

**Item 1 – Cover Page**

**Insight Strategic Wealth, LLC**

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March 29, 2024

This Brochure provides information about the qualifications and business practices of Insight Strategic Wealth, LLC (formerly CTM Financial, LLC, hereinafter “ISW”). If you have any questions about the contents of this Brochure, please contact us at (865) 777-2325. 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.

ISW is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about ISW also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for ISW is 147290.

## Item 2 – Material Changes

This Item of the Brochure will discuss only specific material changes that are made to the Brochure since the last annual update and provide clients with a summary of such changes.

We made the following changes to our Brochure:

- Items 12 and 14 were amended to reflect that TDA Ameritrade is now Charles Schwab & Company, Inc.
- Item 15 was amended to reflect that we do not maintain custody.

Please note that we have updated the Assets Under Management information of Item 4 in accordance with the filing of our Annual Updating Amendment on March 29, 2024.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Patricia Conry Taylor, Managing Member and Chief Compliance Officer, at 865-777-2325.

(Brochure Date: March 29, 2024)

(Date of Most Recent Annual Updating Amendment: March 29, 2024)

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## **Item 4 – Advisory Business**

ISW is owned by two individual Members, Patricia Conry Taylor and Jaime A. Conry ISW has been providing advisory services since 2008.

As of December 31, 2023, ISW managed \$222,167,329 on a discretionary basis and \$1,992,133 on a nondiscretionary basis.

### **Investment Management Services:**

ISW manages investment portfolios for individuals, qualified retirement plans, trusts, charitable organizations, corporations and small businesses. ISW will work with a client to determine the client's investment objectives and investor risk profile and will design a written investment policy statement. ISW uses investment and portfolio allocation software to evaluate alternative portfolio designs. ISW evaluates the client's existing investments with respect to the client's investment policy statement. ISW works with new clients to develop a plan to transition from the client's existing portfolio to the desired portfolio. ISW will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and hold review meetings with the client regarding the account as necessary.

ISW will typically create a portfolio of no-load mutual funds, and may use model portfolios if the models match the client's investment policy. ISW will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. ISW primarily recommends portfolios consisting of passively managed asset class and index mutual funds. ISW primarily recommends mutual funds offered by Dimensional Fund Advisors (DFA) and Vanguard. DFA sponsored mutual funds follow a passive asset class investment philosophy with low holdings turnover. Client portfolios may also include some individual equity securities in situations where disposition of these securities would present an overriding tax implication or the client specifically requests they be retained for a personal reason. These situations will be specifically identified in the client's Investment Policy Statement (IPS).

ISW manages mutual fund and equity portfolios on a discretionary basis according to the investment policy selected by the client.

A client may impose any reasonable restrictions on ISW's discretionary authority, including restrictions on the types of securities in which ISW may invest client's assets and on specific securities, which the client may believe to be appropriate.

ISW may also recommend fixed income portfolios to investment management clients, which consist of managed accounts of individual bonds. ISW will request discretionary authority from investment management clients to manage fixed income portfolios, including the discretion to retain a third party fixed income manager. ISW will prepare a Fixed Income Investment Policy Statement for any client qualifying for separate fixed income portfolio services.

Pursuant to its discretionary authority, ISW will retain a fixed income securities manager. The fixed income securities manager will be provided with the discretionary authority to invest client assets in fixed income securities consistent with the client's Fixed Income Investment Policy Statement. The manager will also monitor the account for changes in credit ratings, security call provisions, and tax loss harvesting opportunities (to the extent that the manager is provided with cost basis information). The manager will obtain ISW's consent prior to the sale of any client securities.

On an ongoing basis, ISW will answer clients' inquiries regarding their accounts and review periodically with clients the performance of their accounts. ISW will periodically, and at least annually, review clients' investment policy, risk profile and to discuss the re-balancing of each client's accounts to the extent appropriate. ISW will provide to investment manager any updated client financial information or account restrictions necessary for investment manager to provide sub-advisory services.

In addition to managing the client's investment portfolio, ISW may consult with clients on various financial areas including income and estate tax planning, business sale structures, college financial planning, retirement planning, insurance analysis, personal cash flow analysis, establishment and design of retirement plans and trust designs, among other things.

#### **Employee Benefit Retirement Plan Services:**

ISW also provides advisory services to participant-directed employee retirement benefit plans. ISW will analyze the plan's current investment platform, and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed. ISW will recommend investment options to achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles.

ISW will recommend changes in the plan's investment vehicles as may be appropriate from time to time. ISW generally will review the plan's investment vehicles and investment policy as necessary.

For certain retirement plans, ISW also works in coordination and support with Buckingham Strategic Partners, LLC. Retirement plan clients will engage both ISW and Buckingham Strategic Partners, LLC. Buckingham Strategic Partners, LLC will provide to the client additional discretionary investment management services and will exercise discretionary authority to select the plan investments made available to the plans' participants by selecting and maintain the plans' investments according to the goals and investment objectives of the plan.

ISW will continue to work with plans to monitor plan investments, provide fiduciary plan advice including regular considerations of the goals and objectives of the plan, and provide participant education services to the plan.

### **Financial Planning Services**

ISW also provides advice in the form of Financial Planning. Clients purchasing this service will receive financial planning advice. Various types of reports or financial analysis may be provided to the client. The types of reports provided to clients will vary depending upon the services requested by the client.

In general, the financial analysis or report will address one or all of the following areas of concern:

- PERSONAL: Family records, budgeting, personal liability, estate information and financial goals.
- EDUCATION: Education IRAs, financial aid, state savings plans, grants and general assistance in preparing to meet dependent's continuing educational needs through development of an education plan.
- TAX & CASH FLOW: Income tax and spending analysis and planning for past, current and future years. ISW may illustrate the impact of various investments on a client's current income tax and future tax liability.
- DEATH & DISABILITY: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- RETIREMENT: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
- INVESTMENTS: Analysis of investment alternatives and their effect on a client's portfolio.

ISW gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed.

## **Item 5 – Fees and Compensation**

In certain circumstances, all fees, account minimums and their applications to family circumstances may be negotiable.

ISW has contracted with Buckingham Strategic Partners, LLC, for services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. ISW has also contracted with Buckingham Strategic Partners, LLC for sub-advisory services with respect to clients' fixed income accounts. ISW pays a fee for Buckingham Strategic Partners, LLC services based on management fees paid to ISW on accounts which use Buckingham Strategic Partners, LLC. The fee paid by ISW to Buckingham Strategic Partners, LLC consists of a portion of the fee paid by clients to ISW and varies based on the total client assets participating in Buckingham Strategic Partners, LLC through ISW. These fees are not separately charged to advisory clients.

The specific manner in which fees are charged by ISW is established in a client's written agreement with ISW. Generally, Investment Management clients will be invoiced in arrears and Employee Benefit Plan clients will be invoiced in advance of each calendar quarter based upon the value (market value based on independent third party sources or fair market value in the absence of market value; client account balances on which ISW calculates fees may vary from account custodial statements based on independent valuations and other accounting variances, including mechanisms for including accrued interest in account statements) of the client's account at the end of the previous quarter. New accounts are charged a prorated fee for the remainder of the quarter in which the account is incepted (date of first trade or date assets transferred in).

For Investment Management and Employee Benefit Plan Services, ISW will request authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to ISW or its designated service provider, Buckingham Strategic Partners, LLC, to withdraw fees from the account. ISW will send to the client an invoice showing the amount of the fee, the value of the client's assets on which the fee was based, and the specific manner in which the fee was calculated. Clients should verify the accuracy of the fee calculations in such invoices. Client custodians will send at least quarterly statements directly to the client. Custodial statements will only show the amount of the advisory fee.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days' written notice. Upon termination of any account at any time after the required 30-day notice, any prepaid, unearned fees will be promptly refunded.

ISW's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds (ETFs) also charge internal management fees, which are disclosed in a fund's prospectus. These fees will generally include a management fee and other fund expenses. All fees paid to ISW for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. The services provided by ISW which are designed, among other things, to assist the client in determining which mutual fund, ETF or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by ISW to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Such charges, fees and commissions are exclusive of and in addition to ISW's fee, and ISW shall not receive any portion of these commissions, fees, and costs.

### **Advisory Fees**

The annual fee for investment management services will be charged as a percentage of assets under management, according to the schedule below:

<b>Assets under management</b>	<b>Annual Fee (%)</b>
First \$500,000	1.00%
Next \$500,000	0.90%
Next \$1,000,000	0.70%
Next \$1,000,000	0.50%
Next \$2,000,000	0.40%
On all amounts thereafter	0.35%

All accounts for members of the client's family (husband, wife and dependent children) or related businesses may be assessed fees based on the total balance of all accounts.

### **Employee Benefit Retirement Plan Services:**

The annual fee for employee benefit retirement plan services will be charged as a percentage of assets within the plan according to the quoted fees below:



Assets Under Management	Buckingham's Annual Fee	ISW's Annual Fee	Total Fee
On the first \$1,000,000	0.20%	0.70%	0.90%
On the next \$4,000,000	0.15%	0.45%	0.60%
On the next \$5,000,000	0.08%	0.25%	0.33%
On all amounts above \$10,000,000	0.05%	0.15%	0.20%

### **Financial Planning Services:**

Financial planning fees will be charged as an hourly fee of \$275 per hour. These services are billed to the client after services are rendered.

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

ISW does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

## **Item 7 – Types of Clients**

ISW provides services to individuals, high net worth individuals, trusts, qualified retirement plans and businesses.

ISW generally requires a minimum account size of \$400,000 for Investment Management Services. Complete fixed income portfolio management of individual fixed income securities generally requires a minimum investment of \$400,000 although individual bonds may be purchased in certain circumstances. These minimum account sizes may be negotiable under certain circumstances, including legacy relationships.

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

### *Methods of Analysis and Investment Strategy*

ISW's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. ISW's investment approach is firmly rooted in the belief that

markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. ISW recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds. ISW selects or recommends to clients' portfolios of securities, principally broadly-traded open end mutual funds or conservative fixed income securities to implement this investment strategy.

Although all investments involve risk, ISW's investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular clients the investment directly in conservative fixed income securities to represent the fixed income class. ISW's investment philosophy is designed for investors who desire a buy and hold strategy. Frequent trading of securities increases brokerage and other transaction costs which ISW's strategy seeks to minimize.

In the implementation of investment plans, ISW therefore primarily uses mutual funds and, as appropriate, portfolios of conservative fixed income securities. ISW may also utilize Exchange Traded Funds (ETFs) to represent a market sector.

Clients may hold or retain other types of assets as well, and ISW may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the client.

ISW's strategies do not utilize securities that we believe would be classified as having any unusual risks, and we do not recommend frequent trading, which can increase brokerage and other costs and taxes.

ISW receives supporting research from Buckingham Strategic Partners, LLC and from other consultants, including economists affiliated with Dimensional Fund Advisors ("DFA"). ISW utilizes DFA mutual funds in client portfolios. DFA mutual funds follow a passive asset class investment philosophy with low holdings turnover. DFA provides historical market analysis, risk/return analysis, and continuing education to ISW.

#### *Analysis of a Client's Financial Situation*

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, ISW relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, ISW may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the

future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis
- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- For taxable clients, the risk that tax rates will be higher than was assumed in the analysis

### Risk of Loss

#### **Investing in securities involves risk of loss that clients should be prepared to bear.**

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by ISW may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in ISW's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by ISW may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses managing assets within each applicable sector.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of ISW or the integrity of ISW's management. ISW has no information applicable to this Item.

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

### Affiliated Accounting Firms

Patricia Conry Taylor is a Member of ISW and also a partner of the accounting firm of Conry-Taylor and Company CPAs PC ("CT&C CPA"). CT&C CPA may recommend ISW to accounting clients in need of advisory services. ISW may recommend CT&C CPA to advisory clients in need of accounting services. Accounting services provided by CT&C CPA are separate and distinct from the advisory services of ISW and are provided for separate and typical compensation. No ISW client is obligated to use CT&C CPA for any accounting services as no CT&C CPA client is obligated to use ISW for advisory services.

### Buckingham Strategic Partners, LLC

As described above in Item 4, ISW may exercise discretionary authority provided by a client to select an independent third party investment manager for the management of portfolios of individual fixed income securities. ISW selects Buckingham Strategic Partners, LLC for such fixed income management. ISW also contracts with Buckingham Strategic Partners, LLC for back office services and assistance with portfolio modeling. ISW has a fiduciary duty to select qualified and appropriate managers in the client's best interest, and believes that Buckingham Strategic Partners, LLC effectively provides both the back office services that assist with its overall investment advisory practice and fixed income portfolio management services. The management of ISW continuously makes this assessment. While ISW has a contract with Buckingham Strategic Partners, LLC governing a time period for back office services, ISW has no such fixed commitment to the selection of Buckingham Strategic Partners, LLC for fixed income management services and may select another investment manager for clients upon reasonable notice to Buckingham Strategic Partners, LLC.

## **Item 11 – Code of Ethics**

ISW has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. ISW's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets

forth ISW's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with ISW may buy or sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of ISW that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, ISW requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's principal. ISW also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

ISW's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. ISW requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

ISW will provide a complete copy of its Code of Ethics to any client or prospective upon request.

It is ISW's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. ISW will also not cross trades between client accounts.

## **Item 12 – Brokerage Practices**

### **Investment Management Services:**

ISW arranges for the execution of securities transactions with the assistance of Buckingham Strategic Partners, LLC. Through Buckingham Strategic Partners, LLC, ISW participates in the Schwab Advisor Services (SAS) program offered to independent investment advisors by Charles Schwab & Company, Inc. , an unaffiliated SEC-registered broker-dealer and FINRA member. Charles Schwab & Company, Inc. offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions.

The Schwab brokerage program will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions. ISW regularly reviews this

program to ensure that its recommendation is consistent with its fiduciary duty. This trading platform is essential to ISW's service arrangements and capabilities, and ISW may not accept clients who direct the use of other brokers. As part of this program, ISW receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 14).

As ISW will not request the discretionary authority to determine the broker dealer to be used or the commission rates to be paid in these situations, clients must direct ISW as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that ISW will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Not all investment advisers require clients to direct the use of specific brokers.

ISW will not exercise authority to arrange client transactions in fixed income securities. Clients will provide this authority to a fixed income manager retained by ISW on client's behalf by designating the portfolio manager with trading authority over client's brokerage account. Clients will be provided with the Disclosure Brochure (Form ADV Part 2) of portfolio manager.

SAS does not generally charge clients a custody fee and are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts held at the broker. Trading client accounts through other brokers may result in fees (including mark-ups and mark-downs) being charged by the custodial broker and an additional broker. While ISW will not arrange transactions through other brokers, the authority of the fixed income portfolio manager includes the ability to trade client fixed income assets through other brokers.

ISW does not have any arrangements to compensate any broker dealer for client referrals.

ISW does not maintain any client trade error gains. ISW makes client whole with respect to any trade error losses incurred by client caused by ISW.

ISW generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which ISW arranges transactions. Buckingham Strategic Partners, LLC, in the management of fixed income portfolios, will aggregate certain transactions among client accounts that it manages, in which case a ISW client's orders may be aggregated with an order for another client of Buckingham Strategic

Partners, LLC who is not a ISW client. See Buckingham Strategic Partners, LLC Form ADV Part 2.

### **Employee Benefit Plan Services:**

ISW does not typically arrange for the execution of securities transactions for participant-directed 401k plans as a part of this service. Transactions are executed directly through employee plan participation.

### **Financial Planning Services:**

ISW's financial planning practice, due to the nature of its business and client needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price. Clients will be required to select their own broker dealers and insurance companies for the implementation of financial planning recommendations. ISW may recommend any one of several brokers. ISW clients must independently evaluate these brokers before opening an account. The factors considered by ISW when making this recommendation are the broker's ability to provide professional services, ISW's experience with the broker, the broker's reputation, and the broker's financial strength, among other factors. ISW's financial planning clients may use any broker or dealer of their choice.

## **Item 13 – Review of Accounts**

### **Reviews:**

#### **Investment Management Services:**

Account assets are supervised continuously and formally reviewed quarterly by an Investment Advisor Representative of ISW. The review process contains each of the following elements:

- a. assessing client goals and objectives;
- b. evaluating the employed strategy(ies);
- c. monitoring the portfolio(s); and
- d. addressing the need to rebalance.

Additional account reviews may be triggered by any of the following events:

- a. a specific client request;
- b. a change in client goals and objectives;

- c. an imbalance in a portfolio asset allocation; and
- d. market/economic conditions.

For fixed income portfolios, certain account review responsibilities are delegated to a third party investment manager as described above in Item 4.

**Employee Benefit Plan Services:**

Retirement plan assets are reviewed no more than quarterly, and according to the standards and situations described above for investment management accounts.

**Financial Planning Services:**

Financial Planning accounts will be reviewed as contracted for at the inception of the advisory relationship.

**Reports:**

**Investment Management Services:**

All clients will receive quarterly performance reports, prepared by Buckingham Strategic Partners, LLC and reviewed by ISW, that summarize the client's account and asset allocation. Clients will also receive monthly statements from their account custodian, which will outline the client's current positions and current market value.

**Employee Benefit Plan Services:**

Plan sponsors are provided with quarterly information and annual performance reviews from ISW. In addition, plan participant education information may also be provided to the Plan Sponsor or Administrator for distribution to the participants of the plan.

**Financial Planning:**

Financial Planning clients will receive reports as contracted for at the inception of the advisory relationship.



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

### Client Referrals

ISW does not compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals.

### Other Compensation

As indicated under the disclosure for Item 12, ISW participates in SAS's institutional program. SAS provides ISW with access to institutional trading and custody services, which are typically not available to retail investors. There is no direct link between ISW's participation in the program and the investment advice it gives to its clients, although ISW receives economic benefits through its participation in the program that are typically not available to SAS retail investors. The services include brokerage, custody, research, 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.

SAS also makes available to ISW other products and services that benefit ISW but may not benefit its clients' accounts. Some of these other products and services assist ISW in managing and administering clients' accounts. These include software and other technology 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 ISW's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of ISW accounts. The recommended broker also makes available to ISW other services intended to help ISW manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. ISW does not, however, enter into any commitments with SAS for transaction levels in exchange for any services or products from brokers. While as a fiduciary, ISW endeavors to act in its clients' best interests, ISW's requirement that clients maintain their assets in accounts at SAS may be based in part on the benefit to ISW of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by SAS, which may create a potential conflict of interest.

ISW also receives software from DFA, which ISW utilizes in forming asset allocation strategies and producing performance reports. DFA also provides continuing education for ISW personnel. These services are designed to assist ISW plan and design its services for business growth.

## **Item 15 – Custody**

Investment Management and Employee Benefit Plan Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. ISW urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

ISW requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. For fixed income securities, this authority will include the discretion to retain a third party money manager for fixed income accounts. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

When selecting securities and determining amounts, ISW observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to ISW in writing.

## **Item 17 – Voting *Client* Securities**

Proxy Voting: As a matter of firm policy and practice, ISW does not accept the authority to and does not vote proxies on behalf of advisory client. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. ISW, however, may provide advice to clients regarding the clients' voting of proxies.

Class Actions, Bankruptcies and Other Legal Proceedings: Clients should note that ISW will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct ISW to transmit copies of class action notices to the client or a third party. Upon such direction, ISW will make commercially reasonable efforts to forward such notices in a timely manner.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about ISW's financial condition. ISW has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.