



## **Part 2A of Form ADV: *Firm Brochure***

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This brochure provides information about the qualifications and business practices of International Assets Investment Management, LLC (hereinafter “IAIM” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (407) 254-1516 or at [amoore@iaac.com](mailto:amoore@iaac.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.

International Assets Investment Management, LLC is an investment adviser registered with the Securities and Exchange Commission; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about IAIM 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 IAIM is 144426.

## **Item 1. COVER PAGE**

Please refer to previous page.

## **Item 2. SUMMARY OF MATERIAL CHANGES**

The Brochure dated January 11, 2017 has been updated to replace the version from January 2016. The following material changes have occurred since the last update:

**Item 4 – Advisory Services:** updated to add Tactical Allocation Strategy (TAS) a proprietary investment strategy managed by “Tactical Investment Strategies” (TIS) a Florida State registered investment advisor to the list of types of investments recommended/utilized by IAIM. Added information that TIS program will be recommended to IAIM clients from time to time, along with allocation factors. Also added disclosures that Mr. Edward Cofrancesco and Mr. David Weinberger are both principals of IAIM and are both also partial owners and co-Managing Members of TIS; therefore TIS and IAIM are considered affiliated through common ownership/management.

**Item 5 - Fees and Compensation:** updated to reflect that TIS collects fees from clients utilizing the TAS manager program and pays IAIM their portion for investment management services. Expanded disclosures regarding the fees charged by third parties and the firm’s valuation policy. Added disclosures regarding the fact Mr. Cofrancesco and Mr. Weinberg receive a monetary benefit when clients invest under the TIS program, as well as disclosure of the applicable conflicts of interest and how IAIM address these conflicts. The fee schedule has been expanded to include fees maybe negotiable in the sole discretion of the Adviser and generally range between .50 and 3.0% of assets under management. Fee descriptions for financial planning and consulting services and Performance Fees have also been expanded and clarified. Please review Item 6 for details of the changes to the brochure.

**Item 10 – Other Industry Activities and Affiliations:** – added language regarding TIS ownership with affiliation to IAIM and additional outside business affiliations and activities for Mr. Cofrancesco and Mr. Weinberger. Certain principal executive officers may be employees, officers, or directors of TIS. These permitted additional responsibilities could be viewed as creating a conflict of interest in that the time and effort of the directors, officers, principals and employees of IAIM because they will not be devoted exclusively to the business of IAIM and may have conflicts of interest due to their loyalties to the different entities.

**Item 14 – Client referrals and Other Compensation:** – included language regarding outside business activities, compensation and conflicts regarding IAIM IARs and certain principal executive officers.

In addition to the above, other non-material updates were made so IAIM recommends that clients read Form ADV Part 2A in its entirety.

Additional information about IAIM and its investment adviser representatives is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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#### **Item 4. ADVISORY BUSINESS**

IAIM is a fee-based SEC-registered investment adviser with its principal place of business located in Orlando, Florida. We have been in business since 2007. Our firm's sole direct owner is Pecunia Management, LLC. Our firm's indirect majority owner is Edward Richard Cofrancesco.

Total assets under management as of February 1, 2017 were \$300,940,621. Discretionary assets under our firm's management were \$204,534,627 as of February 1, 2017. Non-discretionary assets under our firm's management were \$96,405,994 as of February 1, 2017.

IAIM provides several types of advisory services: Financial Planning and Consulting Services, and Investment Management Services which are more fully described below.

##### **Investment/Portfolio Management Services**

IAIM provides clients with ongoing Investment/Portfolio Management Services, which are performed on either a discretionary or non-discretionary basis, depending on client election. Prior to engaging IAIM to provide Investment Management Services, the client is required to enter into an Investment Advisory Agreement with the Firm setting forth the terms and conditions of the engagement, including the specific scope of the services to be provided. In addition, each client completes a Client Profile setting forth important information related to the client's investment goals and financial objectives, among other things.

Clients are responsible for promptly notifying IAIM in writing of any material changes in the information furnished by the client in the Client Profile or information that is otherwise material to the client's financial situation, investment objectives, time horizon, risk tolerance and investment strategy or if they wish to impose any reasonable restrictions upon IAIM's management services. In the event that a client notifies the Adviser of changes to the information in their Client Profile, IAIM will review such changes and recommend in the case of a non-discretionary account, or implement in the case of a discretionary account any necessary changes to the client's portfolio. IAIM meets with clients periodically to review the client's investment goals and current advisory portfolios.

The Firm's investment/portfolio management services are dividing into four types: Individual Asset Selection Program (IAS), Tactical Allocation Strategy (TAS), Manager Selection Program/Separately Managed Accounts, and Wrap-Fee Program Offerings (WFO). The first 3 services maybe offered in either a regular or wrap fee brokerage account and the last service is offered only in wrap fee brokerage account. In addition IAIM offers Retirement Planning Solutions for plan sponsors. Each type of offering is described further below.

##### **1. Individual Asset Selection Program (IAS)**

Under this program, our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy statement ("IPS") and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as

family composition and background.

We will manage advisory accounts on a discretionary or non-discretionary basis, as agreed with each client. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. For discretionary accounts, we will implement transactions without seeking prior client consent. For non-discretionary accounts, we will seek prior client consent for every contemplated transaction. Therefore, clients with non-discretionary accounts should understand that any delay in obtaining consent may result in less favorable transaction terms, including higher security price and/or higher commissions and/or limited availability of the securities sought.

IAIM uses mutual funds, exchange traded funds (“ETFs”), closed-end funds, and other investments and from time to time, we also will: (i) use certain option strategies in an effort to mitigate market risks, (ii) suggest the use of certain third-party money managers (including wrap fee programs), alternatives and/or Private Funds, and (iii) participate in an IPO when a portfolio manager deems it appropriate for eligible accounts, depending on the client’s needs and investment objectives. Clients can invest in one or more of the following portfolio types: capital preservation (which focuses on preservation of capital with a goal of minimizing the effects of market volatility and risks), conservative, moderate, growth or aggress growth (which focuses on growth with little or no regard to market volatility). Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Note that cash positions may be a tactical asset, and there may be times when IAIM recommends that a client go to partial or all-cash positions. Our Wealth Management Advisors will meet with clients to discuss which model portfolio best meets their long-term personal goals and objectives.

Please see Item 12 for important information regarding the trading for this strategy.

## 2. Tactical Allocation Strategy (TAS)

Through personal discussions with the client in which the client's goals and objectives are established, we will determine if and which model portfolio could met the client’s goals and objectives. Once the appropriate portfolio has been selected , the portfolio will be managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, will have the opportunity to place reasonable restrictions on the types of investments to be held in the client's account and account supervision will be guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients will retain individual ownership of all securities.

In order to ensure that our initial determination of an appropriate portfolio continues to be appropriate and that the client's account continues to be managed in a manner suitable to the client's financial circumstances, we will maintain client suitability information in the client's file. Clients are responsible for promptly notifying TAS in writing of any material changes in the information furnished by the client in the Client Profile or information that is otherwise material to the client’s financial situation, investment, objectives, time horizon, risk tolerance and investment strategy or if they wish to impose any reasonable restrictions upon TAS’s management services. In the event that a client notifies the Adviser of changes to the information in their Client Profile, TAS will review such changes and

recommend a suitable alternative. There may be conflicts of interest when IAIM IAR's recommend TIS which are described in Item 10 and 11.

Please also see Item 12 for important information regarding the trading for this strategy.

### 3. Manager Selection Program and Separately Managed Accounts

We may also, when appropriate, sub-advise certain portions of a client portfolio to independent third-party managers or recommend direct investment with independent third-party managers, typically when those managers demonstrate knowledge and expertise in a particular investment strategy.

As part of this service, we perform management searches of various unaffiliated registered investment advisers. Based on a client's individual circumstances and needs (as exhibited in the client's IPS) we will determine which selected registered investment adviser's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected registered investment adviser. We encourage clients to review each third-party manager's disclosure document regarding the particular characteristics of any program and managers selected by us.

Once we determine which selected registered investment adviser(s) are most appropriate for the client, we will provide the selected registered investment adviser(s) with the client's IPS. The selected registered investment adviser(s) will then create and manage the client's portfolio based upon the client's individual needs as exhibited in the client's IPS.

We will regularly and continuously monitor the performance of the selected registered investment adviser(s). If we determine that a particular selected registered investment adviser(s) are not providing sufficient management services to the client, or are not managing the client's portfolio in a manner consistent with the client's IPS, we will remove the client's assets from that selected registered investment adviser(s) and place the client's assets with another registered investment adviser(s) at our discretion and without prior consent from the client.

IAIM also manages separate accounts in wrap and non-wrap programs that are sponsored by third party investment advisers. IAIM also manages separate accounts for clients that are referred by third party investment advisers outside of a sponsored program and have engaged agreements with various non-affiliated investment advisors to offer asset allocation and asset management services to IAIM advisory clients. Investment management provided to these clients is substantially the same as that provided to clients in the wrap fee programs sponsored by IAIM. However, the different structures of various programs or other arrangements may result in differences in how accounts are managed inside and outside of IAIM sponsored programs.

IAIM has business relationships with the following non-affiliated investment advisors SEI Investments Co, Loring Ward, Brinker Capital, and Envestnet through Pershing Advisor Solutions. By agreement, the total fee charged to each client by the non-affiliated investment advisor shall not exceed 3% of the assets under management. IAIM negotiates with each non-affiliated investment advisor the management service fee, which is factored into the 3% benchmark, and the maximum allowable fee that any IAR may charge their client, as disclosed in the client services agreement and/ or other similar documentation. IARs are compensated in conformance with the negotiated fee schedule. The relationship of IAIM with the non-affiliated investment advisors will be clearly communicated to all

clients in the non-affiliated investment advisor's Client Services Agreement and/or other similar documentation. Each non-affiliated investment advisor is required to provide IAIM and each of the IARs with a disclosure document statement, typically Schedule H of their Form ADV, and a copy of their Form ADV II.

Our firm will conduct appropriate due diligence on all independent third-party managers, making reasonable inquiries into their performance calculations, policies and procedures, Code of Ethics, and other operational and compliance matters deemed important to account performance and risk management.

#### 4. Wrap-Fee Program Offerings

IAIM also provides advisory services through IAIM sponsored wrap fee program, as defined in *Part 2A Appendix 1 of Form ADV: Wrap Fee Program Brochure* of this brochure. Under this program clients generally pay a single fee that covers both advisory services provided by IAIM and brokerage services provided by its affiliated broker dealer (see section 10). We may also recommend to clients participation in a "wrap fee" programs administered by a third-party manager. Our firm has therefore sought out and entered into an agreement with National Financial Services, LLC an entity unaffiliated with our firm, to act as the sponsor of the IAIM "wrap fee" program. Clients should be aware that a part of the "wrap fee" they pay to a third-party manager is, in turn, paid to our firm for co-advisory services we provide.

#### 5. Retirement Planning Solutions

IAIM provides service to qualified and non-qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit sharing plans, cash balance plans, and deferred compensation plans. In this capacity, IAIM provides both 3(21)(a) fiduciary services as well as 3(38) investment management and non-fiduciary services as further described below.

1) *Limited Scope 3(21)(a) Fiduciary*. IAIM typically acts as a limited scope 3(21)(a) fiduciary that advises, helps and assists plan sponsors with their investment decisions, which often includes selection of investment options and asset allocation recommendations.

2) *3(38) Investment Manager*. IAIM also serves as an investment manager to certain plans in which it is granted discretionary management by the plan sponsor to select, monitor and replacement plan investments.

Additional services applicable to IAIM's Retirement Plan Solutions are described in the client agreement. IAIM is deemed a "Covered Service Provider" to pension plan clients under ERISA Section 408(b)(2) regulations and is a fiduciary under Sections 3(21) and/or 3(38) of ERISA. ERISA Section 408(b)(2) requires Covered Service Providers to make required disclosures to the responsible plan sponsor ("RPS") that are in writing, and include information the RPS needs to (i) assess the reasonableness of total compensation, both direct and indirect, received by the Covered Service Provider, its affiliates, and/or subcontractors, (ii) identify potential conflicts of interest, and (iii) satisfy reporting and disclosure requirements under Title I of ERISA. IAIM provides its pension plan clients with such information prior to entering into a written agreement with such clients, and annually thereafter.

For more information see Section 12. Additional information about the IAIM sponsored program and description of the applicable fee schedules are set forth in a Part 2A Appendix 1 of this brochure.

### **Financial Planning and Consulting Services**

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service will receive a written report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern:

- Personal: Family records, budgeting, personal liability, estate information and financial goals;
- Tax & Cash Flow: Income tax and spending analysis and planning for past, current and future years. We will 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;
- Estate: Analysis of financial issues with respect to living trusts, wills, estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law; and
- Insurance: Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.

We gather required information through in-depth personal interviews. Information gathered includes a client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should a client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

Typically the financial plan will be presented to the client within ninety days of the contract date, provided that all information needed to prepare the financial plan has been promptly provided by the client.

Our investment and financial planning recommendations are not limited to any specific product or service offered by any broker dealer or insurance company, including our affiliates, and will generally involve the following instruments:

- Domestic and international equity securities
- Domestic and international fixed income securities
- No-load, load-waived and load-bearing mutual funds
- Variable annuities



- Exchange Traded Funds (ETFs)

Occasionally, we may also recommend these instruments:

- Commercial paper
- Warrants
- Certificates of deposit
- Municipal securities
- United States government securities
- Options
- Structured Products
- Closed End Funds
- Interests in partnerships investing in real estate and oil and gas interests and other alternative investments

We tailor all of our portfolio management and financial planning recommendations to the individual needs of each client. All such recommendations are tailored based on information gathered through client questionnaires, telephone and in-person discussions.

## **Item 5. FEES AND COMPENSATION**

### **Portfolio Management Services/Separately Managed Account**

Our fees for the IAS, TAS and CAM programs are based upon a percentage of assets under management. Fees generally range between .50% and 3.0% of assets under management, but such fees are negotiable in the sole discretion of the Adviser and arrangements with any particular client may differ from those described above. Information about the IAIM wrap sponsored program fee schedules are set forth in a Part 2A Appendix 1 of this brochure.

The annual fee may vary depending upon the market value of the assets under management and the type of investment management services to be rendered. IAIM and the client may agree upon a fee to be calculated at a specified percentage of assets under management without regard to increases in asset levels.

The Adviser, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, preexisting client, account retention, *pro bono* activities, etc.). If a client has more than one portfolio under the professional services of the Adviser, the Adviser may elect at its sole discretion to aggregate client portfolios for the purpose of computing management fees.

The specific fees charged by IAIM for its Investment Management Services will be set forth in each client's written Agreement. Advisory fees may be negotiable under certain circumstances at the sole discretion of IAIM, and arrangements with any particular client may differ from those described below. Although IAIM believes its advisory fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources.

### **Performance- Based Fees**

In some cases, IAIM has entered into performance fee arrangements with qualified clients: such fees are subject to individualized negotiation with each such client. IAIM will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (The Advisors Act) in accordance with the available exemptions there under, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, IAIM shall include realized and unrealized capital gains and losses.

For qualified clients, we may also charge an incentive allocation of up to 20%. The performance-based fee is calculated based on the total return of the account during a 12-month period or return above the S&P 500 index benchmark during a 12-month period.

We directly debit or invoice our portfolio management fees, as agreed with each client, monthly, in advance, based upon the market value of the account at the beginning of each calendar month.

### **Financial Planning**

We charge Financial Planning clients either an hourly fees of \$250/hour, a onetime Flat Fee, or an Annual Flat Fee for financial planning and consulting services. The Adviser's financial planning and consulting fees are negotiable, but generally range from \$1,000 to \$10,000 on a fixed fee basis or from \$200 to \$500 on an hourly rate basis. The fee is based on upon the level and scope of the services provided and the professional rendering the financial planning. If a client engages IAIM for additional investment advisory services, the Adviser may, in its discretion, offset all or a portion of its financial planning fees for those services based upon the amount paid for the financial planning and or consulting services.

Prior to engaging IAIM to provide financial planning services, the client will generally be required to enter into a written agreement with the Adviser setting forth the terms and conditions of the engagement and describing the scope of the services to be provided and the portion of the fee that is due from the client prior to the Adviser commencing service. Generally 50% of the fee may be due upon signing the financial planning agreement, with the balance due upon presentation of the plan or other work product to the client.

Should a client elect to implement the recommendations contained in their financial plan, brokerage and other transaction costs could apply. Please refer to Item 5 and Item 12 for more information on fees clients may be responsible for and IAIM's brokerage practices. Also, as mentioned in Item 4 above, our IAR's are typically also a registered representative of IAA and does receive compensation from time to time when a client opens an account with IAA, as recommended by IAIM, please refer to Item 5. below for additional information on the conflicts surrounding this arrangement.

Additionally, certain IARs of IAIM are also licensed insurance agents with IAA Insurance Agency (see Item 10 for details), and other various life, health and disability insurance companies. There are times when these IARs recommend the purchase of certain insurance products through IAA Insurance Agency, and/or other insurance companies, to IAIM clients as part of their financial plan. Upon purchase, the IAR, in his or her capacity as an insurance agent, will receive normal and customary commissions. The amount of these

commissions and timing of payment can vary depending on the type of insurance purchased. Please refer to Item 10 for additional information, including applicable conflicts and how IAIM addresses the conflicts. Either party may terminate the agreement by written notice to the other as provided in the agreement.

In addition to financial planning fees charged to the client, the Adviser may earn advisory fees should a client choose to implement all or a portion of the plan through IAIM. Similarly, IAIM representatives may earn commissions and/or other fees should a client choose to implement all or a portion of the plan through (International Assets Advisory, LLC an affiliated broker-dealer).

### **Manager Selection Program**

In each third-party adviser program, the program sponsor deducts the advisory fee from the client's account, and then will forward a portion of the fee to our firm. We urge our clients to refer to selected third-party adviser's and/or program sponsor's disclosure documents for exact fees and expenses charged by each such third-party program, as well as minimum account requirements, refund and termination provisions. All refunds of fees paid under these third-party advisory programs must be obtained directly from the adviser and/or sponsor, not from our firm. A complete description of each program can be found in disclosure materials prepared by the program sponsors, which we will provide to the client at the time we recommend the program.

Fees we receive from each program sponsor will vary depending on the program, the instruments invested in within a program, the amount of assets invested and specific fee negotiated between our firm and each program sponsor. Generally, the total program fee will range from 0.75% to 3.00% of client's assets under management with the third-party adviser(s). Typically, our firm's share of the total fee charged to the client by the third-party adviser will range from 0.50% to 2.00% of client's assets under management with the third-party adviser(s).

Clients participating in a third-party advisory program that invests in mutual funds or securities offered by other registered investment companies should be aware that the investment companies pay investment advisory or management fees to investment advisers and others, and pay marketing or service fees (including without limitation so-called "12b-1 fees") to broker-dealers and others (including, in some cases, the third-party adviser or its affiliates) who provide services to or for the fund or its shareholders. These fees constitute indirect expenses ultimately borne by the client, and are in addition to the investment advisory fees paid by the client to the third-party adviser.

### **Information Regarding "Wrap Fee" Programs**

As mentioned in Item 4 of this Brochure, some of the third-party advisory programs we recommend are considered "wrap programs," in which the fee paid to the program sponsor includes the program sponsor's investment management fee, our advisory fee, the advisory fees of independent managers selected within the programs, the execution of the client's portfolio transactions without commission charge, and/or custodial services for the client's assets. The disclosure brochure for each program will disclose if it is a "wrap fee" program.

In evaluating "wrap fee" programs, a client should recognize that transactions are usually effected "net," i.e., without commission. A portion of the wrap fee is generally considered as being in lieu of commissions. Trades are generally expected to be executed only with the broker-dealer with which the

client has entered into the wrap fee arrangement, so that the investment managers in the program may not be free to seek best price and execution by placing transactions with other broker dealers. No assurance can be given that the broker-dealers will be able to obtain best execution with respect to transactions effected for such programs.

Accordingly, the client may wish to satisfy him/herself that the broker-dealer offering the “wrap fee” arrangement can provide adequate price and execution of most or all transactions. The client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

### **Compensation for Retirement Planning Solutions**

Based upon the services selected by the client, the Firm generally will charge an annual advisory fee not to exceed one percent (1%) of a client's assets under management. This fee is assessed quarterly, in arrears or advance depending on calculation procedures of the applicable custodian. Such fees will be automatically deducted from the client's account by the custodian as soon as practicable following the end of each applicable billing period and paid to IAIM. IAIM will calculate the fee and invoice clients directly at IAIM's discretion.

Should a client open an account during a quarter, the Firm's advisory fee will be prorated based on the number of days the account was open during the quarter. In the event the Firm's services are terminated mid-quarter, any paid, unearned fees will be promptly refunded to the Client, and any earned, unpaid fees will be due and payable to IAIM.

At times, IAIM may also charge a fixed-fee for consulting and plan implementation services. These fees are negotiable and described in the client's Agreement with IAIM.

### **Fees in General**

Fees and account minimums for all services are negotiable based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). Discounts, not generally available to our advisory clients, may be offered to family members.

We may group certain related client accounts for the purposes of determining the account size and/or annualized fee.

Certain legacy client agreements may be governed by fee schedules different from those listed above.

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered.

We may, at our sole discretion, reduce our advisory fees by the amount of commissions, mark-ups, and/or 12b-1 fees received by our employees in their separate capacities as registered representatives.

### **Account Termination**

Clients will have a period of five (5) business days from the date of signing the agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, the client may terminate the agreement by providing us a 30-day written notice at our principal place of business. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. However, if a portfolio management account is terminated prior to the end of a billing month; no rebate will be issued for unused service in the effective termination month.

### **Mutual Fund and ETF Fees and Expenses**

All fees paid to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund or and ETF directly, without the services of our firm. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which mutual fund or funds or ETFs are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and ETFs and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Certain mutual funds charge “front-end loads” or “back-end loads” which are paid to investment intermediaries as sales commissions. As such, these sales charges are not part of a mutual fund's operating expenses and are deducted from the investment amount, thus lowering the size of the investment. Certain mutual funds also charge annual marketing or distribution fees. These 12b-1 fees are considered an operational expense and, as such, are included in a fund's expense ratio.

Clients should note that because we have a related broker dealer, 12b-1 fees and “loads” paid to this related entity as a result of its brokerage services would inure to the benefit of the officers and owners of our advisory firm. Please see detailed disclosure regarding the resulting conflicts of interests in Items 10 and 12 of this Brochure. We will generally limit our recommendations to “no-load” or “load-waived” mutual funds.

### **Brokerage and Custodial Fees**

In addition to advisory fees paid to our firm, clients will also be responsible for all transaction, brokerage, and custodial fees incurred as part of their account management, unless they have selected to participate in a “wrap fee” program offered by a third-party sponsor(s). Please see Item 12 of this Brochure for important disclosures regarding our brokerage practices.

### **Additional Compensation Received by Us**

Our principals and employees are registered securities representatives with International Assets Advisory LLC (hereinafter, “Related Broker”), a FINRA-registered broker-dealer, related to our firm by virtue of common ownership and control. In these capacities, these individuals may recommend

securities, insurance, or other products, and receive normal securities and/or insurance transactions commissions, 12b-1 fees, markups, and load sales charges if products are purchased through the Related Broker. Thus, a conflict of interest exists between the interests of our firm and these individuals and those of the advisory clients, creating an incentive for them to recommend investment and/or insurance products based on the compensation received, rather than on a client's needs. However, clients are under no obligation to act upon any recommendations of these individuals or to effect any transactions through them if they decide to follow the recommendations. These individuals do not limit their investment or financial planning recommendations to products or services offered by Related Broker and ensure that all recommendations are appropriate for a client's specific needs. Clients have the option to purchase investment and insurance products recommended through other brokers and insurance companies not affiliated with our firm. Please refer to Item 10 of this Brochure for a more detailed explanation of how our firm handles and mitigates these conflicts of interest.

Clients should carefully review the fees charged by any mutual fund, third party adviser, and affiliated advisor in which the client's assets are invested, together with the fees charged by IAIM, to fully understand the total amount of fees to be paid by the client and in order to evaluate the advisory services being provided.

As mentioned above, certain IAIM IARs receive compensation based on certain investment recommendations made to clients. Because of that, clients should be aware that the receipt of additional compensation by IARs of the Firm creates an inherent conflict of interest, and may affect the judgment of these individuals when making recommendations. This is due to the fact that the IAR, when receiving compensation has an incentive to make recommendations based on the compensation received rather than on a client's needs. IAIM has adopted certain procedures designed to mitigate the effects of conflicts. IAIM and its IARs endeavor at all times to put the interests of the clients first, and recommendations only will be made to the extent that they are reasonably believed to be in the best interests of the client. Additionally, the conflicts presented by these practices are disclosed to clients at the time of entering into an advisory agreement, mainly through the delivery of the IAIM Disclosure Brochure (ADV Part 2A) and ADV Part 2B Supplement Brochures. Clients are not obligated to implement recommended transactions through IAIM, any of its affiliates or any particular broker-dealer and have the option to purchase any recommended investment products or services through others. Please refer to Item 10 for additional information regarding the financial industry affiliations of IAIM and its IARs.

## **Item 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As we disclosed in Item 5 of this Brochure, our firm accepts performance-based fees from certain qualified clients. Such a performance-based fee is calculated based on a share of capital gains on or capital appreciation of client account assets. To qualify for a performance-based fee arrangement, a client must either demonstrate a net worth of at least \$2,000,000 or must have at least \$1,00,000 under management immediately after entering into a management agreement with us.

Clients should be aware that a performance-based fee arrangement may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Furthermore, since we also have clients who do not pay performance-based fees, we have an incentive to favor accounts that do pay such fees because compensation we receive from these clients is more directly tied to the performance of their accounts.

Since we endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser, we take the following steps to address these conflicts:

1. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and its employees to earn more compensation from advisory clients who pay performance-based fees;
2. We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
3. Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
4. We have implemented policies and procedures for fair and consistent allocation of investment opportunities among all client accounts;
5. We periodically compare holdings and performance of all accounts with similar strategies to identify significant performance disparities indicative of possible favorable treatment;
6. We periodically review trading frequency and portfolio turnover rates to identify possible patterns of "window dressing," "portfolio churning," or any intent to manipulate trading to boost performance near the reporting period; and
7. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients and equitable treatment of all clients, regardless of the fee arrangement.

We will only charge performance-based fees in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable state regulations. These fees will not be offered to any client residing in a state in which such fees are prohibited.

*The client must understand the performance-based fee method of compensation and its risks prior to entering into a management contract with us.*

## **Item 7. TYPES OF CLIENTS**

Our firm generally provides advisory services to individuals, pensions and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

The minimum dollar value of assets for starting or maintaining a portfolio management account is \$50,000. We may make exceptions to this policy from time to time.

## **Item 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Our firm employs the following types of analysis to formulate client recommendations:

Fundamental Analysis: Fundamental analysis of a business involves analyzing its income statement, financial statements and health, its management and competitive advantages, and its competitors and markets. Fundamental analysis school of thought maintains that markets may mis-price a security in the short run but that the "correct" price will eventually be reached. Profits can be made by trading the mis-priced security and then waiting for the market to recognize its "mistake" and re-price the security.

However, fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. Therefore, unforeseen market conditions and/or company developments may result in significant price fluctuations that can lead to investor losses.

Mutual fund and/or ETF analysis: We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other funds in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable of the client's portfolio.

Technical analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and to potentially predict future price movement.

Cyclical analysis: In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Charting: In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Asset Allocation: Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Third-Party Manager Analysis: We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that



manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, it is possible for us to miss the absence of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks for all forms of analysis: Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Our firm employs the following investment strategies to implement investment advice given to clients:

Long-term purchases: We mostly purchase securities with the idea of holding them in the clients account for a year or longer. We may do this because we believe the securities to be currently undervalued. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases: At times, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Trading: We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

A risk in a short-term purchase is the potential for sudden losses if the anticipated price swing does not materialize. Moreover, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy,

and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Short sales: We borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. We then sell the shares we have borrowed. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling on based on our determination that the stock will go down in price after we have borrowed the shares. If the stock has gone down since we purchased the shares from the original owner, we keep the difference.

One risk in selling short is that losses are theoretically unlimited; we are obligated to repurchase the stock no matter how much the price has climbed. In addition, even if we are correct in determining that the price of a stock will decline, we run the risk of incorrectly determining when the decline will take place. Short selling may not be appropriate in times of inflation, as prices may adjust upwards regardless of the value of the stock.

Margin transactions: We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the broker will issue a “margin call”, and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.

Option writing: We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.

A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to “hedge” a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use “covered calls”, in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

We use a “spreading strategy”, in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

*Clients should understand that investing in any securities, including mutual funds and ETFs, involves a risk of loss of both income and principal.*

## **Item 9. DISCIPLINARY INFORMATION**

Neither our firm nor our management persons have any reportable disciplinary events to disclose.

## **Item 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

As is disclosed in Item 5 of this Brochure, our principals and employees are registered securities representatives with Related Broker IAA, Related Insurance Agency IAA, and Related Investment Advisor TAS. Please refer to Items 5 and 12 of this Brochure for a detailed explanation of these relationships, our brokerage practices, and important conflict of interest disclosures.

Additionally, as outlined in Item 4 above, Mr. Edward Cofrancesco and Mr. David Weinberger are partial owners and serve as co-Managing Members of Tactical Investment Strategies, LLC (TIS) a State of Florida Registered Investment Advisor. TIS is recommended as a subadvisor to IAIM clients from time to time which is a conflict of interest. This conflict of interest affects the ability of IAIM, Mr. Cofrancesco, Mr. Weinberger and the firm’s IARs to provide clients with unbiased, objective investment advice concerning the selection of certain sub advisors for client accounts. This could mean that other investments that Mr. Cofrancesco and Mr. Weinberger do not have an interest in, may be more appropriate for an investment advisory client than an investment in the affiliated sub advisor TIS. Therefore, a conflict of interest exists in the selection of investments for IAIM clients. Accordingly, each prospective investor that is introduced to TIS as a possible subadvisor, prior to making an investment decision to utilize the subadvisor, is encouraged to consider all factors they deem relevant to an investment in this subadvisor, including the conflicts of interest noted within this Form ADV and also in the subadvisor’s Form ADV Part 2A and 2B (brochure), and to consult with their own advisors regarding such potential investment. Although the appearance of potential conflict of interest, the adviser will act in the client’s best interest at all time. For further information on the compensation Mr. Cofrancesco and Mr. Weinberger receive for performing outside business activities, along with information on how IAIM addresses the conflicts surrounding these activities, please refer to their respective Form ADV Part 2B – Disclosure Supplement.

Clients should be aware that the recommendation of Related Broker for trade execution as well as receipt of additional compensation by our firm and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory and brokerage recommendations. Potential conflicts of interest also arise to the extent that these non-IAIM activities may require a significant time commitment from some of our staff, thus limiting the amount of time they can dedicate to management of advisory client accounts. Although the appearance of potential conflict of interest, the adviser will act in the client's best interest at all time. Since we endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser, we take the following steps to address this conflict:

1. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and its employees to earn compensation from advisory clients in addition to our advisory fees;
2. We may reduce our advisory fees by the amount of brokerage and insurance commissions received by our employees as a courtesy to our advisory clients;
3. We disclose to clients that they are not obligated to purchase recommended investment products or services from our employees;
4. We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
5. We periodically review the execution capabilities and overall market competitiveness of Related Broker using quantitative and qualitative criteria;
6. Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
7. We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
8. We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
9. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

## **Item 11. CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics Disclosure**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code provides for oversight, enforcement and recordkeeping provisions. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request to Ann Moore, Chief Compliance Officer, at the firm's principal office address.

Our firm or individuals associated with our firm may buy or sell securities identical to those recommended to or purchased for customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. This practice results in a potential conflict of interest, as we may have an incentive to manipulate the timing of such purchases to obtain a better price or more favorable allocation in rare cases of limited availability.

To mitigate these potential conflicts of interest and ensure the fulfillment of our fiduciary responsibilities, we have established the following restrictions:

1. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No principal or employee of our firm may prefer his or her own interest to that of the advisory client;
2. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts;
3. We do not aggregate employee trades with client trades. All client trades have implementation and execution priority;
4. We maintain a list of all securities holdings for our firm and anyone associated with this advisory practice with access to advisory recommendations;
5. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where our firm is granted discretionary authority;
6. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices; and
7. Any individual not in observance of the above may be subject to disciplinary action or termination.

## **Item 12. BROKERAGE PRACTICES**

We do not have any formal soft-dollar arrangements and do not contract with any broker dealer to receive soft-dollar benefits. This means that we do not receive research or gain access to industry analysts or conferences in return for paying higher commissions for client trades to a particular broker dealer.

We do not request or accept the discretionary authority to determine the broker dealer to be used for client accounts. This means that we will not survey or shop the brokerage market place for best execution on a transaction-by-transaction basis. Clients must direct us as to the broker dealer to be used for all client securities transactions. In directing the use of a particular broker or dealer, it should be understood that we will not have authority to negotiate commissions among various brokers, and best execution may not be achieved, resulting in higher transaction costs for clients. *Not all advisers require their clients to direct brokerage.*

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, we will generally recommend the services of Related Broker. Related Broker clears its securities

transactions through National Financial Services, LLC, an entity unaffiliated with our firm or with Related Broker. Our clients must evaluate this broker before opening an account. The factors considered by our firm when making this recommendation are the broker's ability to provide professional services, our experience with the broker, the broker's reputation, and the broker's quality of execution services and costs of such services, among other factors. However, our recommendation of Related Broker creates a significant conflict of interest because the receipt of additional compensation creates a strong incentive for our firm to continue recommending this broker. Please refer to Items 5 and 10 of this Brochure for a more detailed description of our relationship with Related Broker and the policies implemented by our firm to monitor and mitigate the existing conflicts of interest.

*Clients are not under any obligation to effect trades through any recommended broker.* Clients may direct us to place trades through another broker. However, we reserve the right to decline acceptance of any client account for which the client directs the use of a broker if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account.

### **Trade Aggregation**

As a matter of policy and practice, our firm does not generally block client trades and, therefore, implements client transactions separately for each account. Due to this practice, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades. If we determine that aggregation of trades in a certain situation will be beneficial to our clients, transactions will be averaged as to price and will be allocated among our clients in proportion to the purchase and sale orders placed from each client account on any given day. Clients should carefully review the disclosure documents of selected third-party managers and/or program sponsor(s) for detailed information about their best execution, aggregation and allocation practices.

## **Item 13. REVIEW OF ACCOUNTS**

Each Investment Adviser Representative registered with our firm is responsible for reviewing accounts assigned to him or her. Supervisory account reviews are conducted by David Weinberger, CFO, Mike Frustaci, Compliance and Ann Moore, Chief Compliance Officer.

### **Portfolio Management Services (IAS and TAS)**

Reviews (IAS): -While the underlying securities within these accounts are continuously monitored, these accounts are reviewed at least monthly by the above-listed individuals. Accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Geopolitical and macroeconomic events may also trigger reviews.

Reports (IAS): Clients will receive at least quarterly statements from their selected custodian. We may provide additional reports upon client request or as agreed upon at the inception of the relationship.

While the underlying securities within these accounts are continuously monitored, these accounts are reviewed at least monthly by the above-listed individuals. These accounts will be reviewed in the context of the investment objectives and guidelines of the model portfolio as well as any investment

restrictions provided by the client. Geopolitical and macroeconomic events may also trigger asset allocation reviews of a model portfolio.

Reviews (TAS): While the underlying securities within these accounts are continuously monitored, these accounts are reviewed at least monthly by the above-listed individuals. These accounts will be reviewed in the context of the investment objectives and guidelines of the model portfolio as well as any investment restrictions provided by the client. Geopolitical and macroeconomic events may also trigger asset allocation reviews of a model portfolio.

Reports (TAS): Clients will receive at least quarterly statements from their selected custodian. We may provide additional reports upon client request or as agreed upon at the inception of the relationship.

### **Financial Planning Services**

Reviews: These client accounts will be reviewed as contracted for at the inception of the advisory relationship.

Reports: Financial Planning clients will receive a completed financial plan. Otherwise, we will not provide any ongoing reviews or reports beyond those specifically outlined in the advisory agreement(s).

### **Manager Selection Program/Separately Managed Account/Wrap Fee Accounts**

Reviews: We will continuously monitor the performance of the registered investment adviser(s) selected to manage client portfolios within the programs and formally review these accounts at least quarterly. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Geopolitical and macroeconomic specific events may also trigger reviews.

Reports: In addition to the monthly or quarterly statements and confirmations of transactions that clients receive from their broker dealer, third-party managers and/or program sponsor(s) may provide quarterly reports detailing the current market value of the client's account, dividend and interest income, performance for the quarter and year-to-date, realized and unrealized capital gains and losses. We may provide additional reports upon client request or as agreed upon at the inception of the relationship.

Additional information about the IAIM sponsored program and description of the applicable fee schedules are set forth in a Part 2A Appendix 1 of this brochure.

## **Item 14. CLIENT REFERRALS AND OTHER COMPENSATION**

IAIM, from time to time, will enter into agreements with individuals and organizations, some of whom will be affiliated or unaffiliated with IAIM, that refer clients to the Firm. All such agreements will be in writing and comply with the applicable state and federal regulations. If a client is introduced to IAIM by a solicitor, IAIM will typically pay that solicitor a fee in accordance with the applicable federal and state securities law requirements. While the specific terms of each agreement may differ, generally, the compensation will be based upon the percentage of fees paid to IAIM by such clients. Any such fee shall be paid solely from IAIM's fees, and shall not result in any additional charge to the client.

Each prospective client who is referred to IAIM under such an arrangement will receive a copy of the Firm's ADV Part 2A and a separate written disclosure document disclosing the nature of the relationship between the third party solicitor and IAIM and the amount of compensation that will be paid by IAIM to the third party. The CCO will supply each solicitor with a current copy of the Solicitor Disclosure Statement and IAIM's Form ADV Part 2A (the "Disclosure Brochure") and any amendments thereto for reference and delivery by the solicitor to all prospective clients solicited on behalf of IAIM. IAIM is responsible for overseeing that the prospective client received those documents and for maintaining all required records relating to solicitation arrangements entered into by the Firm.

As stated in Item 10, above, certain individuals of the Firm are also licensed insurance agents, registered representatives with IAA, TIS and have other outside business activities. These activities create conflicts of interest, which are further disclosed in Items 4, 5, 6, 8, 10 & 13 above, and also in each IAR's Form ADV Part 2B (Supplemental Disclosure Brochure), along with information on how IAIM addresses such conflicts. To mitigate this potential conflict of interest, and as part of IAIM's fiduciary duty to its clients, the Firm endeavors at all times to put the interest of the clients first.

From time to time, IAIM may attend or hold sponsored events, the expenses of which may be borne either partially or entirely by a third-party entity, such as a mutual fund company or other financial industry service provider. Representatives of these third-party entities may also be present at these sponsored events with IAIM compensating these individuals for their attendance. From time to time, representatives of various investment firms may sponsor a meal to apprise representatives of IAIM of product developments or changes.

Other than that already described in this Brochure, our firm does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

## **Item 15. CUSTODY**

Custody is defined as any legal or actual ability by our firm to access client funds or securities. Since all client funds and securities are maintained with a qualified custodian, we don't take physical possession of client assets. However, under the current SEC rules, our firm is deemed to have constructive custody of client assets because we directly debit client fees from their custodial accounts. Therefore, we urge all of our management clients to carefully review and compare their quarterly reviews of account holdings and/or performance results received from us to those they receive from their custodian. Should you notice any discrepancies, please notify us and/or your custodian as soon as possible.

As stated above, IAIM's general policy is to place client trades with their broker custodian and IAIM will continue to do so as long as the Firm believes that the broker custodian is providing the best overall deal for the client and they remain competitive in relation to executions and the cost of each transaction ("best execution").

Although IAIM will strive to achieve the best execution possible for client securities transactions, this does not require it to solicit competitive bids and IAIM does not have an obligation to seek the lowest available commission cost. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into



consideration the full range of a broker-dealer's services, including among other things, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while IAIM will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions. IAIM is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services (i.e., "soft dollars") provided by the broker which are included in the commission rate.

To ensure that custodian/brokers recommended by IAIM are conducting overall best qualitative execution, IAIM will periodically (and no less often than annually) evaluate the trading process and custodian/brokers utilized. IAIM's evaluation will consider the full range of brokerage services offered by the custodian/brokers, which may include, but is not limited to price, commission, timing, research, aggregated trades, capable floor brokers or traders, competent block trading coverage, ability to position, capital strength and stability, reliable and accurate communications and settlement processing, use of automation, knowledge of other buyers or sellers and administrative ability.

## **Item 16. INVESTMENT DISCRETION**

For clients granting us discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for their account(s), we request that such authority be granted in writing, typically in the executed investment management agreement.

Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in this written authority statement. Clients may change/amend these limitations as desired. Such amendments must be submitted to us by the client in writing.

Should the client wish to impose reasonable limitations on third-party manager(s)' discretionary authority, such limitations should also be included in a written authority statement. Clients should refer to third-party manager(s)' disclosure documents to understand how these limitations can be changed or amended.

For clients that are receiving Financial Planning Services on a non-discretionary basis, IAIM will make recommendations to the client regarding the purchase or sale of securities or other assets that they consider to be in the best interest of the client. The client has full discretion to accept or reject the Firm's recommendations and is responsible for implementing any accepted recommendations with any broker-dealer the client chooses.

## **Item 17. VOTING CLIENT SECURITIES**

Advisory clients may elect to delegate their proxy voting authority to us. Alternatively, clients may, at their election, choose to receive proxies related to their own accounts, in which case we may consult with clients as requested. (With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies.) Since proxies are voted in bulk across all advisory accounts, clients cannot instruct, direct, or change our voting decisions.

When we have discretion to vote proxies for our clients, we will vote those proxies in the best interests of its clients and in accordance our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement

received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Ann Moore directly. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are 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 us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

## **Item 18. FINANCIAL INFORMATION**

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered and therefore is not required to provide, and has not provided, a balance sheet. IAIM does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding.

## **Part 2B of Form ADV: *Brochure Supplement***

Ann Moore  
390 N. Orange Avenue  
Suite 750  
Orlando, FL 32801

Telephone: 407-254-1516

International Assets Investment Management, LLC  
390 N. Orange Avenue  
Suite 750  
Orlando, FL 32801

Telephone: 497-254-1516

01/28/2017

**This brochure supplement provides information about Francis Freeman that supplements the International Assets Investment Management, LLC brochure. You should have received a copy of that brochure. Please contact Ann Moore if you did not receive our brochure or if you have any questions about the contents of this supplement.**

## **Item 2. Educational Background and Business Experience**

Ann Moore, Chief Compliance Officer IAIM

### Education:

Bachelor of Science in Microbiology, Brigham Young University, 1985.

### Business Background:

National Sales Manager/Due Diligence Officer, International Assets Advisory, LLC. From 05/2014 to present

Chief Compliance Officer, International Assets Investment Management, LLC. From 05/2008 to present

Chief Compliance Officer, International Assets Advisory, LLC. From 05/2008 to 05/2014

Branch Manager, IAA Financial, LLC. From 02/2014 to 12/2014

Chief Compliance Officer, Five X Securities, LLC. From 07/2008 to 02/2009

Associated Person, eFloorTrade, LLC 08/2002 to 05/2008

## **Item 3. Disciplinary Information**

Ms. Moore does not have any history of disciplinary events.

## **Item 4. Other Business Activities**

Ms. Moore is a registered principal with International Assets Advisory, LLC. (Hereinafter, “Related Broker”), a registered broker – dealer, member of the Financial Industry Regulatory Authority (“FINRA”), related to IAIM by virtue of common ownership and control. In these capacities, Ms. Moore may recommend securities, insurance, advisory, or other products, and receive normal transaction commission if products are purchased through related broker.

Ms. Moore also owns Vicki’s LLC – DBA and company providing bookkeeping services.

## **Item 5. Additional Compensation**

Other than what is listed above (normal transaction commission), Ms. Moore does not receive any additional compensation

## **Item 6. Supervision**

David Weinberger, CFO/COO, is responsible for employee supervision and general business strategy of the firm. He can be reached at (407) 254-1500. The firm's Investment Committee is responsible for formulation and monitoring of investment advice offered to client, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met. Ann Moore, Chief Compliance Officer, reviews all employee personal securities transactions on a quarterly basis.

**Part 2B of Form ADV: *Brochure Supplement***

David Weinberger  
390 N. Orange Avenue  
Suite 750  
Orlando, FL 32801

Telephone: (407) 254-1500

International Assets Investment Management, LLC  
390 N. Orange Avenue  
Suite 750  
Orlando, FL 32801

Telephone: (407) 254-1516

1/31/2017

**This brochure supplement provides information about David Weinberger that supplements the International Assets Investment Management, LLC brochure. You should have received a copy of that brochure. Please contact Ann Moore if you did not receive our brochure or if you have any questions about the contents of this supplement.**

## **Item 2. Educational Background and Business Experience**

### David Weinberger, Investment Advisor Representative

#### Education:

Mr. Weinberger studied at Florida Atlantic University where he obtained his Bachelor of Arts degree in Accounting.

#### Business Background:

Investment Advisor Representative, International Assets Investment Management, LLC. From 07/2015 to present

Registered Representative, International Assets Advisory LLC, from 01/2015 to Present.

Registered Representative, IAA Financial, LLC, from 09/2009 to 01/2015

Registered Representative, GunnAllen Financial Inc., from 01/2004 to 09/2009

Registered Representative Continental Broker Dealer Co, from 08/2001 to 01/2004 and 10/1998 to 10/1999

Registered Representative, Preferred Securities Group, from 08/2000 to 08/2001

Registered Representative, Institutional Equity Corporation, from 10/1999 to 08/2000

Registered Representative, Joseph Dillon & Company Inc., from 07/1998 to 10/1998

Registered Representative, The Investment Center Inc., from 06/1997 to 07/1998 and 04/1996 to 12/1996

Registered Representative, Biltmore Securities, Inc., from 09/1995 to 04/1996

## **Item 3. Disciplinary Information**

None. For details please refer to Broker Check at [www.finra.org](http://www.finra.org) and [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Item 4. Other Business Activities**

Mr. Weinberger is a registered securities representative with International Assets Advisory, LLC. (Hereinafter, "Related Broker"), a registered broker – dealer, member of the Financial Industry Regulatory Authority ("FINRA"), related to IAIM by virtue of common ownership and control. In these capacities, Mr. Weinberger may recommend securities, insurance, advisory, or other products, and receive normal transaction commission if products are purchased through related broker. Mr.

Weinberger is also the CFO and COO of the BD and receives salary, commissions, and bonus from the BD.

Mr. Weinberger has the following other outside business activities – Weinberger Investments Inc. - consulting for tax and organizational purposes, Tactical Investment Strategies, LLC – state registering Investment Advisor.

**Item 5. Additional Compensation**

Other than stated in Item 4 Mr. Weinberger does not receive additional compensation.

**Item 6. Supervision**

David Weinberger, CFO/COO, is responsible for employee supervision and general business strategy of the firm. He can be reached at (407) 254-1500. The firm's Investment Committee is responsible for formulation and monitoring of investment advice offered to client, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met. Ann Moore, Chief Compliance Officer, reviews all employee personal securities transactions on a quarterly basis and supervises Mr. Weinberger.



## **Part 2A Appendix 1 of Form ADV: *Wrap Fee Program Brochure***

### **International Assets Investment Management LLC**

390 North Orange Ave. #750  
Orlando, FL 32801

Telephone: 407-254-1500  
Email: [amoore@iaac.com](mailto:amoore@iaac.com)

### **International Assets Investment Management Managed Account Solutions Program –Wrap Fee Program**

January 2017

This wrap fee program brochure provides information about the qualifications and business practices of International Assets Investment Management LLC. If you have any questions about the contents of this brochure, please contact us at 407-254-1500 or [amoore@iaac.com](mailto:amoore@iaac.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about International Assets Investment Management LLC 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. Our firm's CRD number is 144426.

## **Item 1. COVER PAGE**

Please refer to previous page.

## **Item 2. MATERIAL CHANGES**

The Brochure dated January 11, 2017 has been updated to replace the version from January 2016. The following material changes have occurred since the last update:

*Item 4 – Advisory Services- Fees and Compensation:* updated to add Tactical Allocation Strategy (TAS) a proprietary investment strategy managed by “Tactical Investment Strategies” (TIS) a Florida State registered investment advisor to the list of types of investments recommended/utilized by IAIM. Added information that TIS program will be recommended to IAIM clients from time to time, along with allocation factors. Also added disclosures that Mr. Edward Cofrancesco and Mr. David Weinberger are both principals of IAIM and are both also partial owners and co-Managing Members of TIS; therefore TIS and IAIM are considered affiliated through common ownership/management. IAIM also, updated to reflect that TIS collects fees from clients utilizing the TAS manager program and pays IAIM their portion for investment management services. Expanded disclosures regarding the fees charged by third parties and the firm’s valuation policy. Added disclosures regarding the fact Mr. Cofrancesco and Mr. Weinberg receive a monetary benefit when clients invest under the TIS program, as well as disclosure of the applicable conflicts of interest and how IAIM address these conflicts. The fee schedule has been expanded to include fees maybe negotiable in the sole discretion of the Adviser and generally range between .50 and 3.0% of assets under management. Fee descriptions for financial planning and consulting services and Performance Fees have also been expanded and clarified. Please review Item 6 for details of the changes to the brochure.

In addition to the above, other non-material updates were made so IAIM recommends that clients read Form ADV Part 2A and Appendix 1 in its entirety.

Additional information about IAIM and its investment adviser representatives is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 3. TABLE OF CONTENTS**

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## **Item 4. SERVICES FEES AND COMPENSATION**

### **Services**

International Assets Investment Management LLC is a SEC-registered investment adviser with our principal place of business located in Florida. International Assets Investment Management LLC has been in existence since 2007 and we began conducting WRAP Fee business in 2012.

We sponsor the International Assets Investment Management Managed Account Solutions Program (the "Program"), a wrap fee program. A wrap fee program is an advisory program under which a specified fee or fees not based directly on transactions in the client's account is charged for advisory services, which may include portfolio management or advice concerning the selection of other investment advisers, and the execution of client transactions.

You may obtain a copy of the Wrap Fee Program Brochure(s) for any additional program by contacting us by calling *Ann Moore (407)254-1500* or by mail at *390 North Orange Ave. #750, Orlando, FL 32801*.

This Wrap Fee Program Brochure is limited to describing the services, fees, and other necessary information clients should consider prior to becoming a client within the Program. For a complete description of the other services and fees offered by our firm, clients should refer to our Form ADV Part 2: Firm Brochure.

You may obtain a copy of our Firm Brochure by contacting us at *Ann Moore (407)254-1500* or by mail at *390 North Orange Ave. #750, Orlando, FL 32801*.

### **Separately Managed Account ("SMA") Program**

Clients participating in the International Assets Investment Management Managed Account Solutions Program receive continual advice regarding the investment of their funds based on their individual needs. Through personal discussions in which goals and objectives based on the client's particular circumstances are established, we develop the client's personal investment policy which serves as the basis for managing the client's portfolio. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

As a sponsor of this Program, we have established contractual relationships with third party money management firms to enable our clients' to utilize a broad spectrum of professional investment managers with various specialties and investment strategies (i.e., large cap, small cap, fixed-income, global/international, etc.), as well as asset allocation or asset management services.

International Assets Investment Management Managed Account Solutions Program clients sign separate agreements with our firm and each of the selected managers. Clients participating in this program will have their investment portfolio(s) managed on a discretionary or non-discretionary basis according to the specific investment style selected by the client.

As part of our consulting and administrative services, the duties of our firm's investment adviser

representatives ("IARs") include assisting the client to identify and define and investment objectives and choosing appropriate portfolio managers, setting restrictions or limitations on the management of the account, explaining portfolio strategies and transactions and answering client questions. Furthermore, International Assets Investment Management LLC reviews the performance of the selected portfolio manager(s) on at least an annual basis and prior to introducing clients to the non-affiliated investment advisers.

A complete description of the third party manager's services, fee schedules and account minimums (if any) will be disclosed in the independent manager's applicable Form ADV disclosure brochure(s) which will be provided to clients at the time an agreement for services is executed and account is established.

### **Affiliated Sub Advisor Tactical Investment Strategies (TIS) Utilizing Tactical Allocation Strategy (TAS)**

Through personal discussions with the client in which the client's goals and objectives are established, we will determine if and which model portfolio could met the client's goals and objectives. Once the appropriate portfolio has been selected, the portfolio will be managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, will have the opportunity to place reasonable restrictions on the types of investments to be held in the client's account and account supervision will be guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients will retain individual ownership of all securities.

In order to ensure that our initial determination of an appropriate portfolio continues to be appropriate and that the client's account continues to be managed in a manner suitable to the client's financial circumstances, we will maintain client suitability information in the client's file. On a quarterly basis, we will notify clients in writing to request updated information regarding the client's financial situation and investment objectives and whether the client wishes to impose or modify existing investment restrictions. In addition, we will contact clients at least annually to determine whether there have been any changes in the client's financial situation and whether the client wishes to impose investment restrictions or modify existing restrictions. The Tactical Investment Strategies is affiliated with IAIM through common management and ownership. There may be conflicts of interest when IAIM IAR's recommend TIS which are described in Item 10 and 11 of Part 2A of the IAIM brochure. Please also see the affiliated subadvisor TIS's Part 2A and 2B brochure.

Please also see Item 12 in Part 2A of the IAIM brochure for important information regarding the trading for this strategy.

### **Fees**

The annualized fees for this program are charged as a percentage of the value of the client's portfolio and typically fall within a range of 1% to 3.0% annually.

**How are Fees Charged:** Program fees are charged quarterly in advance. If management begins after the start of a quarter, Program fees will be prorated accordingly. When authorized by the client, fees will be debited from the account in accordance with the terms set forth in the Investment Management Agreement ("IMA").

**Payments to Investment Managers:** On the client's behalf, International Assets Investment Management LLC pays a portion of the fee we receive from the client to the selected investment manager(s) for that investment manager's services to the client, calculated on the value of assets in the client's account managed by that particular investment manager. The independent manager will typically receive 50 bps of the fee paid to our firm.

Although these amounts may be changed from time to time without notice to clients, such changes will not impact the fees paid by clients.

**What services are covered by the Program fees:** The Program fees pay for our firm's advisory services to clients, brokerage and custodial fees as well as administrative expenses of the Program.

Upon entering into a wrap fee account arrangement with International Assets Investment Management LLC, clients are free to designate any broker-dealer for executing securities transactions, including their continuation of a previous broker-dealer relationship. Clients can also elect to designate wrap Custodian as their executing broker-dealer. Payments to the broker-dealer for its execution services will be accomplished via the wrap fee charges to the account. Clients should be aware that while we strive to maintain our fiduciary duty to clients at all times, there may be an incentive for us to trade less actively in client accounts because we assume the costs of executing transactions for all accounts within this program.

**Other Fees and Expenses:** Clients may incur charges for other account services provided not directly related to the execution and clearing of transactions, including, but not limited to: IRA custodial fees, safekeeping fees, wire transfer fees, interest charges on margin loans, exchange fees, and fees for transfers of securities.

As is disclosed in Item 5 of Part 2A of IAIM's Brochure, our principals and employees are registered securities representatives with Related Broker IAA, Related Insurance Agency IAA, and Related Investment Advisor TAS. Please refer to Items 5 and 12 of this Brochure for a detailed explanation of these relationships, our brokerage practices, and important conflict of interest disclosures.

Additionally, as outlined in Item 4 In part 2A, Mr. Edward Cofrancesco and Mr. David Weinberger are partial owners and serve as co-Managing Members of Tactical Investment Strategies, LLC (TIS) a State of Florida Registered Investment Advisor. TIS is recommended as a subadvisor to IAIM clients from time to time which is a conflict of interest. This conflict of interest affects the ability of IAIM, Mr. Cofrancesco, Mr. Weinberger and the firm's IARs to provide clients with unbiased, objective investment advice concerning the selection of certain sub advisors for client accounts. This could mean that other investments that Mr. Cofrancesco and Mr. Weinberger do not have an interest in, may be more appropriate for an investment advisory client than an investment in the affiliated sub advisor TIS. Therefore, a conflict of interest exists in the selection of investments for IAIM clients. Accordingly, each prospective investor that is introduced to TIS as a possible subadvisor, prior to making an investment decision to utilize the subadvisor, is encouraged to consider all factors they deem relevant to an investment in this subadvisor, including the conflicts of interest noted within this Form ADV and also in the subadvisor's Form ADV Part 2A and 2B (brochure), and to consult with their own advisors regarding such potential investment. For further information on the compensation Mr. Cofrancesco and

Mr. Weinberger receive for performing outside business activities, along with information on how IAIM addresses the conflicts surrounding these activities, please refer to their respective Form ADV Part 2B – Disclosure Supplement.

**Additional Information about Program fees:** Under the Program, the participant receives investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified Program Fee. Clients are cautioned that depending on the level of fees charged by the executing broker-dealer, and the amount of portfolio activity in the clients' account, the value of the services provided under this Program may exceed the total cost of such services had they been provided separately. In addition, the Program Fee may be higher or lower than that charged by other sponsors of comparable wrap fee programs. In addition, a disparity in wrap fees may exist between the wrap fees charged to other clients.

### **General Information**

**Termination of the Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

**Mutual Fund Fees:** All fees paid to International Assets Investment Management LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund 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 our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Exchange-Traded Funds:** Shares of ETFs held in client accounts are bought and sold on an exchange and not, like mutual funds, directly from the fund itself. The price of ETF shares fluctuates in accordance with changes in the net asset value (NAV) per share, as well as in response to market supply and demand. Accordingly, ETF shares may trade at a price which differs from NAV per share of the ETF.

**Grandfathering of Minimum Account Requirements:** Pre-existing advisory clients are subject to International Assets Investment Management LLC's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

**ERISA Accounts:** International Assets Investment Management LLC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and

obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, International Assets Investment Management LLC may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset International Assets Investment Management LLC's advisory fees.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** We typically do not require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered; however, for larger account sizes, the semi-annual fees may be greater than \$1,200.

### **Compensation**

We enter into marketing arrangements with independent investment adviser and/or broker-dealer firms pursuant to which representatives of their firms ("Solicitors") offer our services, including participation in this program, to the public. Through these arrangements, we pay a cash referral fee to the Solicitor and/or their firm based upon a percentage of our advisory fee. The payment of referrals fees will not increase the amount of the fees paid by program participants. However, clients should be aware that the receipt of this compensation may create an incentive for the individual to recommend participation in this program over others for which no such compensation may be received.

As required by applicable law, the details of the solicitation arrangement, including the compensation payable to the solicitor, will be described to the client in a separate document provided to the client at the time of the referral. Please see Solicitor Arrangements in Item 10 or Part 2A IAIM brochure for further details.

As is disclosed in Item 5 of Part 2A of IAIM's Brochure, our principals and employees are registered securities representatives with Related Broker IAA, Related Insurance Agency IAA, and Related Investment Advisor TAS. Please refer to Items 5 and 12 of this Brochure for a detailed explanation of these relationships, our brokerage practices, and important conflict of interest disclosures.

## **Item 5. ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

### **Minimum Account Requirements**

Participation in this program is subject to certain minimum account requirements. For a more detailed understanding of these requirements, please review the disclosures provided in the preceding section.

The Program's portfolio managers do impose minimum investment requirements for client participation.

### **Types of Clients**

International Assets Investment Management LLC provides advisory services in the International Assets Investment Management Managed Account Solutions Program, where appropriate, to:



- Individuals
- Pension & Profit Sharing Plans
- Trusts
- Estates
- Corporations
- Charitable Organizations
- Partnerships
- Other **business entities**

## **Item 6. PORTFOLIO MANAGER SELECTION AND EVALUATION**

### **Portfolio Manager Selection**

As previously disclosed, International Assets Investment Management LLC recommends the services of independent managers to provide asset management services to our clients based on the client's individualized needs. A portion or all of the client's assets will then be managed by the independent manager based upon the stated investment objectives of the client.

The recommendation of an independent asset manager is contingent upon that manager passing our due diligence requirements. International Assets Investment Management LLC will not recommend the use of an independent manager unless the manager is registered or exempt from registration as an investment adviser in the client's home state. We evaluate independent asset managers based on extensive information provided by that manager, including descriptions of its investment process, asset allocation strategies, sample portfolios, and the independent manager's disclosure brochure(s). We also analyze performance, risk characteristics and management style.

Investment managers are selected by the client after a profile interview is completed with the prospective client. A manager is selected whose discipline style and manner is most compatible with the client's risk/reward performance. Manager review is performed at least annually. If the client is dissatisfied with that manager for any reason, a more in-depth review of the manager's performance is conducted consistent with the client's financial profile. If there are meaningful inconsistencies between the two, typically that manager will be replaced.

Circumstances under which an asset manager might be removed include (but are not limited to) poor performance, significant departure from the manager's stated investment discipline, or material changes in the organization. Similarly, International Assets Investment Management LLC may, as an alternative, recommend changing managers for any of the foregoing or other reasons, including a client's dissatisfaction.

### **Portfolio Performance Reporting**

Performance information may be provided directly to clients by certain investment managers. International Assets Investment Management LLC does not conduct reviews of reported portfolio manager performance, nor do we engage any third-party to conduct such reviews. Accordingly, the information being reported may or may not be calculated on a uniform and consistent basis.

### **Affiliated Portfolio Manager**

As previously disclosed, we may only manage certain client assets in this program some client assets are managed by our portfolio managers using the Individual Asset Selection Program, Tactical Investment Strategy or the IAIM Custom Account Management of International Assets Investment Management, LLC. Please refer to Item 4 for a detailed description of International Assets Investment Management Managed Account Solutions Program's services and fees.

Tactical Allocation Strategy (TAS) a proprietary investment strategy managed by "Tactical Investment Strategies" (TIS) a Florida State registered investment advisor to the list of types of investments recommended/utilized by IAIM. As stated above TIS program will be recommended to IAIM clients from time to time, along with allocation factors. Also added disclosures that Mr. Edward Cofrancesco and Mr. David Weinberger are both principals of IAIM and are both also partial owners and co-Managing Members of TIS; therefore TIS and IAIM are considered affiliated through common ownership/management.

## **Item 7. CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

Individuals affiliated with our firm are responsible for developing an initial financial profile of the prospective client. Prior to opening an account, we assist in determining a participant's profile for the Program by obtaining from the participant appropriate information (i.e., investment objectives, risk tolerance, time horizon, and any reasonable restrictions the client wishes to impose upon the management of the account). Initial investment strategy is jointly determined based on an assessment of the information provided by the client.

While we provide the client with periodic reminders, it remains the client's responsibility to advise us of any changes to the information previously provided that might impact the ongoing suitability of any prior determined investment strategy(ies) and/or objectives. We will prompt communicate any reported changes to the client's portfolio manager.

International Assets Investment Management LLC's investment adviser representative will directly contact each wrap fee program client at least annually to verify that there has been no change in the client's financial circumstances and/or investment objectives, and determine whether the client wishes to impose any reasonable restrictions on the management of the account(s). Any such changes or requests are communicated in writing to the client's portfolio manager, who is responsible for implementing appropriate adjustments to the client's portfolio.

## **Item 8. CLIENT CONTACT WITH PORTFOLIO MANAGERS**

Clients utilizing third party portfolio managers for management of their assets generally do not come in contact with their portfolio managers. In this program, International Assets Investment Management LLC's representatives typically serve as the communication conduit between the client and the independent manager. Clients are required to contact their financial consultant with any questions they may have regarding their account(s).

## **Item 9. ADDITIONAL INFORMATION DISCIPLINARY INFORMATION**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

*MANAGEMENT PERSONNEL Registrations:* Management personnel of our firm are separately licensed as registered representatives of International Assets Advisory, LLC and IAA Financial, LLC, affiliated FINRA member broker-dealers / municipal securities dealers.

These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

While International Assets Investment Management LLC and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Clients should be aware that the receipt of additional compensation by International Assets Investment Management LLC and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. International Assets Investment Management LLC endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

As previously disclosed, we recommend the services of various registered investment advisers to its clients. In exchange for this recommendation, we receive a referral fee from the selected investment adviser. The fee received by us is typically a percentage of the fee charged by that investment adviser to the referred client. The portion of the advisory fee paid to us does not increase the total advisory fee paid to the selected investment adviser by the client. We do not charge the client any fees for these

referrals. We will only recommend advisers that pay us a referral fee.

We are aware of the special considerations required under Rule 206(4)-3 of the Investment Advisers Act of 1940. As such, all appropriate disclosure shall be made and all applicable Federal and State laws will be observed.

Clients should be aware that the receipt of additional compensation by International Assets Investment Management LLC and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. International Assets Investment Management LLC endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for us or our employees to earn compensation from the referral of clients to other registered investment advisers;
- we disclose to the client in a separate disclosure document the compensation we receive in exchange for the client's referral to the selected investment adviser;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we conduct initial and periodic due diligence on the selected investment advisers to establish that the advisers are suitable to recommend to our clients; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

International Assets Investment Management LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

International Assets Investment Management LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [amoores@iaac.com](mailto:amoores@iaac.com), or by calling us at 407-254-1500.

International Assets Investment Management LLC or individuals associated with our firm may buy securities for the firm or for themselves from our advisory clients; or sell securities owned by the firm or the individual(s) to our advisory clients. We will ensure, however, that such transactions are conducted in compliance with all the provisions under Section 206(3) of the Advisers Act governing principal transactions to advisory clients.

International Assets Investment Management LLC may, at times, effect an agency cross transaction for an advisory client, provided that the transaction is consistent with our firm's fiduciary duty to the client and that all requirements outlined in Sec. 206(3)-2 of the Investment Advisers Act of 1940 are met.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our 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.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be *included* in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.

5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
9. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
10. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
11. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
12. Any individual who violates any of the above restrictions may be subject to termination.

As previously disclosed, related persons of our firm are separately registered as *securities representatives of a broker-dealer, and/or licensed as an insurance agent/broker of various insurance companies*. Please refer to the preceding section for a detailed explanation of these relationships and important conflict of interest disclosures.

### **Review of Accounts**

International Assets Investment Management LLC reviews client accounts no less often than quarterly. More frequent reviews may be triggered in the event of changes in management style or fund closures. Account reviews are conducted by Ann Moore Chief Compliance Officer.

At least annually, we meet with the client (either in person or over the phone) to review and update, as necessary, the client's investment profile. However, should there be any material change in the client's personal and/or financial situation, we should be notified immediately to determine whether any review and/or revision of the client's investment profile is warranted.

All clients receive account statements from their custodian on at least a quarterly basis. Additionally, we provide clients with periodic performance measurement summary reports, usually on a quarterly basis.

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

International Assets Investment Management LLC receives client referrals for participation in the Program ("Program Participant") through representatives of affiliated broker-dealer firms and investment adviser firms (these firms are referred to in this brochure as "Financial Advisory Firm(s)" and their representatives are referred to as the "Financial Counselor(s)"). The Financial Counselor consults with the Program Participants to assess their financial situation and identify their investment objectives in order to implement appropriate strategy(ies) designed to meet the Program Participant's financial needs. Please see related sections in Part 2A of IAIM's brochure.

Financial Advisory Firms, which are registered as investment advisers and/or broker-dealers or exempt from such registration, receive fees for their services and compensation from International Assets Investment Management LLC for referrals of Program Participants. The amount of compensation earned for these referrals may be greater than the compensation that would otherwise be received if the services were provided separately. Accordingly, there may be a greater incentive for these individuals to recommend participation in this program.

It is International Assets Investment Management LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

### **Financial Information**

As an advisory firm that maintains discretionary authority for client account, is required to provide a copy of our firm's balance sheet, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. International Assets Investment Management LLC has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

International Assets Investment Management LLC has not been the subject of a bankruptcy petition at any time during the past ten years.

