

Item 1 – Cover Page

Independent Financial Advisors, Inc.

3109 Hennepin Ave. S.
Minneapolis, MN 55408
(612) 822-2794

March 30, 2017

This Brochure provides information about the qualifications and business practices of Independent Financial Advisors, Inc., (IFA). If you have any questions about the contents of this Brochure, please contact us at (612) 822-2794. 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.

Independent Financial Advisors, 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 Independent Financial Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Brochure is dated March 30, 2017. This Item will discuss only specific material changes since our last annual update of our Brochure. We will provide clients with a summary of such changes to our brochure. There are no material changes from our last annual update of the Brochure document dated March 29, 2016.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials 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. Please contact us at (612) 822-2794 to request our current Brochure.

Additional information about Independent Financial Advisors, Inc. is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with an adviser who are registered, or required to be registered, as investment adviser representatives of an adviser.

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Item 4 – Advisory Business

Robert Schoenecker, who is the sole shareholder of the firm, founded Independent Financial Advisors, Inc. (IFA) in 1996. There are no intermediate subsidiaries. Robert Schoenecker has been in the investment field since 1986.

IFA provides investment management services to individuals, families and their related entities, trusts and estates, and family businesses. IFA works with clients to define financial objectives and to develop investment strategies for reaching those objectives. IFA may consider issues specific to the client including the following to determine asset allocation and investment strategy: identification of financial problems, cash flow and budget management, risk exposure review, education funding, charitable goals, special needs planning, retirement needs.

IFA generally offers investment advice on exchange listed stocks, bonds (including municipal and corporate issues) and mutual funds but may provide advice about any type of investment already held in a client's portfolio at the beginning of the advisory relationship. Where possible, IFA prefers low-cost, no-load, index investments. In specific client situations, limited investment in individual stocks or load mutual funds may be recommended. The client may limit exposure to certain securities or types of securities but must do so in writing to the address provided.

IFA does not provide tax or legal advice. However, we may recommend other professionals (e.g., lawyers, accountants, insurance agents, real estate agents, etc.) at the request of the client. Other professionals are engaged directly by the client on an as-needed basis even when recommended by the Advisor. Conflicts of interest will be disclosed to the client and managed in the best interest of the client.

As of February 28, 2017 IFA had \$292,801,397 in client assets managed on a non-discretionary basis.

Item 5 – Fees and Compensation

The specific manner by which fees are charged by Independent Financial Advisor, Inc. is established in a client's written agreement with IFA. All fees are subject to negotiation.

Generally, for ongoing investment management services IFA will charge a fee based upon a percentage of the market value (or par value if necessary) of the assets. For such services, IFA's annual fee shall be prorated and charged quarterly (other billing periods may be available), in arrears, based upon the market value of the assets on the month end average for the period. The annual fee may vary (between 0.10% and 1.00%) depending upon the market value of the assets under management and the type of investment management services to be rendered.

Annual Fee Schedule for Ongoing Investment Management based on Portfolio Value:

| | |
|------------------------|-------|
| First \$1,000,000..... | 1.00% |
| Next \$3,000,000..... | 0.25% |
| Above \$4,000,000..... | 0.10% |

Fees may otherwise be determined on a flat fee basis as agreed to by the client and IFA. In all cases IFA will bill client directly for services already rendered.

Accounts initiated or terminated during a billing period will be charged a prorated fee. Upon termination of any account, any earned, unpaid fees will be due and payable. All fees are paid for services already rendered so no refund will be available.

The Firm does not impose an account minimum for starting or maintaining an advisory relationship. However, IFA may impose a minimum fee for its services. IFA, in its sole discretion, may negotiate to waive or lower its stated periodic fee or charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.)

The firm's compensation is solely from fees paid directly by clients. The firm does not receive commission based on the client's purchase of any financial product. No commissions in any form are accepted. No referral fees are paid or accepted.

IFA's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that 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, odd-lot differentials, 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 IFA's fee, and IFA shall not receive any portion of these commissions, fees, and costs.

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

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

IFA 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).

Item 7 – Types of Clients

IFA provides investment management services to individuals, high net worth individuals, trusts and estates as well as corporations.

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

Investing in securities involves risk of loss that clients should be prepared to bear. Below is a discussion of some material risks associated with IFA's methods of analysis and investment strategies.

Method of Analysis

IFA may use many different methods of analysis for selecting securities. The primary method will be fundamental analysis of financial statements, general financial health of companies or issuers, analysis of management and general market environment. Other methods including cyclical, charting and/or technical analysis may also be employed. Most methods of analysis involve some degree of subjectivity. No analysis can take into account all possible situations and possibilities.

Investment Strategies

IFA's investment strategy is to use asset allocation and diversification to fit the client's needs and objectives. Understanding the client's overall financial situation or specific needs as communicated by the client to IFA is the basis for this strategy. IFA will use its best judgment to help client pursue overall financial objectives while minimizing risk. Generally, IFA encourages long-term, buy-and-hold approaches in its investment selection and implementation strategies. However, in certain circumstances IFA may use defensive strategies including cash or short-term investment to guard against risk. Using these defensive strategies to minimize risk could also limit return and negatively impact the client's overall financial situation.

Using asset allocation and diversification will generally balance risk and return of specific investments to reach an averaging of each. This averaging effect could actually limit overall potential returns. There is also no perfect balance that would eliminate risk of loss of principal.

For some specific client situations, asset allocation and diversification may not be the investment strategy that fits the client's needs. As an example, some types of clients are more interested in specific needs such as short-term liquidity or specific cash flow needs. These objectives may limit the ability to diversify into longer-term investments and will limit the potential income or gain.

Each investor has their own financial situation and degree of risk tolerance in which they are comfortable. Understanding the client's needs and what the loss of principal means is extremely important in developing an investment strategy. It is the responsibility of the client to clearly understand and communicate their personal situation to IFA, and any changes that may affect the objectives. There is no assurance that the investment strategy designed and/or implemented for the client will meet the objectives of the client.

Risk of Specific Types of Investments

IFA generally uses exchange-listed stocks, bonds (including municipal and corporate issues) as well as mutual funds and exchange traded funds or notes in an investment strategy to meet a clients objectives. This is a discussion of some of the material risks associated with these investments.

Individual Stock or Equity Investments:

The stock market in general will fluctuate based on such factors as economic and political developments, changes in interest rates and perceived trends in securities prices. Investing in individual stocks generally exposes the investor to greater risk than the

general market risk. The value of an individual stock could decline with the market as a whole or could underperform other investments. An individual stock value could decline dramatically based on factors affecting that specific company such as industry or product changes as well as financial condition of that company. The ultimate risk of an individual stock investment is complete loss of principal due to bankruptcy of the company.

Bonds and other Debt Investments:

Investment in bonds and debt securities involves principal risk often not fully understood by the investor. Bonds generally have a coupon or interest rate associated with a particular bond; if market interest rates rise, the value of that bond decreases. The longer the maturity of the bond, the greater the potential decline. The effect that interest rates have on the value of a bond can be significant and may fluctuate greatly.

Some bonds have call or prepayment risk. The risk the issuer may prepay the bond early is referred to as call risk. If the issuer calls the bond the investor may lose principal invested in the form of a premium paid for the bond's higher coupon rate. A call may also expose the investor to opportunity cost due to the need to reinvestment at lower rates.

There are many different types of bonds with different degree of risk associated with each type. Bonds carry the risk of default, meaning that the issuer is unable to make further income or principal payments. If a company or municipality is unable to meet its obligations to pay bonds or even if there is that perception the principal value of an investment in that bond can be severely reduced. Bankruptcy is also possible and could lead to complete loss of principal.

Mutual Funds and Exchange Traded Funds or Notes:

Mutual funds generally fall into one of a few main categories; money market funds, bond funds, stock funds, balanced funds (mixed bonds and stocks) and specialty funds. Each type has different features and different risks and rewards. Generally, the higher the potential return, the higher the risk of loss.

Money Market Funds:

Money market funds pay dividends that generally reflect short-term interest rates, and historically the returns for money market funds have been lower than for either bond or stock funds. That is why "inflation risk," the risk that inflation will outpace and erode investment returns over time, can be a potential concern for investors in money market funds. Money market funds are not insured or guaranteed. Investor losses have been rare, but they are possible.

Bond Funds:

Bond funds generally have some of the same risks associated with individual bond investments, including interest rate risk and credit or default risk. Just as there are many different types of bonds with different degree of risk so are there different types of bonds funds varying in degree of risk. Using a bond fund rather than individual bonds may diversify risk associated with default risk but there may be risk based on particular type of bonds that may dominate a fund. There is also increased interest rate risk. The bond fund does not actually mature, although individual bonds held by the fund may, so value of the fund can drop significantly when rates rise.

Stock Funds:

Stock funds share risks associated individual stocks. Stock funds may decline in value due to factors affecting securities markets generally or particular industries. Stock fund prices can fluctuate for a broad range of reasons— such as the overall strength of the economy or demand for particular products or services specific to that fund. Not all stock funds are the same. The value of a fund may be worth less than the original investment. A fund that invests a substantial portion of its assets in securities within a single industry or sector of the economy may be subject to greater price volatility or may be adversely affected by the performance of securities in that particular sector or industry.

Specialty Funds:

There are several different types of specialty funds including sector funds, commodity funds, real estate funds and international funds. Each of these may include bond, stock or leveraged investments in these areas. Funds that invest exclusively in one sector or industry involve additional risks. The lack of diversification subjects the investor to increased risk. Also, many of these types of specialty investments have increased inherent risk due to the type of underlying investments and sometimes more exotic methods and therefore a fund specializing in these will have greater risk.

Tax Consequences of Mutual Fund Investing:

When an investor buys and holds mutual fund shares, the investor will owe income tax on any ordinary dividends in the year the investor receives or reinvests them. Moreover, in addition to owing taxes on any capital gains when the investor sells shares, the investor may have to pay taxes each year on the fund's capital gains. That is because the law requires mutual funds to distribute capital gains to shareholders if they sell securities for a profit, and cannot use losses to offset these gains.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of an adviser or the integrity of the adviser's management. IFA has no information to disclose with regard to any legal or disciplinary events related to past or present activities.

Item 10 – Other Financial Industry Activities and Affiliations

Neither IFA nor its management has any arrangement or relationship in the financial industry that could create a material conflict with clients.

Robert Schoenecker is a licensed Attorney in the State of Minnesota but does not currently practice law and no conflict with clients' interest exists nor could be expected. If this changes full disclosure would be made to client and this brochure and disclosure would be changed.

Item 11 – Code of Ethics

IFA 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 IFA must acknowledge the terms of the Code of Ethics annually, or as amended. IFA's clients or prospective clients may request a copy of the firm's Code of Ethics by us at the contact information above.

IFA is a fee-only investment adviser and is not a broker-dealer nor affiliated with a broker-dealer. IFA does not act as principal and can not cross trades between client accounts. IFA does not anticipate a conflict with client accounts or interests whereby IFA would have a material financial interest in a security recommended, purchased or sold for the client. If such a circumstance arose IFA would fully disclose the conflict to client in keeping with IFA's code of ethics and fiduciary duty to clients and change disclosure in this brochure.

Subject to satisfying this policy and applicable laws, officers, directors and employees of IFA may trade for their own accounts in securities that are recommended to and/or

purchased for IFA's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of IFA 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 IFA's clients. In addition, the Code requires pre-clearance of many 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 IFA and its clients.

Item 12 – Brokerage Practices

Selecting Brokerage Firms

IFA does not have any affiliation with any brokerage or mutual fund company. Specific broker-dealer and/or custody recommendations are made to clients based on their need for such services. IFA recommends custodians based on the proven integrity and financial responsibility of the firm, best execution of orders at reasonable commission rates, and the quality of client service.

IFA generally recommends discount brokerage firms and trust companies (qualified custodians), such as Fidelity or Vanguard. Sometimes IFA recommends a specific broker-dealer when it will benefit the client for particular market execution. Some broker-dealers have better access to municipal bond offerings as an example. IFA does not receive fees or commissions from any of these arrangements, although IFA may benefit from electronic delivery of client information, electronic trading platforms and other services provided by custodians for the benefit of clients.

Broker-dealers often provide research to advisers. IFA usually receives research related to a specific transaction but occasionally research is provided that is more general in nature and benefit many clients. This research provided by broker-dealers may come from a third party provider such as Moody's or S&P. This general research benefit although minimal at this time, could pose a conflict for clients because IFA could have incentive to use a particular broker for individual execution as well as in the selection process for suitable broker-dealers. IFA will continue to monitor these benefits and will disclose to clients any change or possible further conflict through this brochure disclosure.

Referrals

IFA has not received any client referrals from broker-dealers or third party arrangements. A conflict could be created if client referrals were received from a broker-dealer or third party by encouraging IFA to direct trades or clients to a specific broker. If this practice changes IFA will inform clients through this brochure and disclosure.

Soft Dollars

IFA does not receive “soft dollar” benefits from broker-dealers. These benefits come from using client commission markup to pay for services or product the adviser receives. IFA does not participate in “soft dollar credit” programs.

Directed Brokerage

We do not direct brokerage for specific client transactions except individual municipal bonds, for which we select the broker-dealer with the best pricing and availability. The client will generally have an account with this broker-dealer and IFA has previously considered the selection for the client.

Clients may choose a particular broker-dealer or continue to use their current broker-dealer but it must be understood that there may be disadvantages and additional costs to the client such as higher commissions.

IFA does not aggregate trades for various client accounts. Aggregation of trades is generally not available the way IFA does business because each client’s transactions are processed individually. This may be a disadvantage to clients because IFA does not receive a better price for larger transactions.

Item 13 – Review of Accounts

The frequency of reviews is determined individually with each client depending on the client’s needs. Client accounts that receive ongoing investment management are reviewed at least quarterly. Reports may also be provided on a quarterly basis and should be compared to the qualified custodian statement (see Item 15 – Custody, below.) Client accounts that are on a limited engagement will not receive review beyond the engagement.

Item 14 – Client Referrals and Other Compensation

IFA does not pay for referrals. IFA also does not accept referral fees from other professionals when a client is referred. IFA is always interested in new business referrals from current clients, professionals and friends.

Item 15 – Custody

IFA does not have custody of client assets. All client assets managed by IFA are held at qualified custodians; banks, brokerages or mutual funds. Clients should receive at least quarterly statements from the qualified custodian that holds and maintains client's investment assets. IFA urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

IFA may receive discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all such cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. The client contract will indicate whether or not IFA has discretionary authority over that client's account. The client will generally grant in writing with the broker-dealer limited trading authority to IFA. As a matter of policy and practice IFA will not accept full Power of Attorney.

When selecting securities and determining amounts, IFA observes the investment policies, limitations and restrictions of the clients for whom it advises. Client may restrict IFA with regard to the type or amount of an investment. Investment restrictions must be provided to IFA in writing.

Item 17 – Voting *Client* Securities

As a matter of firm policy and practice, Independent Financial Advisor, Inc. does not have 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. Clients should receive their proxies or other solicitations directly from their custodian or transfer agent. IFA may, at its sole discretion, provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Independent Financial Advisor's Inc. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.