



T H E I N S T I T U T E

## The Institute for Wealth Management, LLC

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This brochure (hereinafter referred to as the “Brochure”) provides information about the qualifications and business practices of The Institute for Wealth Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (303) 572-3500 or [info@instituteforwealth.com](mailto:info@instituteforwealth.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

The Institute for Wealth Management, LLC is a registered investment adviser. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Additional information about The Institute for Wealth Management, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable Investment Adviser Registration Depository (IARD)/Central Registration Depository (CRD) number for The Institute for Wealth Management, LLC is 127207.



## Item 2—Material Changes

The material changes in this brochure from the last annual updating amendment of Institute for Wealth Management, LLC (“IWM”) on 03/08/2023 are described below. Material changes relate to Wealth Management, LLC (“IWM”)’s policies, practices or conflicts of interests only. Non material changes relate to our services.

We will provide prospective and current clients with our current Brochure at any time without charge, upon request.

- Institute for Wealth Management has added a cash management service. (Items 4 & 5)
- Institute for Wealth Management is no longer offering a wrap fee program (Items 4 & 5).
- Institute for Wealth Management has updated its fees. (Item 5).
- Institute for Wealth Management has disclosed regulatory matters pertaining to one of its registered investment advisors. (Item 9).
- Institute has added additional risks associated with the purchase of Leveraged/Inverse ETFs and Mutual Funds. (Item 8).
- Institute for Wealth Management claims custody for the Madison Park Harbor Fund. (Item 15).
- Institute for Wealth Management, LLC (“IWM”) has updated their primary office address (Front Page).

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## Item 4—Advisory Business

### A. Firm Background

IWM is an SEC-registered investment adviser. IWM is a privately held Delaware limited liability company, which was founded in 2003. IWM is wholly owned by The Institute for Wealth Holdings, Inc. (“IWH”), which is principally owned by Mr. Matthew Medeiros. IWM is referred to as “The Institute”. Mr. Medeiros is the President and Chief Executive Officer (“CEO”) of IWM and IWH.

IWM has individuals registered as Investment Adviser Representatives (“IARs”), all of whom offer IWM’s services to clients and prospective clients. IARs registered with IWM are referred to herein as “IARs”. IARs remain subject to oversight and supervision by IWM with respect to the services that they provide to IWM’s clients.

Certain IARs are independent contractors of IWM, and they may operate under a separate business name or Doing Business As (“DBA”) name. The DBA name of an IAR can be found in the Form ADV Part 1, Schedule D, Section 1.B, “Other Business Names” of IWM. Account statements and marketing materials provided to IWM’s clients may include the DBA name and logo associated with the DBA name of the IAR or group of IARs that services the relevant client.

In client written investment advisory agreements with IWM (the “Client Agreements”), clients acknowledge that their accounts will be serviced by IWM and a specific IAR, if applicable.

When properly disclosed to The Institute as outside business activities, IARs may themselves provide other products and services through their DBAs to third-parties and individuals that are not clients of, or affiliated with, The Institute. Those products and services are unrelated to The Institute, and are not associated with or supervised by The Institute.

### B. Advisory Services via Managed Accounts

Each client enters into a Client Agreement whereby the client engages IWM and a specific IAR to provide investment advisory services to the client. Within its Client Agreement, each client chooses whether to (1) have IWM provide all investment advisory services, with the IAR providing only client servicing and not having authority to make investment decisions or trade on behalf of the client’s account (this option (1) is referred to below as “IWM as PM”); or (2) have the IAR serve as the portfolio manager for the client’s account, with full investment discretion of the client’s account, implementing a version of IWM’s proprietary investment program that is tailored to the specific investment objectives chosen by the client (this option (2) is referred to below as the “Rep as PM”).

Item 8 below (“Methods of Analysis, Investment Strategies and Risk of Loss”) describes IWM’s investment program, including a full list of strategies along with certain risks associated with those strategies. IWM’s Global Capital Markets Committee (the “Investment Committee”) utilizes a team approach to build a model portfolio for each strategy. The Investment Committee is led by Mr. Medeiros and consists of employees of the Institute, certain IARs, and individuals selected to act as outside consultants to the Investment Committee due to specific knowledge or skills that the Investment Committee believes add value to the investment selection process. IWM may also engage from time to time unaffiliated investment managers to help advice on, and construct, the models and portfolios for certain strategies, including advising on specific client accounts. IWM pays any

such unaffiliated investment manager directly, without increasing clients' fees. IWM relies on a combination of both fundamental and technical indicators when making decisions regarding any of its strategies. Please see Item 8 ("Methods of Analysis, Investment Strategies and Risk of Loss") for additional details regarding the Investment Committee and Item 10 ("Other Financial Industry Activities and Affiliations") regarding potential conflicts with certain members of the Investment Committee.

When a client selects IWM as PM, IWM will have full discretion to trade the client's account and will do so in accordance with the models approved by the Investment Committee, as described above. When a client selects the Rep as PM, IWM and the IAR will both have authority to trade the client's account, but the IAR will be responsible for all investment decisions and will have significant flexibility in providing tailored individualized investment advice to clients. Reps as PMs may invest in accordance with the models developed by IWM's Investment Committee, choose a combination of assets and investments from within IWM's models, or choose investments outside of IWM's models and strategies, as disclosed by the IAR to the relevant client. IWM may provide Reps as PMs with operational and back office support, including trade execution, in connection with the execution of a client's investment program. IARs are required by applicable rules and policies to obtain licenses and complete training to recommend certain investment products and services. Therefore, certain IARs may be unable to recommend investments, models or services that are otherwise approved and available from IWM. Clients should ask their IAR about the investments, models, and services as they are licensed to sell prior to engaging the IAR. For more information on the IARs and the Rep as PM services, clients should refer to the Brochure Supplement for each IAR. The Brochure Supplement is a separate document that is provided by each IAR along with this Brochure before or at the time a client engages the IAR and IWM. Clients may contact IWM, at [info@instituteforwealth.com](mailto:info@instituteforwealth.com), to get copies of the most recent Brochure Supplement for any or all IARs any time without charge.

### C. Financial Planning Services

Through IARs, IWM offers financial planning services to clients of IWM. Financial planning services generally include an analysis of a client's overall financial condition and investment needs; an analysis of net worth, asset distribution, asset growth and cash flow; and estate planning, retirement and other funding needs. IARs may also provide limited scope and consultation services focusing on specific areas of client concerns (i.e. portfolio review and evaluations or education funding planning). Limited scope and consultation services may not take all important financial issues into consideration.

IWM's financial planning services are tailored to the needs of the client and may vary from informal advice in connection with IWM's investment advisory services (for clients that have entered into Client Agreements) to a formal written financial plan developed by the IAR, in consultation with the client, and used for the term of the engagement. It should be understood by clients that proper financial planning is not a one-time event, and that as their circumstances change, their investment goals and opportunities may change as well.

As part of the financial planning services offered, certain conflicts exist (as discussed throughout this Brochure) between the interests of IWM and the interests of clients because the financial plans may recommend investments that can be affected through IWM's investment advisory services. However, clients are under no obligation to act upon any financial planning recommendation made, to implement any recommendations through IWM, or engage IWM for overall investment advisory services. If a financial planning client chooses to implement a recommendation through IWM pursuant to a Client Agreement, the IAR, in its discretion, may elect

to waive or reduce the financial planning or consultation fees by the amount of the fees received for investment advisory services under the Client Agreement.

#### **D. Wrap Fee Programs**

IWM no longer offers a wrap fee program.

#### **E. Advisory Services to Private Funds**

IWM serves as investment adviser for Madison Park Harbor Fund LP (the “Fund”). The Fund is a private investment fund, operated by Madison Park Fund Advisors, LLC (“Madison Park”) as general partner. The principals of Madison Park are Mr. Randall Buck and Mr. Patrick Donnelly. Mr. Buck also serves as portfolio manager of the Fund. Mr. Buck and Mr. Donnelly are IARs and independent contractors of IWM. As portfolio manager of the Fund, Mr. Buck exercises primary investment advisory responsibility over the Fund, pursuant to the investment program disclosed to investors in the Fund’s offering documents.

#### **F. Client Imposed Restrictions**

Investment selections for a client account are determined by IWM as PM or the Rep as PM (depending on the option chosen by the client). A client may impose reasonable restrictions on investing in certain securities or groups of securities for the client’s account, in accordance with the relevant Client Agreement. Most clients do not restrict the types of investments that IWM or the IAR, as applicable, can make on their behalf. In general, investments held in client accounts may include, and are not limited to, exchange-traded funds (“ETF”), exchange-traded notes (“ETN”), mutual funds, structured notes, single-stock equities, bonds, options, other fixed income securities, variable annuity sub-accounts, REITs, and other private offerings. The actual assets held in client accounts are reported to them in the account statements they receive.

#### **G. Sub-Advisor and Signal Services**

IWM may also act as a sub-advisor (assisting a third-party investment adviser with the management of such adviser’s client portfolios) and signal provider (providing proprietary trading information, called signals, to third-party investment advisers). These third-party advisers outsource portfolio management and/or portfolio strategist services to IWM. Each such relationship will be memorialized in a contract between IWM and the third-party adviser. Such contracts are usually terminable with or without cause at any time upon written notice to IWM at least 24 hours in advance of the next trading session. The termination of the third-party adviser by its client will automatically terminate IWM’s role as the sub-advisor. IWM does not contract directly with any of the clients of the unaffiliated investment advisers for which IWM serves as sub-advisor or signal provider.

#### **H. Cash Management**

Upon client request or through our financial planning results, we will make available cash management services. These services are outside of our portfolio management but made available through our firm.

Currently, IWM makes available to clients the FICA For Advisors cash management program (“FICA Program”) offered by StoneCastle Network, LLC (“StoneCastle”), an affiliate of StoneCastle Cash Management, LLC. The FICA Program allows clients the ability to protect their money by placing it in deposit accounts at banks, savings institutions, and credit unions (collectively, “Insured Depositories”) in a manner that maintains full insurance of the funds by the Federal Deposit Insurance Corporation (“FDIC”) or National Credit Union Administration

("NCUA"), whichever is applicable. Funds will be deposited within StoneCastle's network of Insured Depositories ("Deposit Network"). StoneCastle requires no minimum deposit to open a FICA Program account. IWM may earn a fee from StoneCastle if clients participate in this program. IWM will assist clients in signing up for this program and facilitating the transfer of funds between the client's like-named accounts. (See fees for Cash Management in Item 5.)

## **I. Client Assets Under Management**

As of December 31, 2023, IWM managed \$ 919,239,393.00 in discretionary assets and \$7,677,305.00 in non-discretionary assets. Certain assets are included as non-discretionary assets as The Institute believes it arranges for the purchase or sale by inputting trade information directly onto each platform's online trade system. The aggregate of the above numbers reflects IWM's total Regulatory Assets Under Management of \$ 926,916,698.00

## Item 5—Fees and Compensation

### A. Compensation and Fee Schedule

*Investment Advisory Services* – Fees are negotiable from client to client and are tailored to the specific services that IWM and the IAR, as applicable, will provide to the client. The fee is negotiated between the IAR and the client, and the amount of the fee, as well as how IWM and the IAR may share the fee, is stated in the Client Agreement. In general, the maximum total fee that IWM may charge its advisory clients is 2.00% per annum of a client's assets under management, although certain clients may agree to a higher fee in certain limited circumstances. IWM or an IAR, if applicable, may choose, in their discretion, to waive all or portions of their fee for a specific client. It should be expected that advisory fees will vary, materially and substantially, among IWM's clients based on a variety of factors.

*Investment Advisory Services for the Fund* – IWM charges the Fund an annual fee of 0.80% of the Fund's total average annual net assets, calculated and paid quarterly.

*Financial Planning Services* – IWM charges a flat fee between \$1,000 and \$10,000 per engagement or an hourly fee depending on the level of service agreed to by the client. The financial planning consulting services may be complimentary and at no cost for certain clients with a broader relationship with IWM, including those who are or become investment advisory clients. Any such fee waivers will be determined on a case-by-case basis at IWM's sole discretion. For financial planning clients who do not have an advisory agreement with IWM, the financial planning consulting services fee is collected upon execution of the financial planning consulting agreement, which is before the financial plan is delivered to the client. IWM generally seeks to provide the financial plan to its clients within weeks of receiving all required documents. IWM may provide the financial planning consulting service to unaffiliated advisors, rather than to clients directly, and such advisors may pay the applicable fees.

### B. Deduction of Advisory Fees

Client fees are most often direct-debited from client accounts by assigned custodians. Fees are calculated and assessed either monthly or quarterly, in advance, based on the market value of the assets in client accounts as of the last business day of the preceding month or calendar quarter, as applicable. The investment advisory fee assessed on contributions into a client account during a calendar month or quarter, as applicable, will be prorated based on the number of days remaining in the month/quarter at the time of contribution. Fees are assessed on all assets under management, including securities, cash, and money market balances.

### C. Optional Additional Benefit: Stand Alone Longevity Benefit

Through a partnership with Merit Life Insurance Co., qualifying clients can purchase income protection insurance on certain IWM portfolios. Merit Life offers a fixed contingent deferred annuity ( "CDA" ), an insurance product that establishes a life insurance company's obligation to make periodic payments for the annuitant's lifetime at the time designated investments, which are not owned or held by the insurer, are depleted to a contractually defined amount due to contractually permitted withdrawals, market performance, fees and/or other charges. A CDA effectively establishes a lifetime income floor, which protects the annuitant from depletion of an account due to adverse market movements or increased longevity. This is because the underlying investment account remains the property of the account owner, and if the value of the investment increases in an amount that is greater than that required to cover the approved withdrawals over the course of the annuitant's life, the account owner or the owner's heirs will realize that benefit of any appreciation in their account. A CDA will provide regular periodic payments to the annuitant upon the occurrence of certain specified conditions (such as the annuitant's



account being reduced to zero through permitted withdrawals) which are described in the related CDA contract. The annuitant's investment account remains owned and controlled by the purchaser.

IWM receives no additional remuneration from this purchase, outside of the asset management fee on the underlying portfolio selected.

#### **D. Advanced Billing of Fees and Client Refunds**

Clients may be billed monthly or quarterly in advance, as set forth in the relevant Client Agreement. If a client has prepaid advisory fees and then chooses to terminate IWM's management of the account prior to the month- or quarter-end, the client is entitled to receive a prorated refund of the fees for the days remaining in the month or quarter. A client may terminate the account by notifying IWM or the IAR, or by notifying the custodian and delinking the account from IWM, but subject to any notice provisions or requirements in the Client Agreement. The reimbursement due will be calculated by multiplying the advisory fee that was debited at the beginning of the month or quarter by the number of days remaining in the month or quarter from the date the account was transferred or distributed divided by the total number of days in the month or quarter. Such refunds are calculated and submitted on a monthly or quarterly basis depending on the fee arrangement with the client.

#### **Other Fees**

Custodian fees are independent of our fees and should be disclosed to you by your custodian.

Unless stated in the Client Agreement, IWM's investment advisory fees do not cover any applicable trading costs. Clients will incur brokerage and other transaction costs, and those fees will be reflected in the custodian statements. Please refer to Item 12 of this Brochure for a description of IWM's brokerage practices.

In addition, fees paid to IWM by clients are separate from any fees and expenses charged by the individual investments, such as the ETFs, ETNs, Mutual Funds, Structured Notes, or Private Placements held in client accounts. Clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions. These additional charges may include: securities brokerage commissions, redemption fees, transaction fees, custodial fees, management fees charged by the managers of private placement or other underlying assets, margin costs, deferred sales charges, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. A complete explanation of the fees and expenses charged by each individual investment is available in the prospectus or offering document for that investment. Clients should contact their custodians to obtain copies of these documents.

If a client chooses to enroll in the Merit Insurance option, there may be a fee associated with this purchase. The Institute may facilitate enrollment.

#### **E. Sub-Advisor and Signal Service Fees**

When acting as sub-advisor or signal provider to unaffiliated investment advisers, IWM receives a fixed asset-based fee according to assets under advisement. These fees are payable to IWM by the third-party adviser, not directly by the clients of the third-party adviser. The fees charged are negotiable. These fees vary based on the amount of assets under advisement and the complexity of selected trading programs. Sub-advisory service fees range from 20-30 basis points annually of assets under advisement. Signal service fees range from 10-15 basis points annually of signal applied assets. The Institute does not directly contract with and/or bill third-party

advisor/signal clients. IWM will invoice third-party advisers for such fees, as provided by contract between IWM and the applicable third-party adviser. If the agreement between IWM and the third-party adviser terminates, the unaffiliated third-party advisor will pay the prorated portion of the fees as of the termination date.

## **F. Cash Management Fees**

Cash Management can be provided as an additional service as needed. Upon client request, advisor provides cash management services, including maintaining cash reserves or systematic withdrawals more frequently than semi-annually. In order to make a clear distinction between invested assets and short-term reserves, and in order not to distort the investment performance of the investment portfolio, these services will be provided through the means of a separate Stone Castle account registered in the client's name. For these services, these client accounts will be billed a flat rate of 0.10% per annum on the total market value of the account based on data provided by the account custodian and usually deducted directly from the account. This fee is separate from any fees assessed on the investment portfolio. Assets within the StoneCastle account are not included as assets under management with IWM nor assessed an asset management fee.

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

IWM does not charge its clients any performance-based fees. The Fund does not pay IWM any performance-based compensation, although the Fund does pay its general partner an incentive fee. Mr. Randall Buck, a principal of the general partner and portfolio manager of the Fund, is an IAR with IWM. Therefore, although IWM does not directly receive the incentive fee, there could be a conflict of interest between the side-by-side management by Mr. Buck of the Fund and the IWM clients that do not pay performance-based compensation. Performance-based fees and allocation arrangements may create an incentive for an investment adviser to recommend investments that may be riskier or more speculative than those that are recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee-paying accounts over other accounts that use the same investment strategy but charge only an asset-based fee. This incentive could cause an investment adviser to allocate the “best” investment opportunities only to the higher-fee account and the better-executed trades to the higher fee account.

## Item 7– Types of Clients

IWM generally provides investment advice to individuals, trusts, estates, 401(k) plans, pension and profit sharing plans, charitable organizations, corporations, state and municipal entities, and other business entities. IWM also provides sub-advisory services to unaffiliated investment advisers and serves as the investment adviser of the Fund.

In general, IWM requires a minimum initial account value of \$100,000; however, IWM may accept accounts for less than the minimum. When IWM elects to accept accounts for less than the minimum, there may be a fee increase but not to exceed the maximum fee of 2.00%.

IWM does not set, nor can it waive, the minimum investment size with respect to the Fund.

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

### A. General

As described in Item 4 (“Advisory Business”), IWM’s clients, in their Client Agreements, elect IWM as PM or a Rep as PM. When a client selects IWM as PM, IWM invests the client’s account in accordance with the models and strategies approved by the Investment Committee. When a client selects the Rep as PM, the IAR is responsible for all investment decisions and will have significant flexibility in providing tailored individualized investment advice to clients. Reps as PMs may invest in accordance with the models developed by IWM’s Investment Committee, may choose a combination of assets and investments from within IWM’s models, or may choose investments outside of IWM’s models and strategies, as disclosed by the IAR to the relevant client. The Investment Committee utilizes a team approach to build a model portfolio for each strategy and relies on a combination of both fundamental and technical indicators when making decisions regarding these strategies.

### B. Investment Strategies

IWM’s strategies and sub-strategies as of the date of this Brochure are summarized below. The descriptions of IWM’s strategies should not be understood to limit in any way the potential scope of IWM’s or the Rep as PM’s investment activities or the securities, instruments or other assets in which client accounts may invest. Strategies and sub-strategies may be recategorized from time to time. Clients may obtain an updated list of all available strategies or sub-strategies at any time, upon request. Investors in the Fund should review fully the description of the Fund’s investment program described in the Fund’s offering documents, as it may be materially different from the strategies described below.

The Institute’s investment methodology begins with clients’ specific needs and risk tolerances. Careful attention is paid to individual goals to balance capital preservation with growth potential. Our unique portfolio design approach utilizes a macro view that incorporates both in-house and external portfolio managers. In sum, we strive to produce portfolios appropriate for each individual client via effective and easy to adopt investing strategies.

### I. Complete Portfolios Global Impact:

Our flagship total portfolio solution incorporates the best of our strategic and tactical methodologies. Core holdings feature Environmental, Social and Governance-focused Exchange Traded Funds (ETFs), that are strategically allocated using the well-proven tenants of diversified market portfolio theory across global equities, fixed income, and alternative asset classes to maximize the reward versus risk ratio of each portfolio component.

Trading more tactically are the program's satellite positions, where only the strongest ETF candidates among stock sectors, styles, countries, and fixed income are held according to our selection algorithms. Each of the satellites may incorporate cash-like holdings in the event no ETFs meet our stringent criterion, potentially preserving capital during unfavorable market environments. Global Impact allocates 60% to core positions, and 40% to tactical satellites. It is appropriate for accounts \$100,000 and larger, and is available for Conservative-, Moderate- and Growth-oriented client goals.

#### **Global Strategic Strategy:**

As of May 15, 2021, IWM no longer offers the Global Strategic Strategy. Although current client's may still be invested in this passive, low-cost strategic asset allocation constructed from the Vanguard family of funds, managed on a discretionary basis. Global Strategic combines enhanced portfolio construction concepts with low-cost securities to capture the long-term performance of a globally diversified portfolio with exposure to domestic equities, international equities, emerging market equities, fixed income, real estate, commodities, and cash/money market. (Global Impact is replacing Global Strategies Strategy).

#### **Global ESG Core:**

Provides balanced strategic solutions for investors focused on socially responsible ETFs that apply Environmental, Social and Governance screens in their individual construction. We believe that companies can increase profitability and long-term growth by utilizing sustainable efforts, investing and maintaining talented people and implementing good corporate governance.. IWM applies institutional-style market portfolio theory to allocate among these ETFs targeted within domestic, international, and emerging nation stock, bond, and alternative 'green' asset classes. This management style typically conducts semi-annual rebalances to keep portfolios in-line with desired investment objectives in a manner that maximizes the anticipated reward to risk ratio. Global ESG Core is appropriate for accounts \$50,000 and larger, and is available for Conservative-, Moderate- and Growth-oriented client goals. (fka; Impact Investment Strategy (SRI)).

## **II. TACTICAL STRATEGIES**

**Sector Rotation:** A rules-based strategy that seeks to preserve capital by closely observing sector behavior and adjusting market exposure accordingly. The program is an active, tactical strategy designed to capture a proportionate share of market upside in bull markets, while reducing participation in bear markets by holding above-average cash or money market-like balances when any of the eleven tracked sectors is underperforming. In addition, it may emphasize core exposure to either the S&P 500 or the Nasdaq 100 depending on prevailing market dynamics.

Proprietary quantitative entry and exit criteria are used to manage risk, determine sector

weightings, and when to increase or decrease cash/money market balances using ETFs. The strategy may be appropriate for investors with a Growth objective and a 3–5-year horizon, although other objectives may be addressed by blending Sector Rotation with IWM's MoneyPlus Strategy. MoneyPlus invests in cash and fixed income mutual funds and ETFs, featuring a lower duration than traditional bond benchmarks

**Alternative Income:** Provides exposure to a variety of asset classes that feature reduced correlation to equities. The portfolio is designed to provide the potential for income across a breadth of interest rate environments, and may include tactical bond and buffered note funds, precious metal, treasury inflation protected security, and other ETFs along the credit and duration spectrum as a stand-alone, liquid alternative to traditional bond portfolios placing a premium on downside protection.

The approach may be blended with more stock-centric holdings, providing income while offsetting equity risk with reduced interest rate-sensitivity as compared to traditional bond-only portfolios. Alternative Income is most appropriate for accounts \$50,000 and higher and can be used in conjunction with other strategies for added diversification.

### III. Targeted Approaches:

**Dynamic Equity Growth** invests in portfolio of twenty-five growth stocks based on a combination of tested fundamental and technical screens. Although the approach filters for growth companies among diversified industries and capitalizations, the final selection focuses on lower volatility candidates, reducing the daily noise often associated with this category of high-flying stocks. Equally important, a robust sell-discipline helps to manage the potential for downside risk in today's fast-moving markets. Holdings are reassessed quarterly, making this an active strategy for the growth portion of an overall diversified portfolio design for accounts \$100,000 and larger.

**Dynamic Equity Income** invests in portfolio of twenty-five high income stocks based on a combination of tested fundamental and technical screens. While higher than average yield is a goal, the approach also ranks on total return to avoid value traps and companies that offer yields that enticing, but otherwise 'too good to be true'. Equally important, a robust sell-discipline helps to manage the potential for downside risk in today's fast-moving markets. Holdings are reassessed quarterly, making this an active strategy for the growth portion of an overall diversified portfolio design for accounts \$100,000 and larger.

**MoneyPlus** seeks to manage duration while maximizing income. It incorporates a diversified set of varying maturities and credit qualities, striving to enhance yield within a risk-managed framework. In addition to serving as a standalone strategy for Defensive and Conservative investors with a short-term investing horizon, the strategy may also act to reduce total risk as a component within a portfolio containing riskier assets, such as stocks, while also producing yield.

**Signature Portfolios:** As markets bound ever higher in our current low interest rate environment, many investors are acutely aware that forward gains could become increasingly challenging to come by for both stocks and bonds alike. Similarly, traditional stock and bond combinations may be less effective than they have been in the past at reducing portfolio risk (**Signature 5 Series Strategy**).

At IWM, we've found our more conservative, sophisticated investors are particularly concerned about the timing of their spending needs in addition to the production of income. Our Signature Portfolios are designed to address both these concerns, allowing clients to remain fully invested while being proactive in protecting capital while producing income by using diversified structured products in combination with our time-tested Sector Rotation program.

#### **The Siegel-Wisdom Tree Longevity Model Portfolio**

The collaboration with Professor Siegel brings a unique solution to investors with mid-to long-range time horizons who are trying to balance current income needs with longevity risk. The Siegel-WisdomTree Longevity Model Portfolio was designed to outperform the traditional 60/40 portfolio in a risk-conscious manner by structurally allocating more toward equities over fixed income and tilting toward factors such as dividend yield and low P/E ratios to seek higher income generation and outperformance potential. This model is strategic in nature, but also reflects tactical tilts based on market conditions. The strategy may include both WisdomTree and non-WisdomTree ETFs.

## C. Risk of Loss

Described below are what IWM believes are the material risks of its investment program, but this section does not attempt to identify every risk or to describe completely those risks it does identify. In particular, this Brochure does not include a description of any strategies employed, or investment made, by Reps as PMs that are outside of IWM's stated investment program. Reps as PMs may pursue different strategies, with different risks, than those described below. The risks described below or others could result in significant losses or even a complete loss of clients' investments. Clients should be prepared to bear all of the risks described below and others if they invest with IWM. Clients should discuss with their IARs any questions regarding the investment strategies employed for their particular accounts and their applicable risks.

An understanding of risk in different forms can help clients to understand the opportunities, trade-offs and costs involved with different investment approaches. The principal risk of any investment is that, despite any comprehensive analysis, the security will not perform as expected. This can be due to, among other things:

*Market Risk:* The success of investment activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws, trade barriers, currency fluctuations and controls, and national and international political circumstances. These factors may affect the level of volatility of securities prices and the liquidity of investments in client portfolios. Such volatility or illiquidity could impair profitability or result in losses.

*Management Risk:* Certain strategies are actively managed, and their performance therefore will reflect in part IWM's and the Rep as PM's ability to make investment decisions that are suited to achieving an account's investment objective. Due to its active management, an account could underperform investments with similar investment objectives.

*Investment Selection:* The investments chosen for clients may decline in value. Investment selection risk may cause an account to underperform other accounts with a similar investment objective. Investments are selected in part on the basis of criteria developed and implemented from time to time. Those selection criteria do not include all of the information available regarding a particular security. In addition, investment decisions rely on information obtained from others regarding financial, economic, business and market conditions, factors and trends, and IWM and Reps and PMs will not be in a position to confirm the completeness, genuineness or accuracy of such information and data.

*Volatility of Securities Markets:* The value of securities held in client accounts that are traded on exchanges, and the risks associated with holding these positions, vary in response to events that affect asset markets in general. Market disruptions could lead to dramatic price swings in securities held within client portfolios and could result in substantial losses.

*Liquidity:* Some investments may lack liquidity or be thinly traded. This could present a problem in realizing the prices quoted and in effectively trading the position(s). Certain portfolios may invest in illiquid investments, which will reduce an account's overall liquidity and could result in significant losses. In addition, an account could be exposed to substantial losses should we find it necessary to liquidate positions during periods of illiquidity.

*Price and Interest Rate Risk:* When interest rates change, the price of a bond is likely to adjust up or down so that its yield, based on the new price, is in line with the new level of interest rates. Interest rate risk is probably the most significant risk facing clients in fixed income securities because it affects all bonds similarly.



*Tax Risk:* Investment may be made without considering a client's specific tax consequences. Some strategies, including transactions in options, can be subject to special tax rules, which may have adverse tax consequences for the account holder.

*Extraordinary Events:* Global terrorist activity and U.S. involvement in armed conflict may negatively affect general economic fortunes, including sales, profits, and production, and may lead to depressed securities prices and problems with trading facilities and infrastructure.

*Concentration Risk:* Client portfolios may have highly concentrated positions in issuers engaged in one or a few industries. This increases the risk of loss relative to the market as a whole.

*ETF and ETN Risks:* While the prospectus for each underlying ETF or ETN contains detailed descriptions of the risks associated with these investments, in particular, they include the potential for: (1) tracking error (in which the ETF/ETN does not accurately track its index as a result of factors such as transaction fees and expenses, or changes in the composition of the underlying index); (2) pricing error (in which the ETF/ETN trades at a discount or premium to its inherent net asset value); (3) liquidity risk (which may occur if an ETF/ETN fails to attract a sufficient number of market makers); and (4) counterparty risk specific to ETNs (a risk regarding the creditworthiness of a party that assists in the replication of the underlying index).

*Leveraged and/or Inverse ETFs and Mutual Funds Risks:* Holding a levered and/or inverse single-stock ETF is not the same as holding the underlying stock, a traditional ETF, or even a non-single stock levered and/or inverse ETF. It is riskier for several reasons. Importantly, like many other complex exchange-traded products, levered and/or inverse single-stock ETFs aim to provide returns over extremely short time periods (in some cases even a single day). New risks may emerge for investors who hold these products for longer than that. Investors should be aware that if they were to hold these funds for longer than a day, the performance of these funds may differ significantly from the levered and/or inverse performance of the underlying stock during the same period of time.

*Equity Risk:* Investments in equity securities generally involve a high degree of risk. Prices are volatile and market movements are difficult to predict. These price movements may result from factors affecting individual companies or industries. Price changes may be temporary or last for extended periods. In addition to, or in spite of, the impact of movements in the overall stock market, the value of investments may decline if the particular investments within the portfolio do not perform well in the market. Prices of growth stocks may be more sensitive to changes in current or expected earnings than prices of other stocks. Prices of stocks may fall or fail to appreciate regardless of movements in securities markets. A higher turnover rate, or increased trading may result in higher transactions costs and higher taxes in taxable accounts and may also affect the strategies' overall performance.

*Fixed Income Risks:* Investments in fixed income securities represent numerous risks such as credit, interest rate, reinvestment, and prepayment risk, all of which affect their price/value. These risks represent the potential for a large amount of price volatility. In general, securities with longer maturities are more sensitive to price changes. Additionally, the prices of high-yield fixed income securities fluctuate more than high quality debt issues. Prices are especially sensitive to developments affecting the company's business and to changes in the ratings assigned by rating agencies. Prices are often closely linked with the company's stock prices. High-yield securities can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, large sales by major investors, default, or other factors. In the event of a default, the investment may suffer a partial or total loss.

*Options Risk:* Options involve the risk that the counter-party who wrote the option will be unable or unwilling to perform its obligations under the option contract, or the option may become illiquid and difficult to close. An option derives its value from the price of the underlying stock. Therefore, their value is heavily dependent on underlying stock price. Structured notes often have a derivative component imbedded within.

*Foreign Security Risk:* The special risks associated with investing in foreign securities include fluctuating currencies, political risk, social or economic instability, trade imbalances, imposition of exchange control regulation, withholding taxes, limitations on the removal of funds or other assets, and possible nationalization of assets or industries.

*Leverage/Margin Risk:* The use of borrowed capital, such as margin, to increase the potential return of an investment may increase the risk of an investment and can magnify the effect of any losses. The use of leverage is a speculative technique and may not be suitable for all investors. Using borrowed money (whether through trading on margin or any other method of borrowing) to finance the purchase of securities involves interest charges and entails greater risk than using cash resources only.

*Cybersecurity Breaches:* IWM, the IARs, clients and their service providers are subject to a possible cybersecurity attack or breach. Cybersecurity is a broad term referring to the body of technologies, processes and practices designed to protect networks, computers, programs and data from attack, damage or unauthorized access. If a cybersecurity breach were to occur, substantial costs could be incurred, including without limitation those associated with: forensic analysis of the origin and scope of the breach; increased and upgraded cybersecurity; investment or other losses; identity theft; unauthorized use of proprietary information; litigation; adverse investor or client reaction; the dissemination of confidential and proprietary information; and reputational damage. Any such breach could expose IWM and the IARs to liability as well as regulatory inquiry and/or action.

## Item 9 – Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of the adviser or the integrity of its management and individuals associated with the firm. IWM has the following reportable disclosures. Mr. Douglas Donnelly has the following disciplinary events: On or about 1/26/2015, the State of Washington and Mr. Donnelly entered into a Consent Order, paid an individual fine of \$100,000, disclosure is related to a Regulation D offering made to clients without written approval by employer. On or about 8/7/2013, the State of Michigan filed a Denial of registration regarding Mr. Donnelly, based on events giving rise to termination from Wells Fargo Advisors, LLC. On or about 3/25/2013, Mr. Donnelly was terminated from Northwest Asset Management, related to breach of customer authorization policies. 3/1/2012, Wells Fargo Advisors, LLC, termination, discharge related to regulation D offering without written approval by the firm. Details can be found through Broker Check or the Investment Adviser Public Disclosure site by performing name searches.

For more information about disciplinary events involving IARs, and which provide services to clients of IWM, please refer to Investment Advisor Public Disclosure at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or FINRA BrokerCheck at [www.finra.org](http://www.finra.org).



## Item 10 – Other Financial Industry Activities and Affiliations

As discussed in Item 4 (“Advisory Business”), IWM is controlled and managed by IWH. None of The Institute or any of its management persons are registered as broker-dealers, futures commission merchants, commodity pool operators, commodity trading advisors, or associated persons of the foregoing entities.

Mr. Matthew Medeiros, President & CEO of The Institute, serves on an advisory board for a New York-based mutual fund company, Exceed Investments LLC (“Exceed”), for which he is eligible to receive equity in the company. Exceed offers a collection of index-based investment solutions and is affiliated with a Financial Industry Regulatory Authority, Inc. (“FINRA”) registered broker-dealer (Exceed Securities LLC), a registered investment advisor that seeks to offer investment services and products (Exceed Advisory LLC), and a non-registered entity which publishes and licenses financial indexes (Exceed Indexes LLC). Mr. Medeiros may benefit based on his position on the Exceed board because the IWM’s models/strategies, or other Rep as PM investments, may include shares of mutual funds and other investment products offered by Exceed. IWM believes that this conflict is mitigated by the fact that investment decisions for IWM’s client accounts, including any investment in an Exceed-affiliated entity, are made by the Investment Committee or the Reps as PM, as applicable, rather than by Mr. Medeiros individually.

Mr. Matthew Medeiros is the owner of Chariton, LLC dba On Call Mountain Movers.

Mr. Matthew Medeiros is the Chairman of the Board of Eagle County, CO Emergency Responder’s Fund.

Creg V Shaffer is a contract manager/officer at Organic Waste Recovery and Recycling Startup.

Creg V Shaffer is the president at Sustainable Alternative Feed Enterprises, Inc.

The Investment Committee is permitted to engage non-affiliated outside consultants as members of the committee, and each outside consultant may have outside business interests.

IWM permits IARs, including Reps as PMs, to engage in outside business activities. In certain cases, an IAR could receive greater compensation through the outside business than through The Institute. For example, an IAR could also be an accountant, real estate agent, tax preparer, lawyer or refer customers to other service providers and receive referral fees. Similarly, an IAR could provide advisory or financial planning services through an unaffiliated investment advisory firm, sell insurance through a separate business, or provide third-party administration to retirement plans through a separate firm. If an IAR provides investment services to an IWM client as a representative of IWM, and also provides other services to such client directly or through a separate firm, this typically means the IAR is compensated for the two services, as agreed to with the specific client. Anyone who engages with an IAR for services outside of The Institute should specifically discuss with the IAR the compensation that he or she receives from the engagement.

None of the entities within The Institute are broker-dealers. If an IAR is required to be registered with a broker-dealer due to an outside business activity not associated with their services with The Institute, the IAR is permitted to register with a broker dealer with the Institute’s approval.

## Item 11 – Code of Ethics

Ensuring an ethical culture is of critical importance to The Institute. As such, The Institute has adopted a Code of Ethics that sets forth standards of conduct expected of its personnel. The Code of Ethics addresses, among other things, personal trading, outside business activities, gifts, the prohibition against the use of inside information, and other situations where there is a possibility for conflicts of interest. The Code of Ethics is reasonably designed to protect The Institute's clients by deterring misconduct, educating personnel regarding expectations and laws governing their conduct, reminding personnel that they are in a position of trust and must act with complete propriety at all times, guarding against violations of the securities laws, and establishing procedures for personnel to follow so that the Institute may determine whether personnel are complying with ethical principles. All supervised persons must acknowledge the terms of the Code of Ethics annually, and as amended.

The Institute's officers, directors and employees may trade for their own accounts in securities which are recommended to or purchased for clients. The Code of Ethics is reasonably designed to ensure that the personal securities transactions, activities and interests of the employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. In addition, the Code of Ethics requires pre-clearance of certain transactions and restricts trading in close proximity to client trading activity. Nonetheless, because The Institute permits employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee.

The Institute will provide a copy of the Code of Ethics to any client or prospective client upon request. Please call (303) 572-3500, or email [info@instituteforwealth.com](mailto:info@instituteforwealth.com).

## Item 12 – Brokerage Practices

As a fiduciary, IWM's policy is to seek to execute client securities transactions in a manner that a client's total cost or proceeds in each transaction are most favorable under the circumstances. Whenever possible, IWM will seek to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts. The determining factor in the selection of a broker-dealer to execute transactions for client accounts is not simply the lowest possible transaction cost but whether the broker-dealer can provide what is, in IWM's view, the best qualitative execution for a client account (i.e., best execution).

Unless otherwise specified in a Client Agreement, IWM and/or the Rep as PM, as applicable, has authority to select brokers on behalf of client accounts and to determine the commissions and other fees that the clients will pay to those brokers. Generally, clients do not direct IWM or the IAR to utilize a particular broker-dealer to execute some or all transactions for the client's account. However, clients do choose their custodians, generally from a list provided by IWM of custodians with whom it has an existing relationship. Once a client selects its custodian of choice, the client directs IWM and/or the IAR, as applicable, to transmit trading instructions to such custodian. Custodians execute client trades or transmit orders for the execution of trades to other broker-dealers. IWM and the IARs do not execute trades or monitor the quality of execution in client accounts by the custodian or its selected broker-dealers on a trade-by-trade basis. IWM and the IARs do review holdings in client accounts and the general performance and reliability of client custodians and the trade execution process. However, in these circumstances, IWM and the IAR are unable to influence the transaction costs charged by the custodian to settle trades for clients. Clients should be aware that if they, or their custodians, direct trading to a particular broker or dealer, clients may pay higher transaction costs or execution prices as neither IWM nor the IARs will have authority to obtain volume discounts, lower commissions, or narrower spreads. Consequently, clients directing the use of a particular broker or dealer may not receive best execution, and may incur higher trading costs.

When IWM or an IAR does select brokers and dealers for client accounts, it does so based on factors that it deems relevant at the time of determining whether the broker can provide best execution. These factors may include, without limitation, whether the broker provides a combination of transaction execution services along with asset custody services (generally without a separate fee for custody); capability to execute, clear and settle trades (buy and sell securities for the client account); capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.); breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.); availability of investment research and tools that assist IWM or the IAR in making investment decisions; quality of services; competitiveness of the price of services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them; reputation, financial strength and stability of the provider; and their prior service to The Institute or the IAR and their other clients.

IWM recommends Charles Schwab & Co., Member FINRA/SIPC (Schwab). Schwab is an independent and unaffiliated SEC-registered broker-dealer.

## Item 13 – Review of Accounts

IWM, through the Investment Committee, and/or the Reps as PMs, as applicable, monitor and review client portfolios on a periodic basis. The frequency of reviews is at the discretion of IWM and, if applicable, the Rep as PM, but accounts are typically reviewed not less than annually. Accounts are reviewed for performance, consistency with the targeted investment strategy or model, and other account parameters to determine if any adjustments are necessary. Results are often compared to the performance of an applicable benchmark. In cases where material deviations appear between client account performance and composite account performance, IWM or the Rep as PM, as applicable, may take steps to rebalance accounts to bring them more closely aligned with the respective models.

Clients receive written monthly statements from their account custodians. These statements will include the account balances, positions held and transactions that were made throughout the period, and will reflect a deduction for the monthly or quarterly advisory fee, as applicable. In addition, IWM may produce a written monthly or quarterly performance report for certain clients. These reports may include transactions made in the account, account positions, time-weighted returns, a summary of investment advisory fees, market commentary, and such other information as IWM elects to provide to clients from time to time. Clients who receive this additional report are urged to carefully review and compare the official custodial statements to the monthly/quarterly performance report. The monthly/quarterly performance reports may vary from the custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Clients should notify IWM or the applicable IAR immediately if there is ever a material difference between the two documents.

## Item 14 – Client Referrals and Other Compensation

IWM shares its investment advisory and financial planning fees with the IARs that service the relevant client accounts, as disclosed to clients in their Client Agreements.

In addition, unaffiliated IARs, RIAs or broker-dealers may recommend to their clients IWM's investment advisory services. In such instances, IWM will share a portion of its investment advisory fee with such third parties, as documented in writing and disclosed to clients in accordance with applicable law. The fee percentage shared varies and is negotiated by IWM and such third parties. As disclosed in Item 5 ("Fees and Compensation"), in no event will clients' annual advisory fee to IWM exceed 2.25%, even when IWM shares its fee with third- parties.

The following program has been adopted by Charles Schwab through the acquisition of TD Ameritrade. IWM participates in TD Ameritrade's institutional advisor program, AdvisorDirect (the "Program"), through which IWM compensated TD Ameritrade for client referrals. TD Ameritrade Institutional was a division of TD Ameritrade Inc., member FINRA/Securities Investor Protection Corporation (SIPC), and an SEC- registered broker-dealer (collectively, "TD Ameritrade"). TD Ameritrade offered independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. TD Ameritrade was a discount broker-dealer independent of and unaffiliated with the Institute, and there was no employee or agency relationship between The Institute and TD Ameritrade. The Institute participated in the Program, which provided certain benefits to IWM, while at the same time IWM may have recommended TD Ameritrade to clients for custody services. In addition to meeting the minimum eligibility criteria for participation in the Program, IWM may have been selected to participate in the Program based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, IWM client accounts that were maintained with TD Ameritrade. Some of the products and services made available by TD Ameritrade through the Program may have benefited the Institute but may not have directly benefited client accounts. As part of its fiduciary duties to clients, IWM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of these benefits by the Institute created a potential conflict of interest for and may have influenced IWM when it recommends a custodian to clients. The benefits that The Institute may have received from TD Ameritrade are described below.

### *Client Referrals*

IWM received client referrals from TD Ameritrade through its participation in the Program. TD Ameritrade established the referral program as a means of referring its brokerage customers and other investors seeking fee- based personal investment management services or financial planning services to independent investment advisers. TD Ameritrade does not supervise IWM or the Reps as PMs, and has no responsibility for the management of client portfolios or IWM's other services.

IWM pays Charles Schwab as they acquired TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage of the advisory fee (not to exceed 0.25%) that the clients pay to IWM for the life of IWM's relationship with the referred client ("Solicitation Fee"). IWM also pays Charles Schwab as they acquired TD Ameritrade the Solicitation Fee on any advisory fees received from any family members of a referred client, including a spouse, child, or any other immediate family member who resides with the referred client and hires IWM on the recommendation of such referred client. IWM does not charge clients referred

through the Program any fees or costs higher than its standard fees. For information regarding additional or other fees paid directly or indirectly to Charles Schwab as they acquired TD Ameritrade, please refer to the TD Ameritrade Advisor Direct Disclosure and Acknowledgement Form which was provided prior to establishing an account.

For (i) referred client relationships initiated on or after April 10, 2017; or (ii) any referred client relationship initiated before April 10, 2017, or such later date as the Conflict of Interest Rule, Retirement Investment Advice, 29 CFR 2509 & 2510 (“Conflict of Interest Rule”) becomes applicable, that receives additional Program referral services provided by TD Ameritrade; or (iii) at our one-time election to move all existing and new client relationships to the new referral fee set forth in our agreement with TD Ameritrade, the following referral fee applies:

<b>Referred Client Assets</b>	<b>Referral Fee on Assets</b>
Assets up to \$2 million	0.25%
Assets over \$2 million up to \$10 million	0.10%
Assets over \$10 million	0.05%

TD Ameritrade most likely referred clients through the Program to investment advisers that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, IWM had incentive to (i) recommend to clients that the assets under management be held in custody with TD Ameritrade, (ii) to provide trading instructions to TD Ameritrade for clients whose accounts were custodied at TD Ameritrade, and (iii) to the extent trading in a client account may have caused TD Ameritrade to absorb additional trading expenses, to reduce trading in such client accounts. In addition, IWM agreed not to solicit clients referred through the Program to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when our fiduciary duties require doing so.

#### *Other Benefits*

IWM may have received other benefits through the Program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research-related products and tools; consulting services; access to a trading desk; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided by third party vendors. TD Ameritrade may have also paid for business consulting and professional services received by The Institute. These products or services may have assisted IWM in managing and administering client accounts, including

accounts not maintained at TD Ameritrade. Other services that were made available by TD Ameritrade were intended to help us manage and further develop the Institute's business. The benefits received by The Institute through participation in the Program do not depend on the amount of brokerage transactions that were directed to TD Ameritrade.

The prior Institute's relationship with TD Ameritrade posed a number of conflicts of interest. It is IWM's goal to ensure that all clients receive the full benefit of its investment advice. In order to address potential conflicts of interest with TD Ameritrade, IWM monitored client account performance to identify situations in which the performance of any group of client accounts lags that of other, substantially similar client accounts, and will take steps, when practicable, to ensure comparable performance among similarly situated client accounts. The Institute's participation in the Program does not diminish IWM's duty to seek best execution of trades for client accounts.

Charles Schwab & Co.

IWM may recommend/require that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Schwab is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA account holder. IWM is independently owned and operated and not affiliated with Schwab. Schwab provides IWM with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For IWM client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to IWM other products and services that benefit IWM but may not benefit its clients' accounts. . These benefits may include national, regional or IWM specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of IWM by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist IWM in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of IWM's fees from its clients' accounts, and assist with back-office



training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of IWM's accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to IWM other services intended to help IWM manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to IWM by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to IWM. While, as a fiduciary, IWM endeavors to act in its clients' best interests, IWM's recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to IWM of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

#### **Products & Services Available to Us From Schwab**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like ours. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis and at no charge to us as long as we maintain a total of at least \$10 million of our clients' assets in accounts at Schwab.

#### **Services that Benefit Client**

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit clients or their account(s).

#### **Services that May Not Directly Benefit Clients**

Schwab also makes available to us other products and services that benefit us but may not directly benefit the client or their account(s). These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that: provides access to client account data (such as duplicate trade confirmations and account statements); facilitates trade execution and allocate aggregated trade orders for multiple client accounts; provides pricing and other market data; facilitates payment of our fees from our clients' accounts; and assists with back-office functions, recordkeeping and client reporting.



Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include: educational conferences and events; technology, compliance, legal, and business consulting; publications and conferences on practice management and business succession; and access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. 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.

Irrespective of direct or indirect benefits to our client through Schwab, we strive to enhance the client's experience, help reach their goals and put their interests before that of our firm or its associated persons.

### Item 15 – Custody

Asset Management accounts: IWM does not take physical custody of client funds nor constructive custody of client assets other than to deduct fees for advisory services. Clients receive monthly account statements from their respective custodians. These statements will include the account balances, positions held and transactions that were made throughout the period and will reflect a deduction for the monthly or quarterly advisory fee, as applicable.

Private Funds: IWM does claim custody of client funds held within the Madison Park Harbor Fund (Fund), IWM adheres to the regulatory requirements of claiming custody by engaging in an annual surprise audit of the Fund, and quarterly distribution of account statements to Fund Investors.

### Item 16 – Investment Discretion

IWM and each Rep as PM, if applicable, receive discretionary authority from a client at the outset of an advisory relationship through the Client Agreement and the applicable custodian's paperwork. These agreements provide IWM and the Rep as PM, if applicable, with the discretionary authority (e.g., through a limited power of attorney) to select the identity and amount of securities or other assets to be bought or sold for the relevant client account. For customized advisory services, a client may engage IWM and the Rep as PM, if applicable, on a non-discretionary basis as stated in the Client Agreement. In all cases, investment selections and recommendations are made in a manner consistent with the clients' stated investment objectives. IWM and the Rep as PM, as applicable, will use their best efforts to ascertain the suitability of investment strategies and products to be implemented in the management of a client's accounts.

### Item 17–Voting Client Securities

As a matter of policy and practice, IWM and the IARs do not have the authority to vote, and do not vote, proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for all securities maintained in client portfolios. Clients should contact their custodians if they have questions about proxy voting. Clients may also contact IWM by phone at 303-572-3500 if they have questions about a particular proxy solicitation.

## Item 18—Financial Information

Neither IWM, nor its management, have any adverse financial situations that would reasonably impair the ability of IWM to meet all obligations to its clients. Neither IWM, nor any of its advisory persons, has been subject to bankruptcy or financial compromise. IWM is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.