



## *Institutional Investment Advisors*

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This brochure provides information about the qualifications and business practices of Bond-Tech, Inc.. If you have any questions about the contents of this brochure, please contact us at telephone number 937-836-3991 and/or email address:

[brad.drager@btadv.com](mailto:brad.drager@btadv.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 Bond-Tech, Inc. also is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) under CRD# 801-45443.

Revised 3/30/2020

# MATERIAL CHANGES

This brochure has been prepared pursuant to Securities and Exchange (SEC) amended rule 204-3 governing the content and format of Investment Advisor disclosures and replaces the SEC Form ADV Part II previously used.

This section discusses only material changes since the last annual update of Bond-Tech's brochure. There has been no material change in Bond-Tech's policies or practices.

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# Advisory Business

Bond-Tech is an investment advisor registered with the Securities and Exchange Commission<sup>1</sup> and specializes in the debt markets. Bond-Tech's clients for which we manage funds are public funds and financial institutions. In addition, Bond-Tech clients include federal and state government regulatory bodies and law enforcement agencies.

Bond-Tech was founded in 1983 by Roger Cox and his family. Initially conceived as a firm to develop analytical software for the debt markets, Bond-Tech registered as an investment advisor with the SEC in 1993 and began to manage funds primarily for political subdivisions, using quantitative analysis to structure client portfolios. Each of Bond-Tech's clients has an Investment Policy which governs the management of each portfolio. Objectives of safety, liquidity and return are priorities for how each portfolio is managed. Individual portfolios are managed taking into consideration the specific liquidity needs and risk tolerances of each client, as reflected in the maturity limitations placed upon each portfolio.

Bond-Tech manages each portfolio with limited discretionary management, subject to client investment policies and authorizations. As of December 2019, the market value of assets under limited discretionary management was approximately \$44,353,638.05 for clients active as of the amendment date of this Form ADV Part II.

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1. Please note registration with the SEC does not imply a certain level of skill or training

# Fees and Compensation

Client fees are billed to, and paid directly by, each client in arrears. No wrap fees or other form of compensation is received from any other party. Fees can be calculated in a variety of forms including fixed fees, hourly fees, and/or a percentage of assets under management. The maximum hourly fee is \$350 per hour. The maximum fee computed as a percentage of assets under management is 25 basis points. Fees are negotiable and vary depending on the specific services desired and the portfolio size. Fees are independent of transaction activity.

Bond-Tech can provide custody services for client assets through Raymond James & Associates, Inc. for no additional charge. Bond-Tech does not act as a broker/dealer for any securities. Clients may incur other expenses associated with their investment assets including both custody and broker/dealer fees/markups.

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

Bond-Tech does not manage any portfolios utilizing performance based fees.

## Types of Clients

Bond-Tech clients are institutional clients and currently include public entities such as political subdivisions and financial institutions.

# Methods of Analysis, Investment Strategies and Risk of Loss

Bond-Tech utilizes quantitative methods to analyze the risk and return of assets for client portfolios. For callable securities, Bond-Tech uses Option Adjusted Spread analysis to measure both relative value (spread) and market risk (duration and convexity). All investments contain some degree of risk, whether credit, reinvestment, or market value risk. Investing in securities involves risk of loss that clients should be prepared to bear. Bond-Tech manages risk by targeting the duration and convexity of securities to the client's risk tolerance, liquidity needs, and the interest rate environment. Callable securities contain a risk that the duration of a security may change, with a change in interest rate levels causing investments to be longer than anticipated (with rising rates) or shorter than anticipated (with falling rates). Bond-Tech ameliorates this risk by selecting securities with structures that reduce the risk of a large change in duration, but significant changes in interest rates can nevertheless impact duration, which in turn impacts market value risk and reinvestment risk.

Credit risk exists for all investments but is analyzed by Bond-Tech by examining both the credit ratings and the underlying financial information of the issuers.

## Disciplinary Information

There have been no disciplinary events involving Bond-Tech or any of its employees.

## Other Financial Industry Activities and Affiliations

Bond-Tech, Inc. can offer custodial services through Raymond James. Bond-Tech, Inc. has no affiliations that can produce a conflict of interest.

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

The Code of Ethics incorporated in this document reflects the value Bond-Tech places on ethical conduct of its employees. It is intended to inform clients and employees of the corporate intent, and to fulfill Bond-Tech's regulatory obligation as a registered investment advisor pursuant to SEC rule 204A-1. All employees are required to comply with federal securities law and avoid activity that could create the appearance of a conflict of interest.

All personnel shall file statements with Bond-Tech disclosing any personal or business relationship with a broker/dealer seeking to sell investments to Bond-Tech clients. In addition, employees shall refrain from personal activity that could conflict with the proper execution and management of the investment program for any client or that could impair his/her ability to make impartial decisions. Employees shall also disclose to Bond-Tech's Chief Compliance Officer (CCO) any personal financial or investment positions in financial institutions and broker/dealers with which they conduct business within thirty days after the end of each calendar quarter.

Employees may not accept gifts, entertainment or services of a material amount from any individual or entity, including, but not limited to, clients, broker/dealers, or other entities that could conflict with the proper execution and management of investment programs or that could impair his/her ability to make impartial decisions. This provision does not prohibit business lunches, conferences, meetings, or traditional holiday gifts of nominal value. Should a gift be received of material value, whether unsolicited or not, the gift will either be returned, or donated to a charitable organization, and a written report forwarded to the Chief Compliance Officer.

Consistent with SEC Rules 204-2 and 206(4)-5 employees are to provide a signed statement to the Chief Compliance Officer of all political contributions as they occur. On an annual basis, if no political contributions have occurred during the prior twelve month period, a signed statement to that effect will be provided to the Chief Compliance Officer. All political contributions must be pre-cleared with the Chief Compliance Officer to ensure there are no conflicts which would impose the two-year waiting period on Bond-Tech before business could be conducted with the associated government entity. Contributions are defined to include payments and services (campaigning, soliciting of contributions by third parties, etc.) and include contributions to Political Action Committees (PACs), state and national parties, as well as individuals.

Consistent with SEC Rule 206(4)-1 and 2, employees are prohibited from using social media sites (e.g. Facebook, etc.) for business purposes since such communication is interpreted as advertising and is subject to mandatory record retention.

Employees are to avoid any activity that could create the appearance of a conflict of interest with Bond-Tech clients. Any question regarding personal activity, including but not limited to gifts or trading, should be directed to Bond-Tech's Chief Compliance Officer.

### **Protection of Material Non-public Information**

Employees becoming informed of material non-public information must refrain from distributing such information to any person or entity unless necessary to the furtherance of the employees work assignments, and then only with authorization from the entity involved in the material non-public information. Employees are specifically precluded from executing security transactions in any entity in which he/she has such material non-public information. No additional personal trading procedures are currently required since Bond-Tech is not in the position to acquire material non-public information, and does not participate in the underwriting of securities.

### **Quarterly Transaction Reports and Annual Holdings Report**

Every employee shall file, no later than thirty days following the end of each quarter, a statement of personal security transactions in traded securities other than 1) US Government obligations (e.g., T-Bills); 2) Money market instruments - bankers' acceptances, bank certificates of deposit, commercial paper, and other high quality short-term debt instruments; 3) Money Market Funds; 4) Mutual funds and; 5) Unit investment trusts ("UIT"). The CCO will review each report submitted. No later than thirty days following the end of each year a statement of personal security holdings in traded securities, other than the exempted securities listed above, shall be filed by each employee and reviewed by the CCO.

### **Personal Trading Procedures**

No personal trading procedures are currently required since Bond-Tech is not in the position to acquire material non-public information and does not participate in the underwriting of securities.



## **Initial Public Offerings (IPO) and Private Placements**

Employees are not permitted to participate in any IPO or private placement in which the individual has had access to material non-public information. All transactions in initial public offerings and limited offerings must be requested in writing and pre-cleared by the Chief Compliance Officer.

## **Reporting of Violations of the Ethics**

Violations of the Code of Ethics and/or Compliance Procedures and Policies are to be reported promptly to the CCO. The CCO will maintain a file of all violations, review the violation with each effected employee, and what measures are taken to address the violation.

## **Acknowledgement of Receipt of Compliance Procedure and Policies Including Code of Ethics**

Each employee must acknowledge receipt of the Code of Ethics and Compliance Procedures and Policies, and any amendments that may be made to these documents.

## **Enforcement of Code of Ethics**

The CCO will review each employee's personal securities transaction and holding report to assure compliance with current policies. The CCO will also maintain records of violations of the code and actions taken as a result of any violations.

# **Brokerage Practices**

Broker/dealers used by Bond-Tech must be included on client's list of approved eligible broker/dealers, if applicable. If no client list exists, broker/dealers must be financial institutions and/or primary government securities dealers and/or FINRA registered broker/dealers.

The primary factor Bond-Tech considers in selecting or recommending eligible broker-dealers for client transactions and determining the reasonableness of their compensation is best execution price on security structures meeting the parameters of the client portfolio. In addition, Bond-Tech examines the event disclosure history of the broker/dealers and considers the overall service of the broker/dealer in providing market information.

From time to time Bond-Tech utilizes research from broker/dealers in the course of conducting Bond-Tech's internal research. Such research

generally includes computational analysis utilizing software to which a broker/dealer has access. No soft dollar fees are associated with any research/service from any third party, including broker/dealers, and Bond-Tech makes clear that there is no reciprocity with a broker/dealer other than inclusion in the dealer group communications, such as e-mail broadcasts for bids or offers. These communications are designed to find specific security structures executed at the best prices.

To facilitate the objectives of multiple clients and avoid any broker expense to the clients, Bond-Tech may execute a cross transaction between clients. Determining fair market pricing will be accomplished by obtaining bids from broker/dealers for the securities being sold.

## Review of Accounts

Each account is reviewed at least quarterly by at least the primary person assigned to the account. Triggering factors that cause more frequent reviews are maturities of investments in client portfolio, client communications and major market shifts. Detailed review of each account is done at least annually by the President of the firm. Instructions for reviewers include the preparation of reports and/or analyses for clients. Number of accounts per reviewer is no more than can be adequately handled without undue risk to client or to firm.

Reports are prepared and issued to clients at least quarterly. Reports indicate distribution of assets by maturity, type etc. and include market valuations of assets.

## Client Referrals and Other Compensation

Bond-Tech neither receives nor gives compensation for client referrals.

## Custody

Bond-Tech can provide custodial service for client assets or funds through Raymond James. Bond-Tech does not have physical custody of any client funds and/or securities. Bond-Tech has the ability, with prior client consent, to debit your account for payment of our advisory fees. Bond-Tech may have access to client custodial accounts with prior approval of the client to assist in the transfer assets. Bond-Tech may, subject to client authorization, provide the client's custodial service with instructions concerning delivery versus payment for securities.

## Investment Discretion

Bond-Tech accepts accounts with limited discretionary authority. The limitations on this authority include client Investment Policies and investment advisor contracts. In addition, there may be limitations concerning eligible broker/dealers as well as instructions concerning the liquidity requirements of the client that are not detailed in written documents.

## Voting Client Securities

Bond-Tech does not vote any client securities.

## Financial Information

Bond-Tech is a privately held corporation and is exempt from disclosing financial information since all fees are paid in arrears.

## Requirements for State-Registered Advisers

Bond-Tech is registered with the SEC and provides notice registration only with state agencies.

## Part 2B of Form ADV: Brochure Supplement for Brad Drager

This brochure supplement provides information about Brad Drager that supplements the Bond-Tech, Inc. brochure. You should have received a copy of that brochure. Please contact Bond-Tech, Inc., 550 S. Main St., Springboro, Ohio 45066 if you did not receive Bond-Tech's brochure or if you have any questions about the contents of this supplement.

Brad Drager  
President, Bond-Tech, Inc.  
550 S. Main St.  
Springboro, OH 45066  
937-836-3991

**Birth Date:** 1-4-1985

**Formal Education:** Wright State University, Fairborn, Ohio, 2007 B.S. Business with a concentration in Finance.

**Business Experience:** Investment Advisor Representative, Financial Advisor, Raymond James; Consulting Group Analyst, Morgan Stanley Smith Barney

**Disciplinary Information:** No disciplinary events

**Other Business Activities:** Midwestern Wealth Management, Support Company; Midwestern Insurance Management, Insurance; Invest Capital Partners, Investment Related / Registered Investment Advisor

**Additional Compensation for Advisory Services:** None

**Requirements for State Registered Advisors:** State registration not required. Registered with the SEC, CRD 5403175

## Part 2B of Form ADV: Brochure Supplement for Will Bach

This brochure supplement provides information about Will Bach that supplements the Bond-Tech, Inc. brochure. You should have received a copy of that brochure. Please contact Bond-Tech, Inc., 550 S. Main St., Springboro, Ohio 45066 if you did not receive Bond-Tech's brochure or if you have any questions about the contents of this supplement.

Will Bach  
Chief Compliance Officer, Bond-Tech, Inc.  
550 S. Main St.  
Springboro, OH 45066  
937-836-3991

**Birth Date:** 7-27-1982

**Formal Education:** Purdue University, West Lafayette, IN, 2004, B.A. Law and Society; Indiana Wesleyan University, Marion, IN, 2009, Masters Degree, Business Administration

**Business Experience:** Branch Manager, Raymond James; Vice President - Investments, Raymond James; Financial Advisor; Smith Barney

**Disciplinary Information:** No disciplinary events

**Other Business Activities:** Midwestern Wealth Management, Support Company; Midwestern Insurance Management, Insurance; Crump, Insurance; Boilermaker Wealth Management, Real Estate; Invest Capital Partners, Investment Related / Registered Investment Advisor; Better Business Bureau, Board Member; Society for Improvement and Condition of Stray Animals, Board Member

**Additional Compensation for Advisory Services:** None

**Requirements for State Registered Advisors:** State registration not required. Registered with the SEC, CRD 5436710