



## INTERVEST INTERNATIONAL, INC.

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[www.intervestintl.com](http://www.intervestintl.com)

March 31, 2015

This Brochure provides information about the qualifications and business practices of Intervest International, Inc. ("Intervest"). If you have any questions about the contents of this Brochure, please contact us at (800) 933-9299 or by email at [main@intervestintl.com](mailto:main@intervestintl.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Additional information about Intervest International, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 2 – Material Changes

Intervest International, Inc., has no material changes to report from the previous version of this Brochure (dated March 31, 2014).

Pursuant to SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Robert E. Copus, CFP®, President and Chief Operating Officer at (800) 933-9299 or by email at [main@intervestintl.com](mailto:main@intervestintl.com).

Additional information about Intervest International, Inc. is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Intervest International, Inc. who are registered, or are required to be registered, as investment adviser representatives of Intervest.

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## Item 4 – Advisory Business

Intervest International, Inc. is a Registered Investment Adviser which specializes in total financial planning for families, business executives, and small business owners as well as military and government personnel. Intervest has been in business since 1980 and our principal owner is David M. Smith, CFP®, Chief Executive Officer.

We feature an exclusive group of Certified Financial Planner™ certificants and associates who provide complete and objective financial advice for our clients. Intervest also provides professional asset management, both directly as well as through selected third-party money managers.

Through our programs and services, we help our clients avoid the problems caused by inflation, taxes and money mismanagement — all vital issues in today's rapidly changing economy. We focus on alternative solutions and provide effective recommendations designed to achieve financial success for those we serve.

Our approach to the changing problems and opportunities that make up today's economy is unique. We apply financial planning principles and techniques that are custom designed for each client. We do not represent any one company; instead, we represent the needs of our clients: providing solutions that are both objective and comprehensive. Our clients' financial planning goals are, and will always be, first and foremost.

Intervest offers several different types of investment advisory services including Investment Supervisory Services, Direct Portfolio Management Services, and Financial Planning Services, collectively referred to as "Advisory Services."

### Investment Supervisory Services

Intervest offers investment supervisory services to its clients in conjunction with several third-party investment advisers. This allows us to offer individual account supervision on wrap-fee programs sponsored by other investment advisers.

### Direct Portfolio Management Services

Intervest offers direct portfolio management services to its clients. These services include any or all of the following, as agreed upon between you and Intervest:

- Monitoring the performance of an existing portfolio;
- Periodically rebalancing a portfolio to an agreed-upon model allocation;
- Recommending specific portfolio assets on a nondiscretionary basis; or,
- Modifying portfolio assets on a discretionary basis (limited to asset purchases, sales, and exchanges).

### Financial Planning Services

Intervest provides financial planning services and investment advice through comprehensive reviews of personal, business, family, and estate information and documents provided by the client. Written reports or plans are created for the client, and reviewed with each client in detail. Information provided and reports created may include a review of general securities holdings, employee benefit programs, and business operations.

Our approach to the changing problems and opportunities that make up today's economy is unique. We apply financial planning principles and techniques that are custom designed for each client. We do not represent any one company; instead, we represent the needs of our clients: providing solutions that are both objective and comprehensive. Some advisory service accounts will allow a client to impose restrictions on

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investment in certain securities or types of securities. Our clients' financial planning goals are, and will always be, first and foremost.

As of December 31, 2014, Intervest managed a total of \$628,917,000 in client assets, as follows:

- |  |               |
|--|---------------|
| • Investment Supervisory Services (non-discretionary basis)      | \$82,275,000  |
| • Direct Portfolio Management Services (non-discretionary basis) | \$495,120,000 |
| • Direct Portfolio Management Services (discretionary basis)     | \$51,522,000  |

## Item 5 – Fees and Compensation

The specific manner in which fees are charged by Intervest is established in a client's written agreement with Intervest. All fees are subject to negotiation. Clients may elect to be billed directly for fees or to authorize the custodian of client assets to directly debit fees from client accounts and remit to Intervest. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the number of days covered by the agreement. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client may terminate any advisory services agreement within 5 business days of signing without penalty.

Intervest's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Intervest's fee, and Intervest shall not receive any portion of these commissions, fees, and costs.

Item 12 of this brochure further describes the factors that Intervest considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions)

### Investment Supervisory Services

When offering Investment Supervisory Services in conjunction with a third-party investment adviser, the fee charged is a percentage of assets under supervision. The maximum annual fee (split between Intervest and the third-party manager) is as follows:

<u>Account Value:</u>	<u>Maximum Annual Fee:</u>
\$0 to \$500,000	2.99%
\$500,000.01 to \$1,000,000	2.75%
\$1,000,000.01 to \$2,500,000	2.25%
\$2,500,000.01 to \$5,000,000	2.00%
\$5,000,000.01 and above	1.75%

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Clients may elect to be billed directly for fees or to authorize the custodian of their assets to directly debit fees from their accounts. The third-party investment advisers through which Intervest offers Investment Supervisory Services generally bill their fees on a quarterly basis, in advance.

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the number of days covered by the agreement. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable unless otherwise stated in the agreement with the third-party investment adviser. The client may terminate any advisory agreement with 5 business days of signing without penalty.

### Direct Portfolio Management Services

When offering Direct Portfolio Management Services, a percentage of Assets Under Management is charged for advisory services. The maximum annual fee is as follows:

<u>Account Value:</u>	<u>Maximum Annual Fee:</u>
\$0 to \$500,000	2.99%
\$500,000.01 to \$1,000,000	2.75%
\$1,000,000.01 to \$2,500,000	2.25%
\$2,500,000.01 to \$5,000,000	2.00%
\$5,000,000.01 and above	1.75%

Clients may elect to be billed directly for fees or to authorize the custodian of their assets to directly debit fees from their accounts and remit to Intervest. Intervest will generally bill its fees on a quarterly basis, in advance, unless otherwise agreed to in writing.

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the number of days covered by the agreement. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client may terminate any advisory agreement with 5 business days of signing without penalty.

### Financial Planning Services

Intervest generally charges either an hourly fee for advisory services provided or a fixed fee for the creation and review of a personalized financial plan.

#### Hourly Fees

Hourly fees are set by each Intervest Adviser Representative. Hourly fees are negotiable and agreed upon in advance with each client. The maximum allowable hourly rate is \$350.00 per hour. Clients will be billed directly for hourly fees incurred. In some cases, hourly fees may be billed in advance. The client may terminate any advisory services agreement within 5 business days of signing without penalty, in which case any pre-paid hourly fees would be refunded in full. If the agreement is terminated after 5 business days, and the Representative has started to expend time on the Client's behalf, the Client agrees to pay the agreed upon hourly rate for all such time expended. Any prepaid fees collected in excess of the earned amount will be refunded.

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## Fixed Fees

A fixed fee may be charged for the creation and review of a personalized family financial plan, or a business operational, succession, educational funding, or estate plan. Fixed fees are negotiable and are agreed upon in advance by the client and Investment Adviser Representative based on the nature and detail of the plan requested by the client. Fixed fees are collected in advance at the time the financial planning agreement is signed. The client may terminate any advisory services agreement within 5 business days of signing for a full refund of any prepaid fees. If the agreement is terminated after 5 business days, and the Representative has started to expend time on the Client's behalf, the Client agrees to pay a percentage of the fixed fee based on the percentage of work completed. Any prepaid fees collected in excess of the earned amount will be refunded.

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

Intervest does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). Intervest may, however, enter into solicitation agreements with third-party money managers who themselves charge performance-based fees (see Item 14 - Client Referrals and Other Compensation, below). The details, including the method of calculation, of any such performance-based fee shall be disclosed in the third-party money manager's Form ADV Part 2A and/or client agreement, and Intervest's solicitation fee shall be disclosed as part of Intervest's client agreement.

## **Item 7 – Types of Clients**

Intervest provides investment advisory services primarily to individuals, families and small businesses. Intervest also serves as subadvisor to certain Collective Investment Funds, available through TD Ameritrade for use inside qualified plans. We also provide services to pension and profit-sharing plans, trusts, estates, charitable organizations, foundations, endowments, corporations and other business entities. Intervest does not have a minimum account size; however, some of the third-party managers with whom we provide Investment Supervisory Services may have minimum account sizes.

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

Intervest's Investment Adviser Representatives use various analysis methods and investment strategies when formulating investment advice or managing client assets. The analysis methods available to Intervest's Investment Adviser Representatives include, but are not limited to:

- **Fundamental analysis.** Fundamental analysis is a method of evaluating securities by examining related economic, financial and other qualitative and quantitative factors. These factors include macroeconomic factors, such as the overall economy and industry conditions, and company-specific factors, such as a company's management and financial condition.
- **Technical analysis.** Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and trading volume. This method attempts to identify patterns that can suggest future activity.

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- Cyclical analysis. Cyclical analysis is a method of evaluating securities by analyzing how they perform at various stages in a business cycle. Cyclical companies typically provide products or services that are in lower demand at certain points in a business cycle and in higher demand at other points in the same business cycle.

Intervest's Investment Adviser Representatives develop each client's investment strategy by combining analysis results with the client's particular financial goals and objectives, risk tolerance, tax bracket, investment timeframe, and other relevant factors or guidance that the client may provide. Investment strategies may incorporate any or all of the following:

- Buy-and-hold, in which an asset is purchased and held until it is sold to provide funding for a financial goal, objective, or need.
- Dollar-cost averaging, in which equal, periodic purchases of a particular security are made in an effort to take advantage of price volatility by purchasing more shares or units when the price is low and purchasing fewer shares or units when the price is high, thus reducing the average cost per share or unit.
- Passive asset allocation, in which a portfolio is periodically rebalanced to match a particular asset percentage mix.
- Active asset allocation, which can involve any or all of the following:
  - Tactical asset allocation, which attempts to take advantage of short-term changes in asset values through frequent trading into and out of various assets, including cash or cash equivalents;
  - Strategic asset allocation, which attempts to take advantage of long-term changes in asset values through occasional trading into and out of various assets, including cash or cash equivalents; and,
  - Sector rotation, which attempts to use various points in a business cycle to determine which securities, in which market sectors, to buy or sell.
- Short sales, options, or other hedging strategies that are designed to reduce volatility or take advantage of price declines in specific assets or market declines in general.
- Option spread strategies, such as vertical call spreads, that seek to capture the spread between a sold and a purchased option on the same underlying security.

Every analysis method and investment strategy involves risks. For example:

- Fundamental analysis that is positive for a particular company's securities can be affected by unexpected macroeconomic events, significant changes in the company's market sector, or unexpected changes to the company's management or financial condition.
- Technical analysis that indicates a particular market trend is a prediction only, based on past performance, and is no guarantee of future results.
- Recommendations from cyclical analysis as to when to buy or sell a specific security or securities in a specific market sector may no longer be valid if the business cycle is disrupted, compressed, or lengthened.
- A buy-and-hold strategy may not protect a client in a declining market and will not protect a client in situations in which a security become worthless or significantly devalued.



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- A dollar-cost averaging strategy depends on the client's ability to continue periodic investments over a long enough time to take advantage of price variations and will not guarantee a positive return in a declining market.
  - A passive asset allocation strategy will not guarantee a positive return in a declining market and may require modification if the asset allocation model in use is no longer appropriate because of changes in the client's overall financial situation.
  - An active asset allocation strategy depends on timely moves into and out of various assets and asset categories and can fail if the moves are mistimed. Frequent trading can affect overall portfolio performance because of increased transaction costs and taxes.
  - Short sales, options, and other hedging strategies are used in anticipation of price moves in a particular direction and can be more costly or less effective if prices move in the opposite direction instead.
  - The effectiveness of option spread strategies will vary depending on the underlying stock's movement.

Although Intervest's Investment Adviser Representatives seek to manage risk by implementing an investment strategy tailored to your specific financial situation, no analysis method or investment strategy can guarantee positive results. Investing in securities involves a risk of loss that you should be prepared to bear.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding certain legal or disciplinary events that would be material to your evaluation of Intervest or the integrity of Intervest's management. At this time, Intervest has no information applicable to this Item.

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

Intervest is the parent company of Intervest International Equities Corporation (IIEC), a FINRA broker/dealer. All of Intervest's Investment Adviser Representatives are also registered representatives of IIEC. As such, they may execute securities transactions, such as the purchase or sale of stocks, bonds, mutual funds, variable annuities or variable life products, for their advisory clients.

Intervest is also an insurance agency and several of Intervest's Investment Adviser Representatives are licensed life and health insurance agents. In addition to providing investment advisory services, an Intervest Representative may recommend the purchase of life and/or health insurance.

A potential conflict of interest arises because the representative may receive commissions upon the sale of investments or insurance to an advisory client. These affiliations are disclosed in advance and clients are not obligated to purchase investments through IIEC, insurance through Intervest's insurance agency, or any products from the Investment Adviser Representative.

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## Item 11 – Code of Ethics

Intervest has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Intervest must acknowledge the terms of the Code of Ethics annually, or as amended.

Intervest's employees and persons associated with Intervest are required to follow Intervest's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Intervest and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Intervest's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Intervest will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Intervest's clients. In addition, the Code requires reporting of all personal securities transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Intervest and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Intervest's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Intervest will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Intervest's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Robert E. Copus, CFP®, President and Chief Operating Officer.

It is Intervest's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Intervest will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

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## Item 12 – Brokerage Practices

Intervest does not receive research or other products or services other than execution from any broker/dealer or third party in connection with client securities transactions.

Intervest's Investment Advisor Representatives are also registered representatives with Intervest's subsidiary broker/dealer, IIEC. In general, when an Intervest Investment Advisor Representative provides portfolio service and support in both capacities, transactions for directly-managed portfolios are placed through IIEC. IIEC introduces all brokerage trades to our clearing firm, Pershing, who executes the trades and is the custodian of client funds and securities. Since Intervest and IIEC are affiliated companies, this may be considered a conflict of interest. Please refer to **Item 10** for a discussion of this affiliation.

IIEC, through Pershing, will aggregate multiple transactions of the same security whenever possible in order to provide the same purchase or sale price to all affected clients and not to favor any one client over another.

Some directly-managed portfolios consist of ERISA plan assets or nonqualified assets that are held at a third-party custodian. In general, this situation arises when an Intervest Investment Advisor Representative is not also providing portfolio service and support as a registered representative of IIEC. In this situation, the Intervest Investment Advisor Representative may use the third-party custodian as the broker/dealer to execute portfolio trades in lieu of IIEC and Pershing. Intervest does not receive any compensation for execution of these transactions.

Accounts for which Intervest provides investment supervisory services only may be maintained at outside broker-dealers utilized by third party investment advisors for which Intervest serves as solicitor. Intervest does not receive any compensation for execution of transactions in such accounts.

Each client shall be fully informed as to which broker/dealer is transacting business for their account.

## Item 13 – Review of Accounts

The accounts of clients using our Investment Supervisory Services are reviewed by the third-party investment adviser on an ongoing basis and receive quarterly reports. The Intervest Investment Adviser Representative reviews these accounts and the third-party reports with their clients annually.

Clients with Direct Portfolio Management accounts will have a quarterly review of their account with their Intervest Investment Adviser Representative and portfolio manager.

Since Intervest does not hold custody of client funds, reports are prepared by the custodian broker/dealer, typically on a quarterly basis, but no less than annually. These written reports contain detailed information on account values, account holdings, asset class positions, and performance.

Clients who engage Intervest for Financial Planning Services will have their financial plan reviewed by a principal of Intervest at or before the time the plan is presented to the client. The Intervest Investment Adviser Representative will present the plan to the client, including any proposed reallocation of assets, recommendations for plan implementation, and the expected results. Annual plan reviews are offered to planning clients to track the progress of plan implementation and to incorporate any financial changes into the financial plan.

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

When providing Investment Supervisory Services, Intervest will receive compensation based on solicitor agreements with selected third-party investment advisors who sponsor specialty investment programs. In such instances, Intervest receives a portion of fees charged based on net assets under supervision. This solicitation fee and the relationship with third-party investment advisers are fully disclosed to clients.

## **Item 15 – Custody**

It is Intervest's policy to arrange for the safekeeping of client assets with a broker-dealer or bank or other custodial platform. Intervest does not have custody of client assets. Intervest does not directly or indirectly hold client funds or securities, does not have any authority to possess them, and does not have access to client funds or assets.

Typically, clients receive periodic activity reports and an annual account statement from the broker/dealer, bank or other qualified custodian that holds and maintains the investment assets. Intervest urges clients to carefully review such statements and compare such official custodial records to any unofficial account statements that Intervest may provide.

## **Item 16 – Investment Discretion**

Intervest occasionally receives discretionary authority from a client to select the identity and amount of securities to be bought or sold. In these cases, the client executes a limited discretion agreement, solely for the purpose of purchasing and selling securities. Such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Intervest observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Intervest in writing.

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

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

## **Item 18 – Financial Information**

Intervest has no financial condition that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.