

# Invest Forward Inc.

## Wrap Fee Program Brochure

*This brochure provides information about the qualifications and business practices of Invest Forward Inc. If you have any questions about the contents of this brochure, please contact us at (646) 681-7271 or by email at: [info@investforward.com](mailto:info@investforward.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.*

*Additional information about Invest Forward Inc is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Invest Forward Inc 's CRD number is: 174960.*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

Invest Forward Inc has not yet filed a Wrap Fee Program Brochure. Therefore there are no material changes to this brochure to report.

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## **Item 4: Services Fees and Compensation**

Invest Forward Inc (hereinafter “Invest Forward”) offers the following services to advisory clients:

### **A. Description of Services**

Invest Forward participates in and sponsors a wrap fee program, which allows Invest Forward to manage client accounts for a single fee that includes both portfolio management services and brokerage costs. The fee schedule is set forth below:

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
All Assets	0.75%

These fees are negotiable depending upon the needs of the client and complexity of the situation and the final fee schedule is attached as Exhibit II of the client contract.

Advisory fees are withdrawn directly from the client’s accounts with client’s written authorization. Fees are paid monthly in arrears. Fees are calculated based on the average daily market value of the client’s accounts for the month. Because fees are charged in arrears, no refund policy is necessary.

Clients may terminate the contract without penalty, for full refund, within five business days of signing the contract. Thereafter, clients may terminate the contract with three days’ written notice.

### **B. Contribution Cost Factors**

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client’s account, the adviser’s ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

### **C. Additional Fees**

Clients who participate in the wrap fee program will not have to pay for transaction or trading fees. However, clients are still responsible for all other account fees, such as annual IRA fees to the custodian, mutual fund fees, wire transfer and reporting fees.

Invest Forward will charge a monthly fee of \$5 to clients who maintain balances under \$10,000. This fee will be charged in arrears and is withdrawn directly from the client’s accounts with client’s written authorization.

Invest Forward will charge a monthly fee of \$12.50 to clients who request printing and distribution reporting services. This fee will be charged in arrears and is withdrawn directly from the client's accounts with client's written authorization.

#### **D. Compensation of Client Participation**

Neither Invest Forward, nor any representatives of Invest Forward receive any additional compensation beyond advisory fees for the participation of client's in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, Invest Forward may have a financial incentive to recommend the wrap fee program to clients.

### **Item 5: Account Requirements and Types of Clients**

Invest Forward generally provides its wrap fee program services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Trusts, Estates, or Charitable Organizations

#### ***Minimum Account Size***

There is an account minimum of \$5,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

### **Item 6: Portfolio Manager Selection and Evaluation**

#### **A. Selecting/Reviewing Portfolio Managers**

Invest Forward will not select any outside portfolio managers for management of this wrap fee program. Invest Forward will be the sole portfolio manager for this wrap fee program.

#### ***1. Standards Used to Calculate Portfolio Manager Performance***

Invest Forward will use industry standards to calculate portfolio manager performance.

## ***2. Review of Performance Information***

Invest Forward reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed quarterly and is reviewed by Invest Forward

### **B. Related Persons**

No related persons act as a portfolio manager for the wrap fee program as described in this brochure. As such, there are no conflicts of interest with related persons and Invest Forward will not select any related persons as portfolio managers for this wrap fee program.

### **C. Advisory Business**

Invest Forward offers portfolio management services to its wrap fee program participants as discussed in Section 4 above.

#### ***Wrap Fee Portfolio Management***

Invest Forward offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Invest Forward creates an investment plan for each client, which outlines the client's current situation (age, income, wealth, retirement goals, and risk tolerance levels) that aids in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

Invest Forward evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### ***Performance-Based Fees and Side-By-Side Management***

Invest Forward does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

#### ***Services Limited to Specific Types of Investments***

Invest Forward generally limits its investment advice to mutual funds, fixed income securities, real estate funds, equities, ETFs, treasury inflation protected/inflation linked bonds, venture capital funds and private placements. Invest Forward may use other securities as well to help diversify a portfolio when applicable.

### ***Client Tailored Services and Client Imposed Restrictions***

Invest Forward will tailor a program for each individual client. This will include an online questionnaire that determines a client's specific needs and requirements as well as a plan that will be executed by Invest Forward on behalf of the client. Invest Forward may use "model portfolios" together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

### ***Wrap Fee Programs***

Invest Forward sponsors and acts as portfolio manager for this wrap fee program. Invest Forward manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than non-wrap fee accounts. The fees paid to the wrap account program will be given to Invest Forward as a management fee.

### ***Amounts Under Management***

Invest Forward has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0	\$0	April 2015

### ***Methods of Analysis and Investment Strategies***

Invest Forward's methods of analysis include quantitative analysis and modern portfolio theory.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

Invest Forward uses long term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**



### ***Material Risks Involved***

**Quantitative Model Risk:** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### ***Investment Strategies***

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### ***Risks of Specific Securities Utilized***

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

**Real Estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Venture capital funds** invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### ***Voting Client Proxies***

Invest Forward will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 7: Client Information Provided to Portfolio Managers**

Invest Forward is the portfolio managers for this wrap fee program. All client information that is collected, including basic information, risk tolerance, sophistication level, and income level will be collected by Invest Forward. As that information changes and is updated, Invest Forward will have immediate access to that information once collected.

## **Item 8: Client Contact with Portfolio Managers**

Invest Forward places no restrictions on client ability to contact its portfolio managers. Invest Forward's representative, Jacqueline Nicole Reyes can be contacted during regular business hours and contact information is on the cover page of Jacqueline Nicole Reyes's Form ADV Part 2B brochure supplement.

## **Item 9: Additional Information**

### **A. Disciplinary Action and Other Financial Industry Activities**

#### ***Criminal or Civil Actions***

There are no criminal or civil actions to report.

#### ***Administrative Proceedings***

There are no administrative proceedings to report.

#### ***Self-regulatory Organization Proceedings***

There are no self-regulatory organization proceedings to report.

#### ***Registration as a Broker/Dealer or Broker/Dealer Representative***

Neither Invest Forward nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

***Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor***

Neither Invest Forward nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

***Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests***

Neither Invest Forward nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

***Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections***

Invest Forward does not utilize nor select other advisors or third party managers. All assets are managed by Invest Forward management.

**B. Code of Ethics, Client Referrals, and Financial Information**

***Code of Ethics***

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

***Recommendations Involving Material Financial Interests***

Invest Forward does not recommend that clients buy or sell any security in which a related person to Invest Forward or Invest Forward has a material financial interest.

***Investing Personal Money in the Same Securities as Clients***

From time to time, representatives of Invest Forward may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Invest Forward to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Invest Forward will always document any transactions that could be construed

as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### ***Trading Securities At/Around the Same Time as Clients' Securities***

From time to time, representatives of Invest Forward may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Invest Forward to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Invest Forward will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### ***Frequency and Nature of Periodic Reviews and Who Makes Those Reviews***

Client accounts are reviewed at least quarterly only by Jacqueline Nicole Reyes, Investment Adviser Representative. Jacqueline Nicole Reyes is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at Invest Forward are assigned to this reviewer.

### ***Factors That Will Trigger a Non-Periodic Review of Client Accounts***

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### ***Content and Frequency of Regular Reports Provided to Clients***

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

### ***Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)***

Invest Forward does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Invest Forward clients.

### ***Compensation to Non – Advisory Personnel for Client Referrals***

Invest Forward does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### ***Balance Sheet***

Invest Forward does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### ***Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients***

Neither Invest Forward nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### ***Bankruptcy Petitions in Previous Ten Years***

Invest Forward has not been the subject of a bankruptcy petition in the last ten years.