchange for this award/rating. **The FT 400** was developed in collaboration with Ignites Research, a subsidiary of the FT that provides specialized content on asset management. To qualify for the list, advisors had to have 10 years of experience and at least \$300 million in assets under management (AUM) and no more than 60% of the AUM with institutional clients. The FT reaches out to some of the largest brokerages in the U.S. and asks them to provide a list of advisors who meet the minimum criteria outlined above. These advisors are then invited to apply for the ranking. Only advisors who submit an online application can be considered for the ranking. In 2019, roughly 960 applications were received and (400) were selected to the final list (41.7%). The 400 qualified advisers were then scored on six attributes: AUM, AUM growth rate, compliance record, years of experience, industry certifications, and online accessibility. AUM is the top factor, accounting for roughly 60-70 percent of the applicant's score. Additionally, to provide a diversity of advisors, the FT placed a cap on the number of advisors from any one state that's roughly correlated to the distribution of millionaires across the U.S. The ranking may not be representative of any one client's experience, and is not indicative of advisor's future performance. Neither Raymond James nor any of its Financial Advisors pay a fee in exchange for this award/rating. The FT is not affiliated with Raymond James. **The Forbes ranking of Best-In-State Wealth Advisors**, developed by SHOOK Research, is based on an algorithm of qualitative criteria, mostly gained through telephone and in-person due diligence interviews, and quantitative data. Those advisors that are considered have a minimum of seven years' experience, and the algorithm weights factors like revenue trends, assets under management, compliance records, industry experience and those that encompass best practices in their practices and approach to working with clients. Portfolio performance is not a criteria due to varying client objectives and lack of audited data. Neither Forbes nor SHOOK receives a fee in exchange for rankings. This ranking is not indicative of advisor's future performance, is not an endorsement, and may not be representative of individual clients' experience. Neither Raymond James nor any of its Financial Advisors or RIA firms pay a fee in exchange for this award/rating. Out of 29,334 advisors nominated by their firms, 3,477 received the award. The Forbes ranking of America's Top Wealth Advisors, developed by SHOOK Research, is based on an algorithm of qualitative and quantitative data, rating thousands of wealth advisors with a minimum of seven years of experience. Ranking algorithm is based on quality of practice, including: telephone and in-person interviews, client retention, industry experience, review of compliance records, firm nominations; and quantitative criteria, including: assets under management and revenue generated for their firms. Investment performance is not a criteria because client objectives and risk tolerances vary, and advisors rarely have audited performance reports. Rankings are based on the opinions of SHOOK Research, LLC which does not receive compensation from the advisors or their firms in exchange for placement on the ranking. Raymond James is not affiliated with Forbes or Shook Research, LLC. This ranking is not indicative of advisor's future performance, is not an endorsement, and may not be representative of individual clients' experience. Neither Raymond James nor any of its Financial Advisors or RIA firms pay a fee in exchange for this award/rating. Source: **Barron's "Top 100 Independent Financial Advisors,"** DATE, 2018. Barron's is a registered trademark of Dow Jones & Company, L.P. All rights reserved. The rankings are based on data provided by over 4,000 individual advisors and their firms and include qualitative and quantitative criteria. Data points that relate to quality of practice include professionals with a minimum of 7 years financial services experience, acceptable compliance records (no criminal U4 issues), client retention reports, charitable and philanthropic work, quality of practice, designations held, offering services beyond investments offered including estates and trusts, and more. Financial Advisors are quantitatively rated based on varying types of revenues produced and assets under management by the financial professional, with weightings associated for each. Investment performance is not an explicit component because not all advisors have audited results and because performance figures often are influenced more by clients' risk tolerance than by an advisor's investment picking abilities. The ranking may not be representative of any one client's experience, is not an endorsement, and is not indicative of advisor's future performance. 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¹ Barron's Top 1,200 Financial Advisors, 2019. Barron's is a registered trademark of Dow Jones & Company, L.P. All rights reserved. The rankings are based on data provided by over 4,000 individual advisors and their firms and include qualitative and quantitative criteria. Factors included in the rankings: assets under management, revenue produced for the firm, regulatory record, quality of practice and philanthropic work. Investment performance is not an explicit component because not all advisors have audited results and because performance figures often are influenced more by clients' risk tolerance than by an advisor's investment picking abilities. The ranking may not be representative of any one client's experience, is not an endorsement, and is not indicative of advisor's future performance. Neither Raymond James nor any of its Financial Advisor pay a fee in exchange for this award/rating. Barron's is not affiliated with Raymond James.

² The 2019 Lake-Geauga Fast Track 50 honors companies and individuals in Lake and Geauga counties who have shown growth. The Fast Track 50 Committee compiles a list of the fastest-growing companies in Ohio's Lake and Geauga counties. Companies can nominate themselves. To be eligible for the award, companies must be located within the two-county region, be organized as a for-profit business, and must meet a minimum sales profit. Companies are ranked by sales and employment growth over the previous five-year period and the top 50 are recognized. Winners are chosen by a math formula: 80% of weight is given to sales growth and 20% of weight is given to employee growth. To more fairly compare larger and smaller companies, the Fast Track 50 is divided into Established and Emerging categories. For 2019, Established companies must report revenue of at least \$2.75 million in 2014, the baseline year for all evaluations. Emerging companies are required to have 2014 sales of between \$250,000 and \$2.75 million. There are 25 companies on each list. Out of 100 firms nominated, 50 received the award. This ranking is not indicative of future performance, is not an endorsement, and may not be representative of individual clients' experience. Neither Raymond James nor any of its Financial Advisors pay a fee in exchange for this award/rating. Raymond James is not affiliated with The Fast Track 50 Award.