

Cover Page - Item 1

## **Interactive Financial Advisors**

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**January 17, 2024**

### **Form ADV Part 2A Brochure**

This brochure provides information about the qualifications and business practices of Interactive Financial Advisors ("IFA"). If you have any questions about the contents of this brochure, please contact us at (630) 472-1300 or [www.someonewhocares.com](http://www.someonewhocares.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 Interactive Financial Advisors is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Interactive Financial Advisors is 125117.

Interactive Financial Advisors is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

### **Material Changes - Item 2**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

On January 17, 2024, we submitted our annual updating amendment for fiscal year 2023 and amended Item 4 of our Form ADV Part 2A Brochure to reflect discretionary assets under management of \$284,940,831.

Effective December 31, 2023, Richard L. Peterbok became Chief Compliance Officer for Interactive Financial Advisors.

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## **Advisory Business - Item 4**

### **Advisory Firm**

Interactive Financial Advisors ("IFA") is registered as an investment adviser with United States Securities and Exchange Commission. IFA is a corporation formed under Illinois law on February 20, 2003. We are based in New Lenox, IL. IFA has been providing investment advisory services since 2003. OrganizAmerica is sole owner of IFA. Richard L. Peterbok is the sole owner of OrganizAmerica.

### **Description of Services and Fees**

Interactive Financial Advisors is a fee-only independent financial adviser. We provide money management for the mid-market client by incorporating financial planning, investment portfolio management, risk management and other aggregated financial services. We combine industry experience and comprehensive research to provide quality advisory services to our clients. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- **Portfolio Management Services**
- **Selection of Third-Party Advisors, Platforms and Programs**
- **Financial Planning Services**
- **Advisory Consulting Services**
- **Advisory Services to Retirement Plans**
- **Sub-Advisory Services**

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. Also, you may see the term Investment Adviser Representative ("IAR") throughout this Brochure. As used in this Brochure, our IARs are our firm's officers and all individuals providing investment advice on behalf of our firm. Some of our IARs may have relationships with other firms (please see Item 5 - Fees and Compensation).

This brochure is not a client agreement and does not create contractual obligations between IFA and its clients. If you choose IFA as your Advisor, the relationship will be documented with a client agreement.

### **Portfolio Management Services**

We offer portfolio management services to clients and prospective clients. The portfolio management services are offered on a fully discretionary basis with regard to the allocation and investment management of client assets among various asset categories such as equity securities, fixed income securities, mutual funds and exchange traded funds.

IFA's asset allocation models range from conservative short term to aggressive long term, as well as various specific purpose models. They are developed and managed in accordance with research and analysis conducted by IFA. Once the client portfolio is constructed, IFA provides ongoing supervision of the portfolio as changes in market conditions and client circumstances may require.

Working with our clients, IFA tailors investment advice to meet the needs and investment objectives of its clients. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information")

at the beginning of our advisory relationship. We will use the suitability information we gather from our initial meeting to develop a strategy that enables our firm to tailor its advice. Through ongoing interaction with our clients, IFA is able to give you continued focused investment advice and/or to make investments on your behalf.

### **Invest With Trust**

As part of our portfolio management services, our *Invest With Trust* service customizes an investment portfolio for you in accordance with your risk tolerance and investing objectives. We will then allocate and manage your assets among various asset classes. These asset classes include U.S. Equity, U.S. Fixed Income, U.S. Government Securities, International Equity and International Fixed Income and Alternative Investments. These allocations may change from time-to-time with the changing needs of our clients. It is important, therefore, that our clients continue to inform us of changes in their investment needs and objectives.

Our *Invest With Trust* portfolio management service includes assistance in the selection, retention, and disposition of investment positions. We offer a product line where asset allocation models, ranging from conservative short term to aggressive long term, are developed and managed based on our proprietary research and analysis. The *Invest With Trust* service also offers various specific purpose models; that may include, but are not limited to, bond distribution and stock distribution. Once we construct an investment portfolio for you we monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as necessary.

### **Recommendation of Sub Advisors**

As part of our overall portfolio management strategy, we will recommend sub advisors to manage all or a portion of your account where the allocation meets the needs and investment objectives of clients. All sub advisors recommended by our firm are registered as investment advisers or exempt from registration requirements. These sub advisors might specialize in traditional or alternative investments. Factors that we take into consideration when making our recommendations include, but are not limited to, the following: the sub adviser's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. Once a sub advisory account has been established, we will provide all administrative duties that are required to service your account. The sub adviser will have little or no direct contact with you. Our responsibility to you will be to: (i) continuously evaluate the performance of your portfolio to ensure the sub adviser selected adheres to your asset allocation guidelines; (ii) make recommendations regarding the sub adviser as market factors and your personal goals dictate, (iii) assume discretionary authority to hire or fire the sub adviser where such action is deemed to be in your best interest.

At the inception of the relationship, we encourage you to complete our *CARES Client Confidential Information Organizer* (questionnaire). We use this questionnaire to conduct analysis through the CARES Process on the data we collected from you. \*This analysis is designed to help to determine, the time horizon for each client's goals, client risk tolerance, and the amount of financial commitment required for each goal e.g. a lump sum amount or ongoing savings. On completion of the analysis, we prepare the *Making Life Better Official Report* ("the Report"). We will then utilize the Report in offering to assist you in making selections between the various asset allocation products available. Individual investment portfolios are structured in accordance with pre-established asset allocation models in keeping within the context of your investment perspective and acceptable degree of risk tolerance. The fee to complete the analysis, which is separate and distinct from the portfolio management fee described below, will

range between \$48 and \$7,500 depending on the scope and complexity of the client's financial circumstances. This financial analysis fee is negotiable at the discretion of IFA.

Clients will enter into a written Financial Planning agreement which will govern the planning relationship between the firm and the client. There are a number of different services IFA provides, and clients may choose to take advantage of some or all of them.

For example, Clients may elect to retain IFA for portfolio management services, but forego the preparation of the *Making Life Better Official Report*. The signed acknowledgment will be maintained in the client master file. IFA images new account docs with ongoing notes and reviews retained by IAR.

We also offer our *Invest With Trust* portfolio management service through the use of various annuity products. The assets within the annuity are managed through this portfolio management service. The annuities may assist in providing protection from the potential of outliving your money.

If the client chooses the "*Invest With Trust*" service, the client will enter into a written investment advisory agreement that will govern the relationship with the client and the firm.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. This service also requires a written agreement.

Upon entering into an Investment Advisory Agreement for Invest With Trust services, you will open an account with an independent qualified custodian to hold the account assets. We currently utilize Axos Advisor Services, ("Axos"), member FINRA/SIPC.

### **The Legacy Service - Mutual Fund/ETF Strategies**

As part of our discretionary asset management services, we offer the Legacy Service ("Legacy") which utilizes mutual fund and ETF strategies.

The Legacy accounts are managed to diversify a client's investments and will generally use mutual fund securities but may also utilize ETFs. Other types of investments may also be recommended where the Investment Adviser Representative(s) deem such investments appropriate based on the client's stated goals and objectives. Investments and allocations are determined and based upon each client's predefined objectives, risk tolerance, time horizon, financial horizon, financial information, and various other suitability factors. Clients may impose restrictions on the management of the account(s). Account restrictions and guidelines imposed by clients may affect the composition and performance of a client's portfolio. For these reasons, performance of the portfolio may not be identical with other clients of IFA. On an ongoing basis, the IARs assigned to you will review your financial circumstances and investment objectives and will make any adjustments to your portfolio as may be necessary to achieve the desired results.

Upon entering into an Investment Advisory Agreement, you will open an account with an independent qualified custodian to hold the Account assets. We currently utilize Axos Advisor Services, member FINRA/SIPC ("Axos"), an unaffiliated and independent qualified custodian and its clearing firm.

**Selection of Third-Party Advisors, Platforms and Programs**

IFA offers clients a variety of different investment management programs, each particularly suited to individual needs. These programs are offered through various arrangements with third party advisors, model providers and platform services. In order to assist clients in the selection of investment management programs, we will typically gather information from you about your financial situation, investment objectives, and reasonable restrictions you want imposed on the management of the account. Your investment adviser representative will work with you to customize a portfolio that meets these objectives. Your customized portfolio may include IFA managed models as described above, third party advisory arrangements and/or utilization of specific model providers.

Third-Party Advisors – We have entered into agreements with various third-party investment advisors for the provision of certain investment advisory services. Factors considered in the selection of a third-party advisor include but may not be limited to: i) Our firm's preference for a particular third-party advisor; ii) the client's risk tolerance, goals and objectives, as well as investment experience; and, iii) the amount of client assets available for investment.

The third party advisors are registered investment advisors who offer investment advisory and investment management programs. A complete description of the services provided, the amount of total fees, the payment structure, termination provisions and other aspects of the third-party advisor's advisory business are detailed and disclosed in: i) the third-party advisor's Form ADV Part 2A; ii) the program wrap brochure (if applicable) or other applicable disclosure documents; iii) the disclosure documents of the portfolio manager(s) selected; or, iv) the third-party advisor's account opening documents. A copy of all relevant disclosure documents of the third-party advisor and of the individual portfolio manager(s) will be provided to anyone interested in these programs/managers. You will be required to sign an agreement directly with recommended third party advisor(s).

Model Portfolio Selection – IFA offers model portfolio selection services which allows IFA to exercise discretion to select model portfolios managed by IFA and third party non-affiliated investment advisors, collectively referred to as "model providers". We will select the model portfolio(s) that align with your risk tolerance and investment objectives. The model providers are available to IFA through the Axos Advisory Services platform. The platform provides IFA with discretionary authority to implement selected model providers on your behalf. Securities transactions will be decided upon and executed by the model provider on a discretionary basis. This means that the model provider selected will have the ability to buy and sell securities in your account without obtaining your approval. Generally, clients may not impose restrictions on investing in certain securities or types of securities in accounts managed by a third-party advisor.

We will have the discretionary authority to select the model provider and the model portfolio(s) as well as the ability to reallocate funds from or to a model provider and/or model portfolio(s). You should be aware that there may be other model providers not recommended by our firm, that are suitable for you and that may be less costly than arrangements recommended by our firm. No guarantees can be made that your financial goals or objectives will be achieved through the selection of model providers or by a recommended/selected model portfolio.

We will periodically review reports provided to clients. We will contact clients at least annually, or more often to review your financial situation and objectives, and, to assist you in understanding and evaluating the services provided by a third-party advisor and/or model provider. Please notify us of any changes in your financial situation, investment objectives, or account restrictions.

#### **Family and Employee Access Program**

We offer access to our portfolio management services to the family and employees of our Firm at a reduced asset management fee. Family/Employee pricing for asset management services is available to spouses, children, step-children, and guardianship relationships. Employees eligible for reduced asset management pricing include any employees who have been employed for at least one year through our Firm. The account requirements and fees are negotiable and will be specified in a service agreement.

#### **Financial Planning Services**

We offer goal oriented financial planning advice, which is primarily designed to supplement our portfolio management services, as described above. Financial planning services are offered through our *CARES Client Confidential Information Organizer* which will result in a *Making Life Better Official Report*. We offer broad-based, modular, and consultative financial planning services to our clients and prospective clients. We may use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives.

Financial planning will typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. If you retain our firm and sign the Financial Planning agreement which governs the relationship between the client and the firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives, (both financial and non-financial) we will develop shorter-term, targeted objectives. After we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written report to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

Per the Financial Planning agreement, you are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through our firm, our advisory representatives, or any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

#### **Advisory Consulting Services**

We offer Advisory Consulting services through a combination of in-house services, contracted third party vendors and referral arrangements. These services are provided through our firm and non-affiliated entities. This integrated suite of services is designed to complement our *Making Life Better Official Report* by providing a full range of financial services and products.



The Firm's *Making Life Better Official Report* development begins with a Client *CARES Client Confidential Information Organizer* (questionnaire) and utilizes proprietary products and tools to analyze a client's financial and investment goals. The process defines how the impact of one financial decision or investment may affect the overall financial goals or objectives of the client. Through this proprietary method, IFA is able to evaluate, prioritize and balance financial values with a client's personal situation.

The Advisory Consulting service involves the following four steps:

1. **Discovery:** Interactive discussion where we listen to discover what is really important to you. Essential information will be gathered to clarify your financial objectives and what you feel would make life better for you.
2. **Analysis:** Review the analysis prepared to understand your unique situation which measures and clarifies your specific goals. This helps you determine your priorities and your appropriate financial commitment.
3. **Solutions:** Based on your situation analysis and the priorities you have identified; appropriate solutions will be presented. These solutions will provide you the best value. This will begin the implementation stage of your plan.
4. **Service:** Establish a well-structured communications and service schedule of future meetings with you as appropriate, to stay on track and make any necessary future adjustments.

Through this process additional services may be suggested, such as:

- **Insurance Solutions.** Life insurance evaluations and strategies, asset and liability risk analysis, disability insurance assessments and long-term care needs.
- **Education Planning.** Assistance in selecting, applying, and funding options for college education. IFA has partnered with SAGE Scholars and participates in its Tuition Rewards program.
- **Advisory Services to 401k and 529 Plans.** 529 Plans are national advisor-sold savings plan(s) that give parents, grandparents, and others a tax-advantaged way to save for a child's college education. The Savings Plans and/or 401k Plans feature flexible portfolio solutions using ETFs or mutual funds. We will provide assistance with recommendations as to how to allocate your investments among the ETFs/mutual funds investment choices.

#### **Advisory Services to Retirement Plans**

We offer advisory services to employee benefit plans ("Plan") and to the participants of such plans ("Participants"). The services are designed to assist plan sponsors in meeting their management and fiduciary obligations to Participants under the Employee Retirement Income Securities Act ("ERISA"). Pursuant to adopted regulations of the U.S. Department of Labor under ERISA Section 408(b)(2), we are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status (which is described below).

The services we provide to your Plan and the corresponding compensation are described above, and in the service agreement that you have previously signed with our firm. We may, with consent of the Plan, and in accordance with Plan documents, bill out-of-pocket expenses (such as overnight mailings, messenger, translation fees, etc.) at cost. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the Plan or Participants. Nonetheless,

since Associated Persons of our firm are registered representatives of broker/dealers and/or licensed insurance agents, these individuals may receive 12b-1 fees, revenue sharing or other forms of indirect compensation in connection with mutual fund investments allowable under applicable authority through Fortune Financial Services, Inc. (refer to Items 5, 10, 12 and 14 for additional disclosures). If we receive any other compensation for such services, we will (i) offset the compensation against our stated fees, and (ii) we will promptly disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

In providing services to the Plan and Participants, our status is that of an investment adviser registered under the Investment Advisers Act of 1940, and we are not subject to any disqualifications under Section 411 of ERISA. In performing fiduciary services, we are acting either as a non-discretionary fiduciary of the Plan as defined in Section 3(21) under ERISA, or as a discretionary fiduciary of the plan as defined in Section 3(38) under ERISA.

### **Sub-Advisory Services**

We offer sub-advisory services to unaffiliated, third party investment advisers and broker/dealers. As part of these services, we will provide certain proprietary investment services called '*Invest with Trust Asset Management Services*'. While we are responsible for the overall management of the assets delegated to our firm, we will not communicate investment recommendations or selections directly to the third-party investment adviser(s) and/or broker/dealer(s). Fees and payment arrangements are negotiable and will vary on a case-by-case basis.

### **Types of Investments**

Pursuant to the agreement you enter into with IFA, we will primarily offer advice on exchange traded funds (ETFs) and mutual funds. We offer advice on equity securities, corporate, municipal and government debt securities, MLPs (master limited partnerships), certificates of deposit, and variable annuities.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

### **Wrap Fee Programs**

IFA is neither the sponsor nor portfolio manager of a wrap fee program in regard to the investment advisory services provided directly to you through IFA.

However, most third-party money management programs are considered "wrap fee" programs in which the client pays a specified fee for portfolio management services and trade execution. Wrap fee programs differ from other programs in that the fee structure for wrap programs is all-inclusive, whereas non-wrap fee programs assess trade execution costs that are in addition to the investment advisory fees. To compare the cost of the wrap fee program with non-wrap fee portfolio management services, you should consider the frequency of trading activity associated with investment strategies and the brokerage commissions charged by the third-party money manager's clearing firm or other broker-dealers, and the advisory fees charged by other investment advisers. Please refer to the recommended third-party money manager's Form ADV Part 2A – Appendix 1, the Wrap Fee brochure for a complete description of the programs and services provided, the amount of total fees, the payment structure, termination provisions and other aspects of wrap fee program.

### Assets Under Management

As of January 10, 2024, we managed \$284,940,831 in client assets on a discretionary basis and \$0.00 in client assets on a non-discretionary basis.

### Fees and Compensation - Item 5

#### Portfolio Management Services

Our fee for portfolio management services is based on a percentage of your assets we manage and is set forth in the following fee schedule:

#### Fee Schedule - Invest With Trust®

Non 403b Accounts		403b Accounts
<ul style="list-style-type: none"> <li>• <b>Account Size \$0 - \$24,999</b> 0.95% - 2.45% of Account Value</li> <li>• <b>Account Size \$25,000 - \$49,999</b> 0.90% - 2.40% of Account Value</li> <li>• <b>Account Size \$50,000 - \$249,999</b> 0.80% - 2.30% of Account Value</li> <li>• <b>Account Size \$250,000 - \$499,999</b> 0.71% - 1.91% of Account Value</li> <li>• <b>Account Size \$500,000 - \$999,999</b> 0.62% - 1.82% of Account Value</li> <li>• <b>Account Size \$1,000,000 Plus</b> 0.50% - 1.70% of Account Value</li> </ul>		<ul style="list-style-type: none"> <li>• <b>Account Size: \$0 - \$24,999</b> 1.02% – 2.52% of Account Value</li> <li>• <b>Account Size: \$25,000 - \$49,999</b> 0.97% – 2.47% of Account Value</li> <li>• <b>Account Size: \$50,000 - \$249,999</b> 0.87% – 2.37% of Account Value</li> <li>• <b>Account Size: \$250,000 - \$499,999</b> 0.72% – 1.92% of Account Value</li> <li>• <b>Account Size: \$500,000 - \$999,999</b> 0.57% – 1.77% of Account Value</li> <li>• <b>Account Size: \$1,000,000 +</b> 0.42% – 1.62% of Account Value</li> </ul>

Sub-advisory strategies are generally based on model portfolios provided by the sponsoring sub-advisor. Certain model portfolios will only include mutual funds and/or exchange traded products that are affiliated with the sub-advisor and which pay fees and other compensation to the sub-advisor and its affiliates. Therefore, the sub-advisor and its affiliates will receive compensation in connection with the management of the affiliated mutual funds and exchange traded products (Funds) included in these model portfolios. Because the sub-advisor and its affiliates are compensated through the use of the sub-advisor's sponsored Funds, the account level management fee for these model portfolios is waived. Therefore, we have an incentive to recommend these model portfolios over other model portfolios where we have a less favorable compensation arrangement. Clients are not required to use the services of any sub-advisor model portfolio or strategy recommended by us.

Certain strategies will have minimum account size requirements ranging from \$2,000 to \$25,000.

### **Account Services Fees**

An account service fee is charged to each account in the above strategies based on the daily average balance for the prior quarter. Accounts \$24,999.99 and under will be charged \$10 per quarter. Accounts \$25,000 or more will be charged \$18.75 per quarter. These fees are prorated and charged monthly. Account size may start at \$0 when systematic contributions are elected; otherwise, account minimum is \$1,000.

### **The Legacy Service**

The portfolio management fee for the Legacy service is based on a percentage of the assets we manage. The Legacy fee pertains only to assets managed within the Legacy service and is set forth in the following fee schedule:

#### **Fee Schedule – The Legacy Service**

- **Account Size \$1,000 - \$24,999\***  
1.35% of Account Value
- **Account Size \$25,000 - \$49,999**  
1.30% of Account Value
- **Account Size \$50,000 - \$249,999**  
1.25% of Account Value
- **Account Size \$250,000 - \$499,999**  
1.21% of Account Value
- **Account Size \$500,000 +**  
1.00% of Account Value

\*The Mutual Fund strategies have a minimum account size requirement of \$1,000. Each account will be charged a \$12.50 per quarter service fee, which is prorated and charged monthly.

### **Portfolio Management Terms**

Our portfolio management fees are calculated on a monthly basis based on the client's daily average account balance for the preceding month at 1/12th of the account's predetermined annual fee rate. Portfolio management fees are paid in advance and will be deducted automatically from client's account monthly until the Agreement is terminated.

For 401K and/or 403b accounts our annual portfolio management fee is billed and payable either monthly or quarterly in advance or in arrears and based upon either market value of account or the average daily balance depending upon the agreement you signed with us. The scope of these services, the fees, and the terms of the agreement for these services will be negotiated on a case-by-case basis with each Sponsor.

If the Investment Advisory Agreement is executed at any time other than the first day of a calendar month, our fees will apply on a pro rata basis, which means that the advisory fee is payable in

proportion to the number of days in the month for which you are a client. Our advisory fee is negotiable for the Invest With Trust services, depending on individual client circumstances. The Legacy service fee is not negotiable.

### **Householding of Axos Accounts**

Our practice is to seek to combine the values of accounts custodied at Axos for family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Householding is determined by primary account Tax Identification Number and then by address. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

As paying agent for our firm, Axos will deduct the investment advisory fee directly from your account. The fee is deducted only when you have given us written authorization permitting the fees to be paid directly from your account. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements. We encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian please call our main office number located on the cover page of this brochure.

You may terminate the Investment Advisory Agreement upon a 30 day notification to our firm. We are compensated monthly in advance and you are required to give us a 30 day notification to terminate the Agreement.

Upon termination of accounts held at Axos, the custodian will deliver securities and funds held in the account as instructed by client, unless client requests that the account be liquidated. After the Agreement has been terminated, transactions are processed at the prevailing brokerage rates. You are then responsible for monitoring your own assets and IFA has no further obligation to act or provide advice with respect to those assets.

### **Selection of Third-Party Advisors, Platforms and Programs**

We will share in the fee paid to the third-party advisor. The management fee is disclosed in the third-party advisor's disclosure documents. These fees may or may not be negotiable. Our compensation may differ depending upon our individual agreement with each third-party advisor. As such, we have an incentive to recommend one third-party advisor over another third-party advisor with whom we have a less favorable compensation arrangement or other advisory programs offered by third-party advisors with which we have no compensation arrangements. Clients are not required to use the services of any third-party advisor recommended by us.

In some arrangements you will be required to sign an agreement directly with the recommended third party advisor(s). You may terminate your advisory relationship with the third party advisor according to the terms of your agreement with the third party advisor. You should review each third party advisor's disclosure brochure for specific information on how you may terminate your advisory relationship with the advisor and how you may receive a refund, if applicable. You should contact the third party advisor

directly for questions regarding your advisory agreement with the third party advisor.

### **Financial Planning Services**

We charge a fixed fee for financial planning services, which generally ranges from \$48 to \$7,500. The fee is negotiable depending upon the complexity and scope of the plan, your financial situation, and your objectives. Fixed fee financial planning services are not continuous advisory services, and electing our financial planning services only does not create a portfolio management relationship between you and our firm.

If you request specific consulting services and do not desire a written financial plan, we offer modular financial planning or general consulting services on an hourly basis. Our rate for such services ranges from \$100 to \$400 per hour. This rate is negotiable depending on the scope and complexity of the plan, your financial situation, and your objectives. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you in advance and request that you approve the additional fee.

We require that you pay 100% of the fee in advance for a full financial plan. We will not require prepayment of a fee more than six months in advance and in excess of \$1,200. Hourly based financial planning/consulting-based fees are calculated and payable at the completion of each session. In some cases, the hourly fees may be paid weekly, monthly or periodically in arrears.

You may terminate the financial planning agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

As a normal extension of financial advice, we provide education or recommendations related to the rollover of an employer-sponsored retirement plan. A plan participant leaving employment has several options. Each choice offers advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and the investor's unique financial needs and retirement plans. The complexity of these choices may lead an investor to seek assistance from us.

An Associated Person who recommends an investor roll over plan assets into an Individual Retirement Account ("IRA") may earn an asset-based fee as a result, but no compensation if assets are retained in the plan. Thus, we have an economic incentive to encourage an investor to roll plan assets into an IRA. In most cases, fees and expenses will increase to the investor as a result because the above-described fees will apply to assets rolled over to an IRA and outlined ongoing services will be extended to these assets.

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We have to act in your best interests and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses.

You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. The broker-dealer or custodian may also charge your account for custodial fees, retirement account fees, trust fees, exchange fees, redemption fees that may be assessed on mutual fund shares, transfer fees, account termination fees or other special service fees and charges. We do not share in any portion of the brokerage fees/transaction charges/administrative fees imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Disclosure Brochure.

**Negotiability of Fees:** We allow Associated Persons servicing the account to negotiate the exact investment management fees within the range disclosed in our Form ADV Part 2A Brochure. As a result, the Associated Person servicing your account may charge more or less for the same service than another Associated Person of our firm. Further, our annual investment management fee may be higher than that charged by other investment advisors offering similar services/programs.

**Billing on Cash Positions:** The firm treats cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating the firm's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the firm may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, the firm's advisory fee could exceed the interest paid by the client's cash or cash equivalent positions.

### **Compensation for the Sale of Securities or Other Investment Products**

IARs providing investment advice on behalf of our firm may be registered representatives with Fortune Financial Services, Inc. ("Fortune"), a securities broker/dealer and member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. However, not all of our IARs are also registered representatives with a broker-dealer.

In their capacity as registered representatives, the IARs who are registered representatives will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products through their broker-dealer. Compensation earned by these IARs in their capacity as a registered representative is separate and in addition to our advisory fees. This practice presents a conflict of interest because IARs providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase securities products through any Associated Person



affiliated with our firm.

IARs providing investment advice on behalf of our firm may be licensed as independent insurance agents. These IARs will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these IARs are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any Associated Person affiliated with our firm. Not all of our IARs are also insurance agents.

Any material conflicts of interest between you and our firm, or our IARs are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

#### **Types of Clients - Item 7**

We offer investment advisory services to individuals, pension and profit-sharing plans, trusts, estates, and charitable organizations.

In general, we require a minimum of \$1,000 to open and maintain an *Invest with Trust* or a *Legacy* advisory account. At our discretion, we may waive this minimum account size, such as when an account is set up for systematic contributions. Additionally, we charge an ongoing service fee for accounts invested in our *Invest with Trust* service. For accounts with a valuation of \$24,999 and under will be charged \$10 per quarter. For accounts with a valuation of \$25,000 and higher will be charged \$18.75 per quarter. For each account in our Legacy program a \$12.50 quarterly charge will be applied. The service fee is prorated and collected monthly.

Certain strategies will have minimum account size requirements ranging from \$2,000 to \$25,000.

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

We use a fundamental method of analysis and Modern Portfolio Theory as our core investment strategies.



Modern Portfolio Theory is a sophisticated investment decision approach that theoretically permits an investor to classify, estimate, and control both the kind and the amount of expected risk and return.

IFA utilizes a computerized analytical tool such as TIFIN Wealth Risk that account for risk in quantitative analysis and decision making. TIFIN Wealth Risk provide a risk profile for investors and their portfolios, as well as a range of possible outcomes and the probabilities that may occur for any choice of action. It shows the extreme possibilities—the outcomes of choosing aggressively and conservatively—along with all possible consequences for middle-of-the-road decisions.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets. We do not offer tax advice.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers report the cost basis of equities acquired in client accounts. Our firm uses the FIFO accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

#### **Risk of Loss**

Investing in securities involves risk of loss. You should be prepared to bear the risk of financial losses. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

#### **Recommendation of Particular Types of Securities**

In our *Invest with Trust* service we primarily recommend exchange traded funds ("ETFs"). For our *Legacy* service we primarily recommend mutual funds. You should be advised of the following risks when investing in these types of securities:

**Characterization Risk**

ETFs and mutual funds don't always hold the types of stocks or bonds you may expect. For instance, some sector funds may identify the entire sector yet only represent a portion of the sector. At the same time, similar sector funds may have very different percentages of components. These characterization risks can impact overall performance.

**Tracking Error Risk**

ETFs and mutual funds, do not always track the index they are designed to mimic. Often two funds tracking the same index may take two different approaches to tracking the same index. One fund may use full replication, meaning the fund buys every stock in the index in exactly the right weights. Another fund may use optimization, whereby computer algorithms select a subset of the broader index to track the index as a whole. In general, funds that optimize have a greater risk of tracking error than funds that fully replicate their index.

**Liquidity Risk**

ETFs and mutual funds are not always easily bought and sold. Liquidity risk is the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss.

**Spreads Risk**

ETFs are purchased and sold like stocks and, therefore, have bid and ask spreads. The average bid/ask spreads on every ETF is directly correlated to the fund's size, trading liquidity and average spread. Most ETFs have spreads of less than 10 basis points; however, thinly traded ETFs may have spreads greater than 50 basis points. The spreads risk of a thinly traded ETF and/or a volatile market may result in increased transaction costs.

**Inverse ETFs Risk**

Inverse ETFs are designed to replicate the opposite direction of market indices, often at a multiple which may include the use of leverage. These ETFs often use a combination of futures, swaps, short sales, and other derivatives to achieve these objectives. Most inverse ETFs are designed to achieve these results on a daily basis only. This means that over periods longer than a trading day, the value of these ETFs can and usually do deviate from the performance of the index they are designed to track. Over longer periods of time or in situations of high volatility, these deviations can be substantial.

**Manager Risk**

The risk of the chance that poor security selection or focus on securities in a particular asset class, sector, category, or group of companies will cause a client's portfolio to underperform relevant benchmarks.

**Disciplinary Information - Item 9**

Interactive Financial Advisors has been registered and providing investment advisory services since 2003. There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

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

### **Registrations with Broker-Dealer**

IARs of IFA may be registered representatives offering securities through Fortune Financial Services, Inc. ("Fortune"; an unaffiliated securities broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). However, not all of our IARs are also registered representatives of a broker-dealer.

IFA's clients are advised that they have total freedom to implement recommendations through any broker-dealer of their choosing. If the client implements recommendations made by IFA by purchasing securities or other products through Fortune, the representative will receive additional compensation in the form of commissions, including 12b-1 fees for the sale of investment company products.

### **Arrangements with Affiliated Entities**

We are wholly owned by OrganizAmerica, a holding company. Richard L. Peterbok, Chief Executive Officer of Interactive Financial Advisors is the sole owner of OrganizAmerica. Mr. Peterbok is also the sole owner of UniFinancial Corp., a provider of marketing/recruiting services for qualified persons in financial related businesses.

### **Recommendation of Other Advisers**

We may recommend that you use a third-party money manager ("MM") based on your needs and suitability. We will receive compensation from the MM for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third-party money manager. You are not obligated, contractually or otherwise, to use the services of any MM we recommend.

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Item 11**

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our IARs. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our IARs are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting Richard Peterbok at [rick@swcares.com](mailto:rick@swcares.com).

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we

have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our firm nor our associated persons shall have priority over your account in the purchase or sale of securities.

### **Brokerage Practices - Item 12**

We maintain relationships with a limited number of broker-dealers. While you are free to choose any broker-dealer or other service provider, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to, research, market information, administrative services that help our firm manage your account(s) and financial support of advisor educational meetings. We believe the recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of provided research, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services the recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for using the referring broker-dealer's execution, clearing or custodial services.

#### **Directed Brokerage**

We require our *Invest With Trust* and *Legacy Service(s)* clients to direct us to execute transactions and custody investment assets through facilities of Axos Advisor Services ("Axos"), member FINRA and SIPC.

IARs providing investment advice on behalf of our firm who are also registered representatives of Fortune, will recommend Fortune to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from Fortune unless Fortune provides the registered representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through Fortune. It may be the case that Fortune charges higher transaction costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through Fortune these individuals (in their separate capacities as registered representatives of Fortune) may earn commission-based compensation as result of placing the recommended securities transactions through Fortune. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as we recommend. However, if you do not use Fortune we may not be able to accept your account. Please see the "Fees and Compensation" section in this Brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

#### **Block Trades**

We combine multiple orders for shares of the same securities purchased or sold for the *Invest With Trust* advisory accounts we manage. This practice is commonly referred to as "block trading". We will

then distribute the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

### **Review of Accounts - Item 13**

Richard L. Peterbok, Chief Executive Officer and Chief Compliance Officer, of Interactive Financial Advisors will monitor the models and strategies on an ongoing basis. Account reviews are performed by the client's Advisory Representative at least once annually. The Chief Compliance Officer and other designated compliance staff oversee the process and provide supervisory review.

We will notify you in writing to contact us or the Representative if there have been changes in your financial situation or investment objectives, or if you wish to impose or modify any reasonable account restrictions for a Legacy account. Such notification shall occur at least annually.

Our reviews ensure that the advisory services provided to you and/or the portfolio mix of your portfolio is consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- state of the economic markets
- changes in the clients' financial situation
- tax considerations
- upon your request

We do not provide you with additional or regular written reports in conjunction with account reviews. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

For our financial planning clients, we recommend, at a minimum, an annual review of your progress with the financial plan. We will provide our financial planning clients with updates to their financial plan, when appropriate, based on and in accordance with a review of the plan.

For accounts managed through sub-advisory services the Representative responsible for your account will, at least annually, review the performance and suitability of the account(s). The Representative will review your objectives and suitability needs and determine whether you would be better suited to a different service or other non-advisory investment. Your Representative will be responsible for communicating and documenting recommendations to you.

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

As disclosed under the "Fees and Compensation" section in this Brochure, persons providing investment advice on behalf of our firm may also be licensed insurance agents, and may also be registered

representatives with Fortune Financial Services, Inc. ("Fortune"), a securities broker-dealer and member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section of this Brochure. However, not all of our IARs are also registered representatives and/or insurance agents.

As described in Item 12 above, we receive economic benefits from our custodial broker dealer in the form of support products and services they make available to us and other independent investment advisors whose clients maintain their accounts at these custodial broker dealers. The availability of custodial products and services is not dependent upon or based on the specific investment advice we provide our clients, such as buying or selling specific securities or specific types of securities for our clients. The products and services provided by the custodial broker dealer, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

**Independent Contractor Compensation:**

We have entered into contractual arrangements with our Investment Adviser Representatives, who are independent contractors. Representatives of Interactive Financial Advisors receive compensation from our firm for the recruitment of new Investment Adviser Representatives and their establishment of a relationship with our firm. Recruitment compensation of the referring Representative ranges between 0.05% and 0.25% of the client assets of each referred Representative that becomes an IAR of IFA. The recruitment based compensation level will depend upon circumstances and management activities. Representatives may also receive additional benefits including subsidized travel expenses and cash bonuses to be used for the reimbursement of expenses related to our Annual Conference. Such Agreements will comply with the requirements as set forth in Rule 206(4)-3 of the Investment Advisers Act of 1940, and/or applicable state statutes, to the extent they apply. Under these arrangements, the client does not pay higher fees than IFA's normal/typical advisory fees.

**Referral Programs**

We may receive recruitment referrals of new Investment Adviser Representatives through Agreements with Fortune Financial Services, Inc. ("Fortune"), a securities broker/dealer and member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

We will pay Fortune a recruitment referral fee ranging from 0.00% to 0.10% of client assets generated from the accounts opened through this program. The client accounts opened through this recruitment program will not be charged any additional fees or costs in excess of our standard fee schedule.

Representatives referred to our firm must comply with the requirements of the jurisdictions where they operate. Representatives under this arrangement have a financial incentive to recommend our firm for advisory services. This creates a conflict of interest; however, clients are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

**Ramsey Solutions –SmartVestor™**

We have entered into an advertising and endorsement agreement with Ramsey Solutions ("RS") whereby in exchange for a flat monthly marketing fee RS provides online advertising services and refers potential clients to IFA advisors. The services include advertising space on RS's web-based SmartVestor™, client referrals based on particular geographic markets, use of the SmartVestor™ marks in advertising, and the provision of other marketing materials. Potential clients using the SmartVestor™

site may request that an advisor associated with SmartVestor contact the client. RS SmartVestor screens the requests and, based upon geographic proximity, provides potential clients with contact information on SmartVestor advisors. SmartVestor advisors also receive contact information on the potential clients. No guarantees of performance or success are offered.

### **Custody - Item 15**

Axos Advisor Services, the qualified custodian used in our *Invest With Trust* and Legacy portfolio management services will calculate and directly debit your account(s) for the payment of our advisory fees. The ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds and/or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with Axos Advisor Services. You will receive account statements from these independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact us at 630-472-1300.

### **Investment Discretion - Item 16**

Before we can take discretionary authority over the decisions to buy or sell securities on your behalf, you must first sign our discretionary management agreement. By signing our discretionary management agreement, you are granting our firm the limited right to make certain investment decisions on your behalf.

#### **Discretionary**

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

### **Voting Client Securities - Item 17**

#### **Proxy Voting**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we receive any written or electronic proxy materials specific to your account(s), we will forward them directly to you by mail. The sole exception exists where you have authorized our firm to contact



you by electronic mail, in which case, we would forward any electronic solicitation to you to vote proxies.

### **Financial Information - Item 18**

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

### **Requirements for State-Registered Advisors - Item 19**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

### **Miscellaneous**

#### **Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact Richard Peterbok at 630-472-1300 or via email at [rick@swcares.com](mailto:rick@swcares.com) if you have any questions regarding this policy.

#### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. The gains and losses may be reconciled within IFA's custodian firm account and IFA or the custodian may retain the net gains and losses.