

**INDEPENDENCE ADVISORS, LLC
620 LEE ROAD, SUITE 100
WAYNE, PA 19087
(610) 695-8070**

**FIRM BROCHURE
(PART 2A OF FORM ADV)**

This Brochure provides information about the qualifications and business practices of Independence Advisors. If you have any questions about the contents of this brochure, please contact us at the number above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration with SEC or any state authority does not imply any particular level of skill or training.

Additional information about Independence Advisors is available on the SEC’s website at www.adviserinfo.sec.gov

February 15, 2019

Item 2. Material Changes to Brochure

Since the last annual filing of our Form ADV Part 2A, we have no material changes to report.

TABLE OF CONTENTS

	<u>Page</u>
Item 4. Advisory Business	1
Item 5. Fees and Other Compensation.....	2
a. Investment Management Fee Schedule	2
b. Consulting/Financial Planning Services Fee Schedule.....	2
c. Pension Plan Services Fee Schedule.....	2
d. Billing Methods	3
e. Other Fees and Expenses	3
Item 6. Performance-Based Fees and Side-by-Side Management.....	3
Item 7. Types of Clients.....	3
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	4
Item 9. Disciplinary Information	5
Item 10. Other Financial Industry Activities and Affiliations	5
Item 11. Code of Ethics and Participation or Interest in Client Transactions; Personal Trading..	5
Item 12. Brokerage Practices	5
a. General Information.....	6
b. Research and Other Soft Dollar Benefits.....	6
c. Directed Brokerage	7
d. Trade Aggregation	7
Item 13. Review of Accounts.....	7
Item 14. Client Referrals and Other Compensation.....	8
Item 16. Investment Discretion.....	9
Item 17. Voting Client Securities.....	9
Item 18. Financial Information	10

Item 4. *Advisory Business*

Our firm, Independence Advisors, LLC, is a small, fee-only wealth management firm with offices in Wayne, PA. We have been in business since June 2010. Our office and key personnel substantially are the same as those operating under Independence Advisors, Inc., which was a registered investment advisor from 1993-2010.

The principal owner of our firm is Charles P. Boinske, CFA.

We offer comprehensive wealth management and investment advisory services. We assess each client's overall financial status and identify each client's long-and short-term investment goals, risk tolerance, and suitability for certain investments. A long term retirement projection may be created for clients. The projection incorporates income, expenses, and asset growth under various economic conditions and market environments. Various investment returns based on historical data are incorporated into the analysis to determine the probability of success or failure for the client's financial situation. A portfolio recommendation is then based on the asset allocation that delivers the highest probability of a successful retirement given a minimal amount of risk. From this information we construct an asset allocation plan suitable for each client's needs. Clients may place reasonable restrictions on investing in certain securities or types of securities.

On rare occasions, we may be engaged by a client to perform financial planning or consulting services at a rate of \$300-\$500 per hour. Services may be provided to friends of the firm, family members of our existing clients, or institutional clients that do not want to engage us on an ongoing basis. In some instances we may quote the perspective client an estimated total fee based on our estimated time multiplied by the hourly rate to complete the project.

We also offer advisory and consulting services to retirement plans and plan sponsors. We may act as an Investment Manager under 3(38) of the Employee Retirement Income Security Act of 1974 ("ERISA") and a fiduciary under Section 3(21) of ERISA. When acting as an Investment Manager to a plan, as defined in ERISA Section 3(38), we will have discretionary authority to make decisions regarding the investment options made available to plan participants. When acting as a fiduciary, as defined in ERISA Section 3(21), we provide general non-discretionary investment advice regarding asset classes and investment options.

Our retirement plan services include the following:

- Assist plan sponsors with the ongoing administration of the plan by working with the plan sponsor and a selected third party administrator. If the plan sponsor has not already selected a third party administrator, we will assist the plan sponsor with the selection of a third party administrator for the plan.
- Provide plan sponsors with recommendations of investment options consistent with ERISA section 404(c).
- Provide investment advice to plan sponsors about asset classes and investment alternatives available for the plan in accordance with the plans investment policies and objectives. In non-discretionary engagements, plan sponsors will have the final decision making authority regarding the initial selection, retention, removal and addition of investment options.

- Monitor investment options by preparing periodic investment reports that document investment performance and consistency of fund management and make recommendations to maintain or remove and replace investment options.
- Provide education services to plan participants about general investment principles and the investment alternatives available under the plan. Education presentations, provided periodically and based upon clients' needs and requests, will not consider the individual circumstances of each participant and individual recommendations will not be provided.
- Assist in individual and/or group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.
- Upon request, provide one-on-one advice to plan participants regarding their investment options under a plan. Plan participants are responsible for implementing transactions in their own accounts.

We do not serve as administrator or trustee of a plan. We do not act as custodian for any client account or have access to client funds or securities.

We currently accept accounts with a minimum of \$2,000,000 in assets, although exceptions may be made.

We manage approximately \$921 million on a discretionary basis and \$2.1 million on a non-discretionary basis (as of 12/31/2018).

Item 5. Fees and Other Compensation

Our fees are negotiable, with the maximum advisory fee being 1.00% of total assets under management (AUM). The minimum annual fee for our comprehensive wealth management services is \$20,000; however, we may make exceptions to this amount up or down.

a. **Investment Management Fee Schedule**

<u>AUM</u>	<u>Fee</u>
First \$2 million	1.00%
Next \$3 million	.75%
Next \$5 million	.50%
Above \$10 million	.30%

b. **Consulting/Financial Planning Services Fee Schedule**

Hourly rate (ranging from \$300 - \$500 per hour).

Consulting/Financial Planning fees may be waived or reduced for clients who also engage us for investment advisory (portfolio management) services.

c. **Pension Plan Services Fee Schedule**

<u>Plan Assets</u>	<u>Fee</u>
--------------------	------------

First \$2 million	.65%
Next \$2 million	.45%
Above \$4 million	.30%

d. **Billing Methods**

Management and pension plan services fees are billed at the beginning of each calendar quarter and are based upon account value on the last day of the previous quarter. Bills may be in arrears or in advance depending upon the terms of the client contract with us. Consulting/Financial Planning Fees are invoiced to clients. If an advisory contract is terminated before the end of a billing cycle, fees will be prorated to the date of termination and any unearned portion or prepaid fees will be credited or refunded to the client.

Fees are generally deducted directly from the client's accounts with prior client authorization. However, on request, bills are mailed directly to the client for payment.

e. **Other Fees and Expenses**

In addition to the advisory, financial planning and/or consulting fees discussed above, clients may incur additional fees related to the services we provide. For example, if client assets are invested in mutual funds, the account will incur the additional mutual fund expenses described in each mutual fund prospectus, including fund management fees, possible distribution fees and sales charges and other expenses.

Clients will incur the fees and expenses charged by the custodian of client assets managed by us, as well as brokerage and other transaction costs associated with securities trades that we order on behalf of the assets in a client's account. Please see the "Brokerage Practices" section on page 4 of this Brochure for additional information about brokerage and brokerage fees.

Item 6. *Performance-Based Fees and Side-by-Side Management*

Neither we nor any of our representatives or employees receives any performance based fees. We do not provide advisory services to any private funds; however, we may advise clients and potential clients about private funds already held in their investment portfolios. We do not receive any fee from the private funds or the adviser to such funds for such advice.

Item 7. *Types of Clients*

We generally provide investment advice to high net worth individuals, pension and profit sharing plans, trusts, estates and non-profit organizations, corporations and other business entities. We currently accept accounts with a minimum of \$2,000,000 in assets.

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. We strive to reach the best asset allocation for each of our clients; however, we cannot guarantee that our investment advice will lead to successful results.

We conduct securities analysis using a variety of software programs to help us evaluate potential investments. We manage these software programs so that securities can be analyzed in various ways. Our primary method of analysis is the Fama and French 3-Factor Analysis. This analysis is used to evaluate investments and establish the benefits of including them in an investment portfolio. This analysis determines an investment's return in terms of 3 factors: 1) exposure to the stock market versus the bond market, 2) exposure to large companies versus small companies, and 3) exposure to value companies versus growth companies.

Our securities advice is not limited to any particular class or type of security. We provide advice primarily about no-load mutual funds, but we also advise on other types of securities, including equity securities, fixed income securities, investment company securities and U.S. government and municipal securities. Our investment strategies on behalf of an account depend upon each client's particular investment profile and risk tolerance, (as discussed above), and may include a mix of long term purchases (held at least 1 year), short term purchases (sold within a year), and very rarely (only at the specific request of clients), margin transactions. Among other investments, we recommend portfolios consisting of mutual funds offered by Dimensional Fund Advisors (DFA) and the Vanguard Funds. These mutual funds follow a passive asset class investment philosophy with low holdings turnover.

Each investment strategy involves some risk. For example, investing in equity securities involves the risk that the market value of the securities will fluctuate, sometimes rapidly and unpredictably. Investments in fixed income securities involve potential credit risk, interest risk or prepayment risk. Investment in government obligation securities involves the risk that government-sponsored entities may default on a financial obligation since such securities are not insured by the U.S. government. Investment in mutual funds may involve one or all of the above risks, depending upon the nature of the fund and its underlying investments. A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

On request, we will advise accounts that engage or may engage in margin transactions. However, as a general rule, we do not advise discretionary accounts that employ the use of margin and do not recommend the use of margin as it can create or increase leverage-related risks. A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain

level, the broker will issue a “margin call”, and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.

Item 9. *Disciplinary Information*

We have no legal or disciplinary events to report.

Item 10. *Other Financial Industry Activities and Affiliations*

Neither we, nor any of our employees, is involved in any type of financial industry activity other than the investment advisory business. Further, neither we, nor any of our employees, has any relationship or arrangement outside of our advisory business that is material to our business.

We may recommend, as part of your investment strategy, that we place some or all of a client’s assets into mutual fund securities. We are not affiliated with any mutual fund. Investment in mutual funds incurs costs to you in addition to our management fee. These additional costs are described above. DFA, an entity not affiliated with us, may provide our firm with certain benefits relating to business development and market exposure. The receipt of such benefits may result in potential conflict of interest as we have an indirect financial incentive to utilize DFA funds as investments for our clients. However, as fiduciaries, we have established investment process policies and procedures, including in-depth suitability analysis and ongoing monitoring, designed to mitigate this conflict of interest.

Item 11. *Code of Ethics and Participation or Interest in Client Transactions; Personal Trading*

We have adopted a Code of Ethics as required by SEC rules. Our Code of Ethics establishes rules of conduct for all of our principals and employees, and is based upon the principle that we owe a fiduciary duty to our clients. Our Code of Ethics requires all of our employees to place the interests of our clients above their own interests at all times. A copy of our Code of Ethics is available to clients or prospective clients upon request.

Our principals and employees may invest in the same securities that we recommend to our clients. We, our principals, and/or our employees also may invest personal assets in shares of the mutual funds that are recommended to clients. No sales commission is received by us, our principals or employees for recommending or investing in these funds. All personal securities transactions made by us, or our related persons, are subject to the restrictions set forth in our Code of Ethics.

Employees can invest in the same securities recommended to clients, but if the firm is placing a buy allocation to purchase a specific security for its clients, the employee is not permitted to “front-run” and must place his or her order after the clients purchase.

Item 12. *Brokerage Practices*

a. **General Information**

We have selected Charles Schwab & Co., Inc. (“Schwab”) as a primary broker-dealer for executing client transactions, and we advise each client to establish a brokerage account with Schwab’s Institutional division to maintain custody of each client’s assets and to effect trades for client accounts, when appropriate. It should be understood that generally we will not shop the brokerage marketplace on a trade-by-trade basis and therefore will not negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved.

The factors we considered in selecting Schwab as a primary broker include Schwab’s professional services, our overall experience with Schwab, Schwab’s reputation, Schwab’s overall quality and cost of execution, breadth of investment products made available, availability of investment research and tools that assist us in making investment decisions, reputation, financial strength and stability, prior service to us and our other clients, availability of other products and services that benefit us, as discussed below . We do not have an exclusive arrangement with Schwab, and we may generally use other brokers for the purchase and sale of municipal bonds. These trades are subject to trade-away fees to Schwab.

In addition to executing trades for our clients, Schwab provides us with access to institutional trading and custody, reporting and related services not normally available to Schwab’s retail customers. Schwab’s services to us include brokerage, custody, research, and access to mutual funds and other investments not generally available to its retail customers. Schwab also makes available various support services, some of which help us manage or administer our clients’ accounts while others help us manage and grow our own business. Schwab generally does not charge a separate fee for custody of assets in our clients’ accounts, but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts. We may use other brokers, in our sole discretion, to obtain any combination of better pricing, execution and individualized attention.

b. **Research and Other Soft Dollar Benefits**

Our firm does not have any formal soft-dollar arrangements.

As stated above, Schwab has made available to us other products and services that benefitted us, but did not necessarily benefit clients’ accounts. Some of these other products and services assisted us in managing and administering clients’ accounts. These included software and other technology that provided access to client account data (such as trade confirmations and account statements); facilitated trade execution (and allocation of aggregated trade orders for multiple client accounts); provided research, pricing information and other market data; facilitated payment of our fees from our clients’ accounts; and assisted with back-office functions, recordkeeping and client reporting. Many of these services generally were used to service all or a substantial number of our clients’ accounts, including accounts not maintained at Schwab Advisor Services (formerly Schwab Institutional). Schwab Advisor Services also made available to us other services intended to help Schwab manage and further develop its business enterprise. These services included consulting, publications and conferences on practice

management, information technology, business succession, regulatory compliance and marketing. Schwab generally arranged for these types of services to be rendered to us by independent third parties.

Schwab has also agreed and may agree in the future to pay a certain amount for technology, research, marketing, and compliance consulting products and services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as we keep a total of at least \$10 million of client assets in accounts at Schwab. The \$10 million minimum may give us an incentive to request that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interest of our clients. It is primarily supported by the scope, quality and price of Schwab's services based on the factors we discussed above and not Schwab's services that benefit only us.

c. **Directed Brokerage**

Clients may request that brokerage transactions be directed to a broker-dealer other than Schwab. Clients who choose to direct brokerage to a broker-dealer other than those chosen by us may incur higher commission rates than clients who allow us the discretion to choose broker-dealers. If we believe that the use of another broker-dealer would hinder our ability to meet our fiduciary obligations, we will decline to accept the account.

d. **Trade Aggregation**

Generally, we do not aggregate client trades unless a large purchase of ETF securities is executed. As a result, clients may not receive any volume trade discounts that would otherwise have been available.

Item 13. *Review of Accounts*

All client accounts are reviewed on a periodic basis as determined by client objectives and market conditions. Accounts are reviewed for consistent relative performance, adherence to predetermined risk characteristics, and for economic developments that could impact various policies and strategies. All such reviews are conducted by the portfolio management team. The team currently includes Charles P. Boinske, CFA, President, Mark A. Rioboli, CFP, Director of Wealth Management and Christina McCullough, Senior Portfolio Administrator, on the basis of their conclusions and judgments regarding the best interest and predetermined policies for each client. Additionally, adjustments may be made upon changes in the status, objectives, or policies, of and by the client. Clients have unlimited access to the firm by phone or by scheduled meetings.

Written account reports are sent to clients on a quarterly basis, or as requested more frequently by a client. The reports contain period-to-date: contributions, withdrawals, realized gains and losses, interest and dividends, management fees, and percentage gains or

losses. Additionally, reports include all holdings by security type, total costs, market value, and percentage of holding. On a monthly basis, the broker of record provides clients with a brokerage statement that summarizes all account positions as of the end of the month, plus a detail of all account activity over the course of the month.

At year-end, the broker provides a Form 1099 composite which lists dividend, interest income, capital gains, wash sales, realized gains/losses and advisor management fees.

Item 14. *Client Referrals and Other Compensation*

We have entered into arrangements with third parties in which we agree to pay a third party for soliciting and referring clients to us. The third party may receive a portion of our standard management fee for a period of time, which amount varies on a case-by-case basis. Our payment for the referral or solicitation does not impact the fee paid by the client.

Payment of referral fees for prospective client referrals creates a potential conflict of interest to the extent that such a referral is not unbiased and the solicitor is, at least partially, motivated by financial gain. Therefore, such a referral may be made even if our advisory services are not suitable to a particular client's needs or entering into an advisory relationship with us is not, overall, in the best interest of the client. As these situations represent a conflict of interest, we have established the following restrictions in order to ensure our fiduciary responsibilities:

1. All such referral fees are paid in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements;
2. Any such referral fee will be paid solely from our investment management fee, and will not result in any additional charge to the client;
3. If the client is introduced to us by an unaffiliated solicitor, the solicitor, at the time of the solicitation, will disclose the nature of his/her/its solicitor relationship and provide each prospective client with a copy of our Form ADV Part 2 Brochure, together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between our firm and the solicitor, including the compensation to be received by the solicitor from us; and
4. All referred clients will be carefully screened to ensure that our fees, services, and investment strategies are suitable to their investment needs and objectives.

We also receive an economic benefit from Schwab in the form of the support products and services it makes available to us, and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described in Item 12 of this Brochure.

Item 15. *Custody*

Custody is defined as any legal or actual ability by our firm to access client funds or securities. Since all client funds and securities are maintained with a qualified custodian, we don't take physical possession of client assets. However, under the current SEC rules, our firm is deemed to have constructive custody of client assets due to various arrangements which give us legal access to client funds. Schwab Institutional, a qualified custodian, maintains assets in client accounts and sends monthly account statements directly to clients. Upon receipt, clients should carefully review those statements. We also send quarterly account statements to clients, and clients are urged to compare the account statements received from us to the statements received from Schwab.

Item 16. *Investment Discretion*

We manage both discretionary and non-discretionary client accounts. For discretionary accounts, we are granted discretionary authority by way of the investment advisory contract with the client. By executing a discretionary advisory agreement, clients give us the authority to exercise investment discretion over their accounts. Any limitations to this discretion are in writing executed by both client and us.

Item 17. *Voting Client Securities*

Under our discretionary advisory agreements, we generally have the authority to vote proxies related to securities held by a client in a manner that is in the best interest of the client. On request, we will employ the same procedures for the accounts we manage on a non-discretionary basis. We will consider only those factors that relate to the client's investment(s) or that are established by the client's written instructions. Such factors will include how a vote will economically impact and affect the value of the client's investment (keeping in mind that not voting at all on a presented proposal may be in the best interest of the client). Other than by previous written instructions, generally clients do not direct us on any particular vote.

Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management; increase shareholder value; maintain or increase shareholder influence over the issuer's board of directors and management; and, maintain or increase the rights of shareholders.

Proxy votes generally will be cast against proposals having the opposite effect. Generally votes will be cast for shareholder proposals involving compensation issues for management. We will generally cast an abstain vote for all other shareholder proposals.

In voting on each and every issue, we and our employees shall vote in a prudent and timely fashion and only after careful evaluation of the issue(s) presented on the ballot. In exercising our voting discretion, we and our employees shall avoid any direct or indirect conflict of interest raised by such voting decision. We will provide adequate disclosure to the client if any substantive aspect or foreseeable result of the subject matter to be voted upon raises an actual or potential conflict of interest to us.

Consistent with SEC Rule 206(4)-6, we will keep certain records required by applicable law in connection with its proxy voting activities for clients, and shall provide proxy-voting information to clients upon their written or oral request directed to Leslie Young. A copy

of our proxy-voting policies and procedures are available to clients or prospective clients upon request, by calling Leslie Young at (610) 695-8070.

Item 18. *Financial Information*

Not applicable.