

# **Invest Forward, Inc.**

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## **PART 2A - APPENDIX 1 WRAP FEE PROGRAM BROCHURE**

This brochure provides information about the qualifications and business practices of Invest Forward, Inc. If you have any questions about the contents of this brochure, contact us at 646-681-7264. 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 Invest Forward, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Invest Forward, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

We are a new registrant and have not filed material amendments to Form ADV.

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## Item 4 Services, Fees, and Compensation

### Description of Firm

Invest Forward, Inc. is a registered investment adviser based in New York, NY. We are organized as a corporation under the laws of the State of Delaware. We have been providing investment advisory services since August 2015.

As used in this brochure, the words "we," "our," and "us" refer to Invest Forward, Inc. and the words "you," "your," and "client" refer to you as a client or prospective client of our firm. Also, you may see the term Associated Person in this brochure. Our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

We offer portfolio management services through a wrap-fee program ("Program") as described in this wrap fee program brochure to prospective and existing clients. We are the sponsor and investment adviser for the Program. A wrap-fee program is a type of investment program that provides clients with asset management and brokerage services for one all-inclusive fee. If you participate in our wrap fee program, you will pay our firm a single fee, which includes money management fees, certain transaction costs, and custodial and administrative costs. You are not charged separate fees for the respective components of the total services. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the Program.

Prior to becoming a client under the Program, you will be required to enter into a separate written agreement with us that sets forth the terms and conditions of the engagement and describes the scope of the services to be provided, and the fees to be paid.

### Description of Services

Invest Forward participates in and sponsors a wrap fee program, which allows Invest Forward to manage client accounts for a single fee that includes both portfolio management services and brokerage costs. The fee schedule is set forth below:

#### Annual Fee Schedule

Assets Under Management	Annual Fee
Less than \$300,000	0.50%
\$300,000 - \$999,999	0.40%
\$1,000,000 - \$4,999,999	0.30%
\$5,000,000 or more	0.20%

These fees are negotiable depending upon the needs of the client and complexity of the situation.

Advisory fees are withdrawn directly from the client's account(s) with client's written authorization. Fees are paid monthly in arrears. Fees are calculated based on the average daily market value of the client's accounts for the month. Because fees are charged in arrears, no refund policy is necessary.

Clients may terminate the contract without penalty, for full refund, within five business days of signing the contract. Thereafter, clients may terminate the contract with three days' written notice.

### **Contribution Cost Factors**

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client's account, the adviser's ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

### **Additional Fees**

Clients who participate in the wrap fee program will not have to pay for transaction or trading fees. However, clients are still responsible for all other account fees, such as annual IRA fees to the custodian, mutual fund fees, wire transfer and reporting fees.

Invest Forward will charge a monthly fee of \$5 to clients who maintain balances under \$10,000. This fee will be charged in arrears and is withdrawn directly from the client's accounts with client's written authorization.

Invest Forward will charge a monthly fee of \$12.50 to clients who request printing and distribution reporting services. This fee will be charged in arrears and is withdrawn directly from the client's accounts with client's written authorization.

### **Compensation of Client Participation**

Neither Invest Forward, nor any representatives of Invest Forward receive any additional compensation beyond advisory fees for the participation of client's in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, Invest Forward may have a financial incentive to recommend the wrap fee program to clients.

## **Item 5 Account Requirements and Types of Clients**

Invest Forward generally provides its wrap fee program services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Trusts, Estates, or Charitable Organizations

### **Minimum Account Size**

There is an account minimum of \$500, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

## **Item 6 Portfolio Manager Selection and Evaluation**

### **Selection/Reviewing Portfolio Managers**

Invest Forward will not select any outside portfolio managers for management of this wrap fee program. Invest Forward will be the sole portfolio manager for this wrap fee program.

**1. Standards Used to Calculate Portfolio Manager Performance** Invest Forward will use industry standards to calculate portfolio manager performance.

### **2. Review of Performance Information**

Invest Forward reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed quarterly and is reviewed by Invest Forward.

**Related Persons**

No related persons act as a portfolio manager for the wrap fee program as described in this brochure. As such, there are no conflicts of interest with related persons and Invest Forward will not select any related persons as portfolio managers for this wrap fee program.

**Advisory Business**

Invest Forward offers portfolio management services to its wrap fee program participants as discussed in Section 4 above.

***Wrap Fee Portfolio Management***

Invest Forward offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Invest Forward creates an investment plan for each client, which outlines the client's current situation (age, income, wealth, retirement goals, and risk tolerance levels) that aids in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

Invest Forward evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

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

Invest Forward does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

***Services Limited to Specific Types of Investments***

Invest Forward generally limits its investment advice to mutual funds, fixed income securities, real estate funds, equities, ETFs, treasury inflation protected/inflation linked bonds, venture capital funds and private placements. Invest Forward may use other securities as well to help diversify a portfolio when applicable.

***Client Tailored Services and Client Imposed Restrictions***

Invest Forward will tailor a program for each individual client. This will include an online questionnaire that determines a client's specific needs and requirements as well as a plan that will be executed by Invest Forward on behalf of the client. Invest Forward may use "model portfolios" together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

***Wrap Fee Programs***

Invest Forward sponsors and acts as portfolio manager for this wrap fee program. Invest Forward only manages investments in the wrap fee program and does not manage assets in non-wrap fee accounts. The fees paid to the wrap account program will be given to Invest Forward as a management fee.

***Methods of Analysis and Investment Strategies***

Invest Forward's methods of analysis include quantitative analysis and modern portfolio theory.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

Invest Forward uses long term trading.

### ***Material Risks Involved***

**Quantitative Model Risk:** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile - i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### ***Investment Strategies***

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### ***Risks of Specific Securities Utilized***

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

**Real Estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Venture capital** funds invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development. Past performance is not indicative of future results.

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### **Proxy Voting**

We will determine how to vote proxies based on our reasonable judgment of the vote most likely to produce favorable financial results for you. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Generally, proxy votes will be cast against proposals having the opposite effect. However, we will consider both sides of each proxy issue. Unless we receive specific instructions from you, we will not base votes on social considerations.

Except in the case of a conflict of interest as described below, we do not accept direction from you on voting a particular proxy.



Conflicts of interest between you and our firm, or a principal of our firm, regarding certain proxy issues could arise. If we determine that a material conflict of interest exists, we will take the necessary steps to resolve the conflict before voting the proxies. For example, we may disclose the existence and nature of the conflict to you, and seek direction from you as to how to vote on a particular issue; we may abstain from voting, particularly if there are conflicting interests for you (for example, where your account(s) hold different securities in a competitive merger situation); or, we will take other necessary steps designed to ensure that a decision to vote is in your best interest and was not the product of the conflict.

We keep certain records required by applicable law in connection with our proxy voting activities. You may obtain information on how we voted proxies and/or obtain a full copy of our proxy voting policies and procedures by making a written or oral request to our firm.

## **Item 7 Client Information Provided to Portfolio Managers**

Invest Forward is the portfolio manager for this wrap fee program. All client information that is collected, including basic information, risk tolerance, sophistication level, and income level will be collected by Invest Forward. As that information changes and is updated, Invest Forward will have immediate access to that information once collected.

## **Item 8 Client Contact with Portfolio Managers**

Invest Forward places no restrictions on client ability to contact its portfolio managers. You may reach us through either our website - [www.investforward.com](http://www.investforward.com) or by calling our main number listed on the cover of this brochure.

## **Item 9 Additional Information**

### **Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

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

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker.
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund).
3. other investment adviser or financial planner.
4. futures commission merchant, commodity pool operator, or commodity trading advisor.
5. banking or thrift institution.
6. accountant or accounting firm.
7. lawyer or law firm.
8. insurance company or agency.
9. pension consultant.
10. real estate broker or dealer.
11. sponsor or syndicator of limited partnerships.

**Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

**Recommendations Involving Material Financial Interests**

Invest Forward does not recommend that clients buy or sell any security in which a related person to Invest Forward or Invest Forward has a material financial interest.

**Personal Trading Practices**

From time to time, representatives of Invest Forward may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Invest Forward to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Invest Forward will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

From time to time, representatives of Invest Forward may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Invest Forward to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Invest Forward will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

**Review of Accounts**

Steven Estrada, Chief Compliance Officer will monitor your accounts on an ongoing basis and will conduct account reviews at least quarterly, to ensure the advisory services provided to you are consistent with your investment needs and objectives.

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

We will not provide you with additional or regular written reports. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

**Client Referrals and Other Compensation**

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

**Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

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We have not filed a bankruptcy petition at any time in the past ten years.

**Item 10 Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.