

## **SUMMARY OF MATERIAL CHANGES**

NorthWest Financial Services, Inc.'s (NWFS) Brochure has been updated with the following material changes that have occurred since the last annual update of our Brochure on 2/7/2023. If you would like free delivery of the entire amended Brochure, please let us know.

### **ADV Part 2A**

#### **Item 5**

NorthWest increased the upfront financial planning fee to \$5,000 for new financial plans going forward.

### **ADV Part 2B**

Advisor Removed:

**Alyssa M. Eckerley**

*Year of Birth:* 1999

*Formal Education after High School:*

- Boyce College; B.S. Degree, Business Administration, 2020

*Business Background for the Previous Five Years:*

- NorthWest Financial Services, Investment Advisor Representative, Investment Committee Member, 06/2021– Present

***We are taking this opportunity to invite you to let us know if you have any “material changes” in your financial situation or investment objectives. You may also let us know if you would like to place any restrictions on your accounts or if you are not receiving regular statements from your account custodians.***

***If you have any questions, please call (317) 844-0448.***

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**3/20/2024**

**FORM ADV PART 2A  
BROCHURE**

**This brochure provides information about the qualifications and business practices of NorthWest Financial Services, Inc. (NWFS). If you have any questions about the contents of this brochure, please contact us at (317) 844-0448. 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 NWFS is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for NorthWest Financial Services, Inc. is 106805.**

**Although NWFS 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.**

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## Advisory Business

Form ADV Part 2A, Item 4

NWFS incorporated in the state of Indiana in October of 1990. Matthew C. Yeiter and Thomas Gross are the principal owners.

Typically, we will gather information from the client through documents, interviews, and other third parties (with the client's permission). We use this information along with the stated goals of the client to create a financial plan. Depending on the client's needs, the plan considers the following:

|                    |                       |                              |
|--------------------|-----------------------|------------------------------|
| Financial Planning | Stock Option Planning | Insurance Analysis           |
| Investment Advice  | Retirement Planning   | Estate Planning              |
| Tax Planning       | Education Funding     | Charitable Giving Strategies |

If the client wants us to implement the plan, we will provide ongoing investment supervisory services and continue to offer financial advice. Although NWFS may offer advice from time to time on other types of investments as part of the financial plan, our primary strategy is investing in mutual funds. We also offer tax preparation services as an additional service for a separate fee.

The value and accuracy of our financial plan depends on the data provided by the client and is specific to each client. Based on information from the financial plan and other assessments of the client's risk tolerance, an investment strategy is created. The client may impose restrictions on investing in certain securities or types of securities; we ask that this be put in writing.

At this time we do not participate in wrap fee programs.

As of December 31, 2023, we manage \$486,821,348 of assets. All assets are managed on a discretionary basis (which means we do not have to contact the client to make investment changes).

## Fees and Compensation

Form ADV Part 2A, Item 5

NWFS charges an initial financial planning fee of \$5,000 which may be credited against future advisory fees. Ongoing advisory services are provided for an annual fee based on a percentage of managed assets as follows (for new and existing clients after 1/1/18):

|                            |      |                                  |
|----------------------------|------|----------------------------------|
| Up to \$1,000,000          | 0.9% | \$9,000 on the first \$1,000,000 |
| \$1,000,000 to \$2,000,000 | 0.7% | \$7,000 on the next \$1,000,000  |
| \$2,000,000 to \$5,000,000 | 0.5% | \$15,000 on the next \$3,000,000 |
| \$5,000,000 and Up         | 0.3% | 0.3% on assets over \$5,000,000  |

Ongoing advisory services are provided to some existing clients (prior to 1/1/18) for an annual fee based on a percentage of managed assets as follows:

|                            |      |                                 |
|----------------------------|------|---------------------------------|
| Up to \$500,000            | 0.9% | \$4,500 on the first \$500,000  |
| \$500,000 to \$1,000,000   | 0.7% | \$3,500 on the next \$500,000   |
| \$1,000,000 to \$2,000,000 | 0.5% | \$5,000 on the next \$1,000,000 |
| \$2,000,000 and Up         | 0.3% | 0.3% on assets over \$2,000,000 |

There is no minimum account size, but a minimum annual fee of \$3,000\* (for existing clients before 1/1/2023) or \$5,000 (for new clients after 1/1/2023) applies in most cases. The above fees are negotiable and sometimes a flat fee may be negotiated. If the client asks us to prepare his/her tax return, we charge a separate fee based on the complexity of the return (generally \$450-\$750).

The advisory fee is billed semiannually based on the market value of assets as of the end of the previous quarter. The client may choose to have us withdraw their fee from their account, or they may choose to pay the fee by check.

\*Note: If the minimum fee applies, your charge as a percent of assets is higher than our standard fee.

Securities are offered through Charles Schwab & Co. (Schwab). Here is a chart showing additional fees the client may pay to Schwab:

| Type of Fee            | Schwab |
|------------------------|--------|
| Commissions            | Yes    |
| Transaction Fees       | Yes    |
| Fund Expenses          | Yes    |
| Custodian Account Fees | No     |

For more information about custodian services, see Item 12. Note: The underlying investment options also have fees. For those fee ratios, see the fund prospectus or other investment materials.

No advisory fees are paid in advance. We start billing at the end of the third quarter after the Investment Advisory Agreement is signed. The client or NWFS may cancel the agreement at any time. The client is not obligated to pay any fee owed at termination but may choose to do so.

Other fees and compensation:

NWFS advisors do not accept compensation for the sale of securities or other investment products through commissions nor through transaction charges. Schwab keeps all commissions and transaction charges instead of passing them on to NWFS. See Item 12 for other benefits we may receive from Schwab. We generally recommend no-load mutual funds because they provide a lower total cost to the client.

Matthew C. Yeiter, Thomas D. Gross, Sarah E. Austin, Rachel L. Leman, Brady G. Webster, and Molly O'Shea may generate tax preparation fees or receive trail commissions as discussed in Item 10. This conflict may be an incentive to place the interests of the advisor above the best interests of the client. It should be noted that:

1. Clients have the option to purchase investment products, insurance products, and tax preparation through other custodians or agents that are not affiliated with NWFS.
2. In 2023, less than 5% of our revenue from advisory clients was derived from insurance trail commissions and/or tax preparation.
3. Our priority is to put the interests of the client ahead of our own interests. Our reputation is more important than additional compensation.

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

Form ADV Part 2A, Item 6

We do not accept any performance-based fees.

## ***Types of Clients***

Form ADV Part 2A, Item 7

Most of our clients are individuals. A small part of our business is providing services to trusts and estates. If a client is also a business owner, we may offer advice relating to the business entity. We do not have a minimum requirement for opening an account, but we do charge a minimum annual fee, as described in Item 5.

## ***Methods of Analysis, Investment Strategies and Risk of Loss***

Form ADV Part 2A, Item 8

### **Methods of Analysis**

**Fundamental analysis** involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Cyclical analysis** is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

### **Investment Strategies**

NWFS constructs portfolios in a two-tiered fashion. The first part is designated to fund near-term cash needs and is therefore held in relatively stable securities (namely money market funds, Certificates of Deposit and short-term Treasury bonds or mutual funds that primarily invest in income-oriented securities). The remainder of the portfolio is then allocated to securities that are more commonly associated with longer-term horizons and will generally include direct or indirect exposure to stocks, commodities, real estate and/or various types of fixed income. Within the longer-term segment, we utilize an active approach to investing. Much of this will be geared toward a value-oriented philosophy, which seeks to purchase investments at a substantial discount to perceived worth. We will also direct money to mutual fund managers whose strategies are flexible in terms of where they invest geographically, what kinds of securities they buy, and the various tactics they may use to protect the portfolio. All securities involve risk of loss of principal, and the client should be prepared to have positions that lose money from time to time.

We tend to invest with a long-term mentality, which leads to our low frequency of trades.

The principal risks for our approach include:

- The risk that securities prices may fluctuate due to economic, industry or company-specific factors

- The risk that selected managers underperform relative to an appropriate benchmark
- The risk that underlying securities do not reach their estimated intrinsic values
- The risk that a particular investment theme does not play out as projected
- The risk that changing interest rates adversely affect bond holdings

We primarily use mutual funds to access various securities markets. There is always a risk we may choose a relatively poor-performing fund. In addition, each fund includes specific risks pertaining to its particular market segment or style. These risks are more fully described in the prospectuses.

### **Risk of Loss**

All investment recommendations and strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear. Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the success of the issuer's operations or its financial condition.

**Strategy Risk:** The Advisor's investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and micro market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

**Turnover Risk:** At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

**Limited markets:** Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

**IRA Rollover Considerations:** We may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice could present a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover

to you for the purpose of generating fee-based compensation rather than solely based on your needs. However, NorthWest typically charges on all assets managed, including 401(k)s and other retirement accounts. Thus, we do not receive additional compensation from recommending a rollover. Additionally, the investment options available to you in your employer's retirement plan may be lower cost than our services. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

### **Risks Associated with Securities**

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Commercial Paper** is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

**Bank Obligations** including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

**Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

**Options and other derivatives** carry many unique risks, including time-sensitivity, and can result in the complete loss of principal. While covered call writing does provide a partial hedge to the stock against which the call is written, the hedge is limited to the amount of cash flow received when writing the option. When selling covered calls, there is a risk the underlying position may be called away at a price lower than the current market price.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

**Investment Companies Risk.** When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock



trading generally. The Adviser has no control over the risks taken by the underlying funds in which clients invest.

### ***Disciplinary Information***

Form ADV Part 2A, Item 9

Neither NWFS nor any of its employees have any criminal or civil action in a domestic, foreign or military court of competent jurisdiction to report.

Neither NWFS nor any of its employees have any administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority to report.

Neither NWFS nor any of its employees have any self-regulatory organization (SRO) proceedings to report.

### ***Other Financial Industry Activities and Affiliations***

Form ADV Part 2A, Item 10

The following employees of NWFS are licensed insurance agents and are involved in tax preparation:

|                   |                  |
|-------------------|------------------|
| Matthew C. Yeiter | Rachel L. Leman  |
| Thomas D. Gross   | Brady G. Webster |
| Sarah E. Austin   | Molly O'Shea     |

These employees maintain insurance licenses for the purpose of analyzing the insurance needs of the client during the financial planning process, not to sell product.

None of our employees are registered, or have an application to register, or have any desire to register or be in association with a futures commission merchant, commodity pool operator, or commodity trading advisor.

All of our employees who are investment advisors/financial planners receive 100% of their compensation as employees of NWFS (in the form of salary, bonuses, and employee benefits). Any trail commissions received from previously sold products as insurance agents are passed from the individual to the Corporation. Tax preparation fees are paid directly to the Corporation. These commissions and fees may be considered when determining the salary of the advisor. This conflict is discussed in Item 5.

We do not generally recommend or select other investment advisors for our clients. If we do not think our firm is a good fit for a particular client, we may recommend someone else, but we do not receive any compensation from those advisors.

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

Form ADV Part 2A, Item 11

NWFS is a fiduciary. Our priority is to put the interests of the client ahead of the company's interests. The long-term reputation of our firm is more important than any compensation or benefit we may receive in the short term by not acting in favor of the client.

Summary of Code of Ethics (CoE): Our CoE is based on the principles of openness, integrity, and acting in the best interests of the client. No officer or employee shall enjoy an actual or apparent benefit over the account of any client. Employees are required to report personal securities transactions quarterly, and these are reviewed by the Chief Compliance Officer for possible conflicts of interest or insider trading. There are some restrictions on employee trading. A copy of the CoE is available upon request.

NWFS and its employees do not recommend to clients, or buy or sell for client accounts, securities in which NWFS or its employees has a material financial interest.

NWFS and its employees, in order to show confidence in its investment choices, do invest in the same securities that it recommends to clients. We may do this without telling the client, but we will not do this if it adversely affects the client. Since we invest primarily in mutual funds, there is not much opportunity for a negative effect on the client. To guard against any conflict, all employees must read and follow the NWFS Written Supervisory Procedures, which contains our Code of Ethics and restrictions on trading.

## **Brokerage Practices**

Form ADV Part 2A, Item 12

We do not hold your assets. Your assets are maintained in an account at a "qualified custodian," generally a broker dealer or bank. We usually recommend that our clients use Schwab, a registered broker-dealer, member SIPC, as qualified custodian. Occasionally, it makes sense for the client to open smaller accounts at a mutual fund company. We also recommend certain 529 plans—all at qualified custodians. We are independently owned and operated and are not affiliated with Schwab or any other custodians. They will hold your assets in an account and buy and sell securities at our direction. While we recommend certain custodians, the client decides whether to enter into an account agreement or not. We assist them in the process.

We seek to use custodians who will hold your assets and execute transactions on terms that are advantageous when compared to other available providers and their services. We consider a wide range of factors, including:

- Capability to buy and sell securities for the client's account
- Capability to facilitate transfers and payments to and from accounts
- Availability of a wide range of investment products
- Quality of services
- Competitiveness of the pricing of services
- Reputation, financial strength, and stability
- Prior service to us and our clients
- Ability to accommodate special transaction needs
- Responsiveness
- Technology
- Other products and services that benefit us, as discussed below.

Schwab does not charge separately for custody services. Schwab retains all of the commissions and transaction charges it receives from activity in your account. Schwab's compensation from our client accounts

was negotiated based on the condition that we maintain a total of at least \$90 million of assets in accounts at Schwab. This benefits the client because the overall commissions and fees they pay are lower than they would be otherwise. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution." (Best execution means the most favorable term for a transaction based on all relevant factors, including those listed above.)

Note: The underlying investment options also have fees as noted in Item 5. NWFS does not participate in these fees.

#### 1. Research and Other Soft Dollar Benefits

##### a. Products and services available to us from Schwab:

Schwab provides us and our clients with access to institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to retail customers. They also offer support services that help us manage or administer our clients' accounts, while others help us manage and grow our business. They are generally available without request and at no added charge. However, Schwab requires our clients collectively maintain a total of at least \$90 million of assets in accounts at Schwab. Otherwise, Schwab may charge us quarterly service fees.

##### b. Services that benefit you:

Schwab's services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products include some to which we might not otherwise have access or that would require a higher minimum initial investment by our clients.

##### c. Services that may not directly benefit you:

Schwab also offers us services that benefit us but may not directly benefit you or your account. These assist us in managing and administering client accounts, such as investment research that we may use to service all or a substantial number of our clients' accounts. We also receive the benefit of software and other technology that:

- Provide access to account data (such as trade confirmations and account statements)
- Facilitate trade execution
- Provide pricing and other market data
- Facilitate payment of our fees from client accounts
- Assist with back-office functions, recordkeeping, and client reporting

##### d. Services that generally benefit only us:

Schwab offers services that help us manage and further develop our business, such as:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Negotiated discounts on various business services, such as shipping and compliance services

Schwab may provide some of these services, or they may arrange for third-party vendors to provide them. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. They may also provide other benefits, such as occasional business entertainment of our personnel.

##### e. Our interest in Schwab's services:

The availability of these services benefits us because we do not have to produce or purchase them. We do not have to pay for Schwab's services as long as our clients keep a total of at least \$90 million of their assets at Schwab. The minimum may give us an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving those 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 is in the best interests of our clients. Our selection is supported by the scope, quality, and price of services as listed above in the factors we

consider when choosing a custodian. Also, since we have well over \$90 million in client assets under management, maintaining this minimum at Schwab does not present a material conflict of interest.

## 2. Custodian for Client Referrals

When we are selecting custodians, we do not consider whether we receive client referrals from that custodian. We have not accepted nor requested any client referrals from Schwab.

## 3. Directed Custodian

We do not recommend, request or require that a client direct us to execute transactions through a specified custodian.

We do not aggregate the purchase or sale of securities for various client accounts. Because mutual funds are our primary investment vehicle, we rarely purchase individual securities. Individual security transactions are usually only required under client-specific circumstances, so the cost of not aggregating is minimal.

## ***Review of Accounts***

Form ADV Part 2A, Item 13

Our Investment Advisors periodically review our client accounts. On at least a quarterly basis, the advisors will review portfolio holdings and compare the clients' target allocations with their actual allocations. More extensive reviews are offered on at least an annual basis and include changes in financial condition which may affect suitability, retirement planning, and other planning as needed. The following advisors review quarterly reports:

Matthew C. Yeiter  
Thomas D. Gross  
Sarah E. Austin

Rachel L. Leman  
Brady G. Webster  
Molly O'Shea

Aaron Pettersen

There are other factors that may trigger a review, such as changes in life situations and changes in financial objectives.

We provide quarterly reports electronically through a client portal. We mail paper reports to clients who do not access the client portal and to clients who request a paper copy. These reports include the client's portfolio holdings, rates of return and asset allocations.

## ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

We receive an economic benefit from Schwab in the form of the support it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. This is described in Item 12. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

We do not directly or indirectly compensate any person who is not an employee for client referrals.

## ***Custody***

Form ADV Part 2A, Item 15

Under government regulations, we are deemed to have custody of client assets because the client authorizes us to instruct Schwab to deduct our advisory fees directly from the client's account. Schwab maintains physical custody of the assets. They will send account statements to the email or mailing address the client provides (or make statements available electronically) at least quarterly.

We are deemed to have custody of client accounts if they have a Standing Letter of Authorization (SLOA) to allow money movement to a third party. Schwab considers a third-party movement any movement of assets to a non-identically registered account. This would include movement of assets to bank accounts, internal Schwab accounts, and wires. While NorthWest is deemed to have custody over SLOA accounts at Schwab, they are not subject to the surprise audit.

We are also deemed to have custody if (when given permission) we are able to access clients' retirement, 529, and other accounts, using the login information they provide to us, in order to download statements, change addresses, or enact trades in the accounts. The various custodians maintain actual custody of the assets. They provide account statements to the client at least quarterly. (Exception: CollegeChoice will only provide statements if there has been activity in the account.). We are subject to an annual surprise audit by an independent accounting firm for these custody accounts.

We do not receive communications or confirmations from these custodians, so the client must advise us of any trading parameters, changes in the plan, or client-initiated trades. We will not be responsible if the client fails to notify us.

We send our own quarterly summary reports to the client, and we urge the client to compare the account statements they receive from the qualified custodian with those they receive from us.

## ***Investment Discretion***

Form ADV Part 2A, Item 16

NWFS has discretionary authority with respect to client accounts, as detailed in the Investment Advisory Agreement. Such authority allows us to direct the purchase or sale of securities and amount of securities, or place trade orders for execution without the prior approval of the client. Discretion is used on a limited basis and is generally confined to discretionary purchases or sales of mutual funds according to the client's asset allocation. Clients may impose limitations or restrictions on discretion, but we request they do it in writing. Clients agree to the custodian we recommend by signing the custodian's account applications.

## ***Voting Client Securities***

Form ADV Part 2A, Item 17

NWFS does not have the authority to vote client securities. Clients may receive proxies or other solicitations directly from the custodians or agents. We will not advise clients on how to vote their proxies. If we receive any proxy proposals or legal proceeding materials for a client, we will forward the materials to the client.

### ***Financial Information***

Form ADV Part 2A, Item 18

NWFS does not require or solicit prepayment of any fees.

NWFS does have discretionary authority over client accounts.

NWFS has no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients. We have not been the subject of a bankruptcy proceeding.

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[www.northwestfinancial.net](http://www.northwestfinancial.net)

3/20/2024

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

**This brochure supplement provides information that supplements the NorthWest Financial Services, Inc. brochure. You should have received a copy of that brochure. Please contact our office at the above number if you did not receive NorthWest Financial's brochure or if you have any questions about the contents of this supplement.**

**Additional information about NWFS is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

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## ***Educational Background and Business Experience***

Form ADV Part 2B, Item 2

### **Matthew C. Yeiter, CFP®**

*Year of Birth:* 1989

*Formal Education after High School:*

- Cedarville University, B.A. Degree, Finance and Marketing, 2011

*Business Background for the Previous Five Years:*

- NorthWest Financial Services, Investment Advisor Representative, Investment Committee Member, 06/2011 – Present
- President of NorthWest Financial Services, 12/2020 - Present

### **Thomas D. Gross, CFP®**

*Year of Birth:* 1989

*Formal Education after High School:*

- Taylor University, B.S. Degree, Management/Systems, 2011

*Business Background for the Previous Five Years:*

- NorthWest Financial Services, Investment Advisor Representative, Investment Committee Member, 06/2011 – Present
- Vice President of NorthWest Financial Services, 12/2020 - Present

### **Aaron J. Pettersen, CFA, CFP®**

*Year of Birth:* 1976

*Formal Education after High School:*

- Cedarville University, B.A. Degree, Finance and Accounting, 1998

*Business Background for the Previous Five Years:*

- NorthWest Financial Services, Chief Compliance Officer, Chief Investment Officer, Investment Committee Chairman, 06/1998 – Present
- Secretary of NorthWest Financial Services, 12/2020 - Present

### **Sarah E. Austin, CFP®, EA**

*Year of Birth:* 1994

*Formal Education after High School:*

- Cedarville University, B.A. Degree, Business Finance, 2015

*Business Background for the Previous Five Years:*

- NorthWest Financial Services, Investment Advisor Representative, Investment Committee Member, Compliance Officer, 01/2016 - Present

### **Rachel L. Leman, CFP®**

*Year of Birth:* 1995

*Formal Education after High School:*

- Olivet Nazarene University, B.S. Degree, Accounting, 2017

*Business Background for the Previous Five Years:*

- NorthWest Financial Services, Investment Advisor Representative, Investment Committee Member, 06/2017 – Present

**Brady G. Webster, CPA, CFP®**

*Year of Birth:* 1988

*Formal Education after High School:*

- Grand Valley State University, B.A. Degree, Advertising and Public Relations, 2011
- Kelley School of Business at Indiana University, M.S. of Accounting, 2014

*Business Background for the Previous Five Years:*

- NorthWest Financial Services, Investment Advisor Representative, Investment Committee Member, 01/2020– Present
- Probo Medical, Assistant Controller, 07/2016 - 12/2019
- BKD LLP, Auditor, 01/2015 - 06/2016

**Molly O'Shea**

*Year of Birth:* 1990

*Formal Education after High School:*

- Illinois State University; B.A. Degree, Sociology, 2012

*Business Background for the Previous Five Years:*

- NorthWest Financial Services, Investment Advisor Representative, Investment Committee Member, 11/2021– Present
- Two Five Apparel, Sales Representative, 08/2014 – 10/2021

*Certifications:*

- **Certified Financial Planner, CFP®**

Accredited by the National Commission for Certifying Agencies (NCCA), this designation is issued by the Certified Financial Planner Board of Standards, Inc. (CFPBS) and is granted to individuals who complete a CFP Certification Examination as well as to meet the following prerequisites: bachelor's degree from an accredited college or university and two years of full time personal financial planning experience. In order to qualify, the candidate must complete a CFP-board registered program. Once issued, the candidate is required to complete 30 hours of continuing education every two years and must continuously meet the standards administered by CFPBS.

- **Chartered Financial Analyst, CFA**

This designation is issued by the CFA Institute and is granted to individuals who meet one of the following prerequisites: possess an undergraduate degree and four years of professional experience of investment decision making; or four years of qualified work experience (full time, but not necessarily investment related). The candidate is required to follow a self-study program involving 250 hours of study for each of the following three disciplines: Level One: Ethics & Professional Standards; Level Two: Investment Tools & Asset Classes; and Level Three: Portfolio Management & Wealth Planning. Once the designation is issued, no further Continuing Education is required.

- **Certified Public Accountant, CPA**

While each state regulates some rules and transferability of the CPA designation, the American Institute of Certified Public Accountants (AICPA) issues this certification to individuals who pass the Uniform Certified Public Accountant Examination, have 150 semester units of college education, and who have at least one year of accounting related experience. The test is administered by the National Association of State Board of Accountancy (NASBA) and covers audit and attestation, financial accounting and reporting, regulation, and business environment concepts. Continuing education requirements vary by state. Indiana requires 120 continuing education hours every 3 years.

- **Enrolled Agent, EA**

An enrolled agent is a person who can represent taxpayers before the IRS by either passing a three-part comprehensive IRS test or through experience as a former IRS employee. The three-part exam covers personal tax returns, business tax returns, and IRS administration and tax forms. Enrolled agent status is the highest credential the IRS awards. An enrolled agent must adhere to ethical standards and

complete 72 hours of continuing education courses every three years. Enrolled agents, like attorneys and certified public accountants (CPAs), have unlimited practice rights. This means they are unrestricted as to which taxpayers they can represent, what types of tax matters they can handle, and which IRS offices they can represent clients before.

### ***Disciplinary Information***

Form ADV Part 2B, Item 3

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. There is no information to report for this item.

### ***Other Business Activities***

Form ADV Part 2B, Item 4

Matthew C. Yeiter, Thomas D. Gross, Sarah E. Austin, Rachel L. Leman, Brady G. Webster, and Molly O'Shea are licensed insurance agents. Any commission they may receive for the occasional sale of life insurance is passed through to NWFS. NWFS may take into account the amount of commission received when compensating the advisor. This is a conflict of interest because it is an incentive to recommend products based on commissions received rather than the client's needs. Insurance commissions are less than 0.1% of overall revenues.

Matthew C. Yeiter, Thomas D. Gross, Sarah E. Austin, Rachel L. Leman, Brady G. Webster, and Molly O'Shea are involved in tax preparation for NWFS clients. NWFS may take into account the amount received for tax preparation when compensating the advisor. This is a conflict of interest because it is an incentive to recommend tax services based on fees received rather than the client's needs. Tax preparation fees are less than 5% of overall revenues.

The advisors are not engaged in any other substantial business or occupation for compensation not discussed above.

### ***Additional Compensation***

Form ADV Part 2B, Item 5

NWFS does not receive any other economic benefit (from someone who is not a client) for providing advisory services.

### ***Supervision***

Form ADV Part 2B, Item 6

Aaron J. Pettersen, Thomas D. Gross, Sarah E. Austin, Rachel L. Leman, Brady G. Webster, and Molly O'Shea are supervised by Matthew C. Yeiter, President (317-844-0448). Matthew C. Yeiter is supervised by Aaron J. Pettersen. NWFS is subject to audit by the U.S. Securities and Exchange Commission (SEC). In addition, because of custody rules, NWFS is subject to an annual surprise audit by an independent accounting firm.