

INVESTMENT PORTFOLIO ADVISORS LLC

250 East Wisconsin Avenue, Suite 1800  
Milwaukee, WI 53202

Phone: (414) 828-9748

December 22, 2017

**This brochure provides information about the qualifications and business practices of Investment Portfolio Advisors. If you have any questions about the contents of this brochure, please contact us at (414) 828-9748, or by email at [mg.bostler@gmail.com](mailto:mg.bostler@gmail.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 Investment Portfolio Advisors also is available at the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).**

## Item 2 - Material Changes

This is the initial brochure filed by Investment Portfolio Advisors.

### Item 3 - Table of Contents

Item 1 - Cover Page.....	1
Item 2 - Material Changes.....	2
Item 4 - Advisory Business.....	4
Item 5 - Fees and Compensation.....	5
Item 6 - Performance-Based Fees & Side-By-Side Management .....	6
Item 7 - Types of Clients .....	6
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	6
Item 9 - Disciplinary Information .....	9
Item 10 - Other Financial Industry Activities and Affiliations.....	9
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading..	9
Item 12 - Brokerage Practices.....	10
Item 13 - Review of Accounts .....	10
Item 14 - Client Referrals and Other Compensation .....	11
Item 15 - Custody.....	11
Item 16 - Investment Discretion .....	11
Item 17 - Voting Client Securities .....	11
Item 18 - Financial Information.....	12

## Item 4 - Advisory Business

Investment Portfolio Advisors is a newly formed registered investment advisor offering analysis and recommendations on investments and related consulting services to pension plans and other institutional clients. The term “registered investment advisor” does not imply that Investment Portfolio Advisors has attained a certain level of skill or training. Investment Portfolio Advisors began offering advisory services in January 2018. Michael R. Bostler and John Mellinger are the principal owners of Investment Portfolio Advisors.

Institutional investment portfolios are often overly complicated in attempts to lure investors to invest in expensive and often self-serving opportunities. The approach we take is based on years of experience working with clients, managers and funds, through all types of market cycles and understanding that there is often more noise than substance in the marketplace. Our objective is to help clients meet their fiduciary responsibilities by providing custom solutions.

We will work with clients to have a portfolio that is structured by asset class to help meet their long-term investment goals, diversified with complimentary investment managers and strategies to reduce portfolio volatility and with an aggressive approach to managing fees to minimize their effect on the total portfolio. We will make recommendations we would want made if the assets were our own.

Our reporting and manager research is designed to utilize technology to leverage our approach and assist clients in understanding their performance.

Our consulting services may include any of the following:

**Investment Policy Statement Development and Review** – We will work with clients to develop new investment policy statements or review existing policy statements. This service is often combined with or a result of the Asset Allocation Study and will build a target allocation with an acceptable range for each asset class. It will also specify appropriate return objectives for the plan and for the individual investments, including separate accounts and mutual or commingled funds. The policy will state the review procedures and the responsibilities for the various parties in the administration and operation of the investment pool or defined contribution fund.

**Asset Allocation Studies** – Assistance is provided in the development and preparation of asset allocation studies and investment policy statements. These services typically involve analyzing a client’s liquidity requirements, performance goals and risk tolerance levels as described to us by the client. The study is used to help clients understand the expected return and the range of returns that may be achieved with various asset combinations.

**Asset Liability Analysis** – Asset liability analysis focuses on issues of asset mix and future contribution funding for defined benefit plans given certain actuarial projections. Too often these studies focus entirely on the return or asset side with minimal consideration for the liabilities. Our approach will be to consider the liabilities as part of the process.

**Participant-Directed Plan Services** – We provide certain services specifically designed to meet the needs of participant-directed plans. These services include assistance in determining the type and number of investment alternatives to be offered to participants; development of criteria to be used in selecting service providers; evaluation of the relative merits of bundled or unbundled recordkeeping/investment service providers; evaluation of proposals received from prospective service providers; and participant education, which may include enrollment seminars and written educational materials. Depending on the particular situation, some clients may pay us a fee for certain written educational materials, either as an explicit fee or as part of a bundled fee arrangement.

**Vendor Searches** – We assist clients in evaluating and comparing vendors that provide actuarial, recordkeeping, and trust services.

**Investment Manager Searches** – We recommend independent investment managers that appear to be suitable for the client based upon information made available by the client (including client's goals and financial needs) and by the managers. Where consistent with a client's profile (including a consideration of suitability, investment objectives, risk tolerance, and liquidity needs), we may recommend interests in limited and private offerings, including but not limited to interests in private equity, hedge fund, and venture capital investments. Such limited and private offerings carry additional risks which are described in Item 8.

**Mutual Fund Searches** – We suggest mutual funds for clients. Mutual fund recommendations are made on the basis of information provided by the client and publicly available information. We do not have financial relationships with any financial or investment organizations in any aspect.

With respect to our services, please note that we do not perform any discretionary trading with respect to these client accounts. In addition, we do not render, nor are we responsible for rendering, any legal, accounting, or actuarial services to clients. Our consulting services are limited to recommendations and are not binding on the client. Clients retain absolute discretion over (and therefore responsibility for) the implementation of any of our recommendations, so clients should fully evaluate such recommendations. We do not assume any responsibility for the conduct or investment performance, either historical or prospective, of any manager or fund recommended by us and selected by a client. Moreover, the prior performance of a manager or fund is not necessarily indicative of such manager's or fund's future results.

## **Item 5 - Fees and Compensation**

We intend to charge clients for our consulting services through a negotiated fee, which typically will involve a fixed annual retainer fee paid directly by our clients to us, but could also be established based on assets under management. We will also provide certain project-related services on an hourly rate. We will send invoices directly to the client or their designated representative, and the client will pay us directly.

Our fixed fees will vary depending on the complexity of the engagement. We intend to negotiate fees directly with clients prior to entering into each new engagement. We will not have a minimum plan size that we will accept, nor will we have a minimum stated fee. All fees will be

fully disclosed and negotiated with the client in advance. We expect that most clients' fees are billed quarterly in arrears, however, some clients may be billed for services quarterly in advance. In such instances, any unearned fee will be returned to the client in the event the relationship is terminated. Under no circumstances will our fees be based on participating in a share of capital gains or appreciation of funds beyond the stated percentage of assets. Clients will be able to terminate our advisory services at any time upon written notice.

Any other fees incurred to manage or custody client assets will be the result of, and will be billed by, other service providers under their separate agreements directly with the client. Such fees could include investment manager fees, brokerage fees and custody fees, among others and should all be disclosed under those separate agreements.

To the extent a client pays us an asset-based fee, clients whose assets we recommend be invested in exchange-traded funds (ETFs) or mutual funds will pay two levels of advisory fees on those assets - our direct advisory fee and their share of the advisory fees and other fees and expenses assessed to all shareholders of such funds. We do not receive any compensation from third-parties related to the investment of client assets.

## **Item 6 - Performance-Based Fees & Side-By-Side Management**

We do not accept performance-based fees. As a result, we have no conflicts of interest between accounts that pay asset-based or fixed fees and accounts that pay performance-based fees.

## **Item 7 - Types of Clients**

Investment Portfolio Advisors expects to provide investment consulting services for defined benefit, defined contribution, deferred compensation, non-qualified, other post-employment benefits (OPEB) and voluntary employee beneficiary association (VEBA) benefit plans as well as endowments, foundations and other institutional clients.

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

We rely on publicly available data, various databases, our own manager and fund due diligence/research as well as discussions with clients about their investment needs and goals in creating our customized asset allocation recommendations and recommended investment managers and/or funds.

We seek to address risk through portfolio diversification to asset classes, and within asset classes by utilizing where efficiently feasible complimentary investment portfolios to dampen the exposure to manager-specific risk. The risks we can seek to address relate to how we build portfolios to balance out the client exposure to systematic risk. To manage our systematic risk exposure, we rely on qualitative and quantitative performance analysis with a heavier emphasis on actual manager performance versus composite reported historical performance.

Our reports will document how well a manager performs versus their peers in both extended trailing periods but also how well they perform in individual shorter-term periods. The manager

due diligence process is focused on identifying managers and strategies that maintain a sustainable advantage relative to their peers.

In addition to performance our due diligence on managers will include turnover and stability of the portfolio management team, consistency in approach, and performance net of fees.

Our analysis of investments will depend on certain assumptions, including that the funds and investment managers that we recommend, the ratings agencies that review them and other publicly available sources of information about such investments, are providing accurate, complete and unbiased data. While we attempt to be alert to any such inaccuracies, there is a risk that our analysis may be compromised by inaccurate or misleading information.

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

We do not represent, warrant, or imply that its methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market declines. In any investment strategy there is risk of loss that clients should be prepared to bear, including loss of principal and the risk of not achieving investment objectives.

Because we recommend asset allocations, please note that asset allocation may have a more significant effect on account value when one of the more heavily weighted asset classes is performing more poorly than the others. Diversification and strategic asset allocation do not assure profit or protect against loss in declining markets.

To the extent we recommend managers or funds that are actively managed, any such recommendations are subject to management risk, which is the chance that the manager or fund will not successfully execute its investment strategy even after applying its investment techniques and risk analysis. There can be no guarantee that the manager or fund adviser's decisions will produce the intended result, and there can be no assurance that an investment strategy will succeed.

To the extent our recommendations involve any of the following asset classes, the following risks will be present. For specific risks attached to underlying managers or funds clients select, clients are urged to carefully review the disclosure documents of those funds or managers before deciding to invest.

**General Market and Economic Risks:** Market and economic risks are a factor in any investment strategy. Volatility could disrupt our investment strategy, decrease the value of our clients' portfolios and adversely impact profitability.

**Liquidity Risk:** Some investments are subject to limited liquidity. This means clients may not be able to buy or sell securities quickly enough to prevent or minimize a loss. In addition clients may be subject to high costs or losses due to wide bid-ask spreads or large price movements. In times of crisis, liquidity risk can even affect investments generally deemed "safe" including money market funds and similar investments.

**Interest Rates Risk:** the value of investments in client portfolios may be impacted by changes in the level of interest rates, the spread between rates, the shape of the yield curve, and other rate related movements. These changes can be unpredictable and may cause losses.

**Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

**Private Investments Risks:** Private investments including private equity, private real estate, venture capital, hedge funds and similar offerings may be subject to legal or other restrictions on transfer and a liquid market may not exist for such investments. Investors may be unable to sell when desired or to realize previously anticipated fair value when sold. Calculating the fair market value of private investments can be difficult and the expense of owning private investments and partnerships is generally higher compared to public offerings. These investments are subject to a variety of risks and their value generally will fluctuate with, among other things, the financial condition of the obligors on or issuers of the assets, general economic conditions, the condition of certain financial markets, political events and developments or trends in any particular industry. With respect to synthetic securities, value may also be affected by the financial condition of the related synthetic security counterparties and of the obligors or issuers of the underlying obligations. Finally, private investments are subject to lower public reporting requirements and are less transparent than traditional investments such as ETFs or mutual funds.

**ETFs and Mutual Fund Risk:** The ETFs and mutual funds we recommend may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. ETF and mutual fund shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings. Among the higher-risk ETFs we may recommend are small-capitalization stock funds, foreign developed and emerging markets funds, and funds that invest in commodities or other real assets. Conservative fixed income securities have lower risk of loss of principal, but most bonds present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds. ETF's carry an additional risk related to the timing of the purchase or sale which can vary and cannot be predicted ahead of time. A purchase or sale of a mutual fund will happen at the price set at the close of business for that particular day specified as the execution date. ETF's trade during the day so depending on when an order is placed the price or quantity may be different than the original intention. The firm cannot be responsible for the price fluctuation causing a mismatch with letters of direction or instructions.

**Equity Securities Risk:** Equity securities (common, convertible preferred stocks and other securities whose values are tied to the price of stocks, such as rights, warrants and convertible debt securities) could decline in value if the issuer's financial condition declines or in response to overall market and economic conditions. A fund's principal market segment(s), such as large cap, mid cap or small cap stocks, or growth or value stocks, may underperform other market segments or the equity markets as a whole. Investments in smaller companies and mid-size



companies may involve greater risk and price volatility than investments in larger, more mature companies.

**Risks Associated with Non-U.S. Investments:** We may recommend manager or fund that make investments outside the U.S. Such investments involve risks and special considerations some of which are not typically associated with U.S. investments. These include political risks, economic risks, legal risks, foreign currency and exchange risks, accounting and tax risk, restrictions on repatriation of capital and profits and different tax requirements. Differences in tax and accounting standards and difficulties in obtaining information about foreign companies can negatively affect investment decisions. Unlike more established markets, emerging markets may have governments that are less stable, markets that are less liquid and economies that are less developed.

The risk of loss described herein should not be considered to be an exhaustive list of all the risks that clients should consider. As noted above, clients are urged to carefully review the disclosure documents of recommended funds or managers before deciding to invest.

### **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the client's evaluation of their firm or the integrity of their management. We have no information responsive to this Item

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

We are completely independent, we engage in no other financial industry activities and have no affiliations that could create conflicts of interest.

As part of our services provided to clients we recommend other registered investment advisers and investment funds to clients. However, Investment Portfolio Advisors is never compensated in any form by the recommended investment advisors or any third party for those recommendations.

### **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

We have adopted a Code of Ethics (the "Code") that sets forth the standards of business, fiduciary and ethical conduct we require of our employees. Among other things, the Code requires us to conduct our business at all times consistent with our status as a fiduciary to our clients. This means we have affirmative duties of care, loyalty, honesty, and good faith in connection with all of our activities for our clients and must always act in the best interests of our clients. The Code also requires all employees to comply with all applicable federal securities laws, and prohibits misuse of material non-public information or communicating material nonpublic information to others in violation of the law. All personnel of Investment Portfolio Advisors will be required to sign and promise to abide by the terms of the Code of Ethics annually, or as amended.

Personal securities transactions by Investment Portfolio Advisors personnel are subject to the restrictions and procedures described in the Code, including a prohibition on using knowledge relating to impending client transactions for their own personal benefit. As an investment consultant that provides investment recommendations only, we will not likely be in a position to know when underlying managers or funds are likely to trade, so this should not be a significant issue for us. To ensure the standards of the Code are adhered to, the Code requires all employees to submit transaction reports quarterly and holdings reports annually. Such reports are reviewed by the firm.

Investment Portfolio Advisors' clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Michael R. Bostler at [mg.bostler@gmail.com](mailto:mg.bostler@gmail.com).

From time to time, we and our employees may make contributions to certain charitable organizations that are clients, affiliated with clients, are supported by clients, and/or are supported by an individual employed by one of our clients. Both our firm and our employees are prohibited from making charitable contributions for the purpose of obtaining or retaining advisory contracts with organizations. In addition, employees are prohibited from considering Investment Portfolio Advisor's current or anticipated business relationships as a factor in making charitable contributions. No contribution will be made if the contribution implies that continued or future business with Investment Portfolio Advisors depends on making such contribution. All such charitable contributions will be documented and monitored.

## **Item 12 - Brokerage Practices**

As an investment consultant, we do not execute securities transactions on behalf of clients. Therefore, we have no brokerage practices to disclose in response to this Item.

## **Item 13 - Review of Accounts**

### **Performance Reports**

We will provide clients with a performance evaluation of the investment(s) (herein called the "Performance Report") at least quarterly. The Performance Report will review the performance of the clients' assets, including an analysis of the clients' portfolios and reports on the underlying investment managers. The Performance Report will provide historical and comparative information, and is not to be relied upon as forecast or predictor of future performance returns.

From time to time, client circumstances, securities market movements, or other external event may necessitate a review of a client's portfolio outside of a normal review cycle. In such cases we will work closely with the client to ensure that all questions and concerns are addressed and make any appropriate recommendations for client action.

**Investment Manager Reports**

We will review fund data for all the investment managers that we recommend on at least a quarterly basis, and in certain circumstance more frequently, with respect to their overall performance in achieving the desired objectives of the Investment Policy Statement. Certain client accounts will be reviewed by Mr. Bostler, others are reviewed by Mr. Mellinger, and in some cases client accounts will be reviewed jointly by both Mr. Bostler and Mr. Mellinger, depending on the needs and circumstances of each client.

The review will be directed to whether an investment manager's performance and discipline is consistent with the intent and objectives of the Investment Policy Statement. We will provide information to facilitate comparisons of such investment manager's overall performance benchmarks described in the plan's Investment Policy Statement.

The client will be responsible for reviewing and understanding the information and analysis we provide and assessing the adequacy of any particular investment manager's overall performance. We will assist the client in fulfilling this responsibility.

**Item 14 - Client Referrals and Other Compensation**

We do not receive any economic benefit (*e.g.* sales awards or other prizes) from non-clients for providing investment advice or advisory services to our clients. We do not directly or indirectly compensate any person for client referrals.

**Item 15 - Custody**

We do not take possession of or maintain custody of any funds or securities, but simply monitor the holdings within the portfolio. Possession and custody of the funds and/or securities will be maintained by an independent custodian selected by the client.

**Item 16 - Investment Discretion**

We do not take or exercise investment discretion over client accounts. As an investment consultant, we are a fiduciary to our clients as set forth in the governing agreement with the client.

**Item 17 - Voting Client Securities**

As noted above, we will not have discretionary authority over any client assets, and thus will not have authority to vote any client securities. Clients will receive their proxies or other solicitations directly from their custodian. We do not provide advice regarding specific proxy solicitations.

## Item 18 - Financial Information

We are required to provide you with certain information about our financial condition. We have no financial condition that impairs our ability to meet contractual and fiduciary commitments to clients, and we have never been the subject of a bankruptcy proceeding.

## Other Disclosures

With the increasing use of electronic-based communications, internet tools and other enhanced technological platforms, the investment consultant industry has become increasingly susceptible to operational, financial and cybersecurity risks. Investment Portfolio Advisors shares these risks, and could experience cybersecurity breaches from hacking or other cyber attacks. If we experience a breach of our electronic systems, sensitive and personally identifiable information could be exposed. We could also experience corrupted data, the misappropriation of firm or client assets, or operational malfunctions as a result of a cyber attack.

Cyber attacks or breaches that affect Investment Portfolio Advisors or any of its services providers could negatively impact our business operations and potentially result in financial losses. We may have to incur substantial expenses to remedy the effects of a cyber breach and protect against future breaches. Investment Portfolio Advisors intends to establish internal risk management security protocols that are reasonably designed to detect, identify and respond to and recover from cybersecurity threats, there are inherent limitations in such protections, including the possibility that we have not identified certain threats or vulnerabilities due to the evolving nature of cyber attacks. Thus there is a risk that we have not adequately prepared for and are not sufficiently protected against cybersecurity risks. In addition, we cannot directly impact the cybersecurity measures taken by our service providers, which could also present a risk for Investment Portfolio Advisors.