



# **Investment Research Corporation, World Capital Brokerage Advisory Services**

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## **Brochure (Form ADV Part II)**

1917 Market Street  
Denver, Colorado 80202  
303-626-0634  
[www.invresearch.com](http://www.invresearch.com)

This brochure provides information about the qualifications and business practices of Investment Research Corporation. If you have any questions about the contents of this brochure, please contact us at 303-626-0634 or at [info@invresearch.com](mailto:info@invresearch.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration does not imply a certain level of skill or training.

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

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## **Advisory Business**

Investment Research Corporation, also dba. World Capital Brokerage Advisory Services ("Firm"), was founded on August 29, 1958 by Robert Brody who is the principal owner.

The Firm provides investment supervisory services, manages investment advisory accounts not involving investment supervisory services, and financial planning.

The Firm offers advice on:

- Equity Securities
  - Exchange-Listed Securities
  - Foreign Issuers
- Corporate Debt Securities
- Certificates of Deposit
- Municipal Securities
- Investment Company Securities
  - Variable Life Insurance
  - Variable Annuities
  - Mutual Fund Shares
- United States Government Securities

Financial Planning helps clients deal with various personal financial issues through proper planning which may include items such as cash flow management, education, retirement, investment, risk management, insurance, tax, and estate planning.

Using the information provided to us (our Advisor Representatives) by the clients, our Advisor Representatives are able to try and assist the client in customizing their portfolio with the goal of improving the client's financial status. Of course clients are free to restrict what their monies are invested in and should understand that any investment restrictions placed may adversely affect their account balance.

For the period ended 1/23/2013 the Firm managed \$16,747,077 on a discretionary basis and \$11,536,733 on a non-discretionary basis.

## **Fees and Compensation**

The Firm offers investment advisory services for a percentage of assets under management. No fees are charged for issuing reports. Fee schedules are to be negotiated between the client and Investment Advisor Representative.

The Maximum fee is 2.0% of assets under management not including program, product, custodial, mutual fund fees, servicing or any other fee imposed on the account by the third party manager or one of its affiliates. Compensation is payable quarterly, deducted from the account via third party vendors, and is billed in advance based upon the value of CLIENT'S account at the preceding quarter-end.

If the advisory contract is terminated prior to the quarter's completion, the client should ask the Investment Advisor Representative to request, in writing, for a partial refund of quarterly fees. The formula to be used when figuring the refund will be business days remaining in the quarter multiplied by that quarter's average daily fee.



No supervised person accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Clients may also incur brokerage fees and transaction costs as described in Brokerage Practices on page 6.

Clients may terminate contracts within 5 business days of the initially entering into them without penalty.

### **Performance Based Fees**

Investment Advisor Representatives do not collect performance based fees.

### **Types of Clients**

The Firm generally provides investment advice to Individuals as well as investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations or business entities.

The Firm does not impose a minimum dollar value of assets or other conditions for starting or maintaining an account.

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

The Firm uses a fundamental style of security analysis. Fundamental Analysis involves looking for, as an example, potential of growth, future factors such as interest rate cuts or mergers, management of a company or economic strength. The main sources of information are derived from financial newspapers and magazines, inspections of corporate activities, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases.

Investment strategies used to implement any investment advice given to clients include:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within 30 days)

Investing in Securities involves risk of loss that clients should be prepared to bear.

Fundamental security analysis risks include:

- Stock Market Risk - the value of an investment may fluctuate,
- Industry and Security Risk - risk relating to an industry as a whole or a company's prospects for business success,
- Management Risk - risk that the Adviser's assessment of a company's growth prospects may not be accurate,
- Liquidity Risk - a given security or asset may not be readily marketable,
- Small Cap Risk - small cap stocks tend to have a high exposure to market fluctuations and failure,
- Mid Cap Risk - mid cap stocks tend to have a greater exposure to market fluctuations and failure.

Long Term Purchases tend to have higher exposure to Stock Market Risk, Industry and Security Risk and Management Risk.

Short Term Purchases tend to have a more moderate exposure to Stock Market Risk, Industry and Security Risk and Management Risk but may also carry an increased risk of higher taxation.

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WORLD CAPITAL BROKERAGE ADVISORY SERVICES ♦ INVESTMENT RESEARCH CORP  
1917 MARKET STREET, DENVER, COLORADO 80202  
303-626-0634 ♦ 303-626-0614 FAX



Trading securities within 30 days lowers the exposure of Stock Market Risk, Industry and Security Risk and Management Risk but may significantly expose the investor to higher taxation. Trading frequently also may carry the additional burden of increased brokerage, ticket fees and other transaction costs and may adversely affect the investment performance.

### **Disciplinary Information**

The Firm has no disciplinary or legal proceedings or actions to report.

### **Other Financial Industry Activities or Affiliations**

World Capital Brokerage, Inc., an affiliated company of Investment Research Corporation, is registered with the Securities and Exchange Commission and Financial Regulatory Authority as a Broker-Dealer for which Robert Brody is the Owner, Timothy Taggart is the President and Chief Compliance Officer, Patricia Blum is the Corporate Secretary and a Limited Principal and Michael L. Gaughan is an Operations Professional.

Robert Brody is also the President and a member of the Investment Committee for American Growth Fund, Inc. Timothy Taggart is the Executive Vice President for American Growth Fund, Inc. as well as a member of the Investment Committee.

World Capital Brokerage, Inc. is the underwriter for American Growth Fund, Inc. The Firm has an investment advisory agreement with American Growth Fund, Inc.

The Firm does not recommend clients to affiliated companies.

The Firm does not engage in a business other than giving investment advice nor does it sell products or services other than investment advice to clients. The principal business of the Firm and of its principal executive officers does not involve something other than providing investment advice.

American Growth Fund, Inc. uses World Capital Brokerage, Inc. as a vehicle for trading, however, currently pays no commissions to World Capital Brokerage, Inc.

The Firm, American Growth Fund, Inc. and World Capital Brokerage, Inc. are a trio of companies. World Capital Brokerage, Inc. offers shares of the American Growth Fund to retail customers as well as underwriting services to other Broker Dealer clients.

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

The Firm has adopted a Code of Ethics pursuant to SEC rule 201A-1. The Code of Ethics is available at [www.invresearch.com/downloads.htm](http://www.invresearch.com/downloads.htm) or by calling 303-626-0634.

Associates of IRC are prohibited from recommending securities in which they have a material financial interest without first gaining express written consent and instructions from the Chief Compliance Officer.

All access persons are prohibited from recommending or executing a securities transaction on a day during which Firm has a pending "buy" or "sell" order in that same security until that order is executed or withdrawn.



Any such trades generally will be unwound or, if that is impractical, all profits from the trading will be disgorged to the appropriate investment company (or, alternatively, to a charitable organization).

### **Brokerage Practices**

The Firm does not recommend brokerage firms to any clients. Additionally, Advisor Representatives and Clients have no restrictions as to which brokerage firm they conduct business with.

### **Review of Accounts**

Reviews of accounts must be performed by the Investment Advisor Representative quarterly or as market warrants. Investment Advisor Representatives must also review annually the client's account with that client in person, over the telephone or via an internet video webcast.

Quarterly reports to clients from the Investment Advisory Representative must be in written form and include, at a minimum;

- Current Quarterly Holdings, Value and Performance,
- Rolling Twelve Month Performance,
- Quarterly Activity Report, and
- Account Value for the Basis of Fees Charged and its calculation presented in clear, concise language.

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

The Firm has not engaged any outside sources to provide investment advice or other advisory services.

### **Custody**

The Firm does not keep custody of client funds or securities. Account statements are sent quarterly and as frequently as monthly, in some cases, directly to the client from the custodian. You should carefully review these statements and contact your IAR with any questions you may have.

### **Investment Discretion**

The Firm does have authority from American Growth Fund, Inc. to determine, without first obtaining specific client consent to;

- Securities to be bought or sold,
- The amount of the securities to be bought or sold,
- The Broker-Dealer to be used, and
- Commission rates paid.

Discretionary authority can be gained by the Investment Advisor Representative by entering into a contract with the client(s) that specifically states such authority in that contract.

### **Voting Client Securities**

The firm does not have and will not accept authority to vote client securities excluding the one discretionary account mentioned immediately above. For more details regarding how your



securities are voted please contact your third party vendor directly or your Investment Advisor Representative.

### **Balance Sheet**

The Firm does not require prepayment of more than \$1,200.00 in fees per client or payment of fees by clients 6 or more months in advance. Therefore, the Firm is not required to include a balance sheet.

The Firm has not been the subject of a bankruptcy petition at any time during the past ten (10) years.

