

INDEPENDENT WEALTH NETWORK, INC
ADV PART 2A – Appendix 1, Wrap-Fee Brochure

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This wrap fee program brochure provides information about the qualifications and business practices of Independent Wealth Network, Inc. If you have any questions about the contents of this brochure, please contact Art Dinkin. 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. SEC registration does not imply a certain level of skill or training.

Additional information about Independent Wealth Network, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

There are no material changes at this time.

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Wrap-Fee Program

Independent Wealth Network, Inc. Wrap-Fee Program is designed to help clients meet their investment objectives and goals. The Wrap-Fee Program ("Program") is a discretionary program, meaning that the investment selection and trading is completed with discretion of the Investment Advisor Representative ("IAR") under agreement with client. This portion of this disclosure document is being provided pursuant to Section 204 of the Investment Advisers Act of 1940.

Clients of the Wrap-Fee Program will retain the right to:

- (1) Withdraw securities or cash;
- (2) Vote on shareholder proposals of beneficially owned security issues, or delegate the authority to vote on such proposals to the IAR;
- (3) Be provided, in a timely manner, with a written confirmation or other notification of each securities transaction, and all other documents required by law to be provided to security holders.

Services, Fees and Compensation

IARs provide investment advisory services to clients on a discretionary basis. As a minimum for providing advisory services, IWN requires IARs to possess satisfactory past business experience plus any required industry examinations and registrations. Based on a client's investment objectives and individual needs, IAR will have discretion to manage the client's assets to an appropriate investment strategy consistent with the client's Investment Policy Statement (IPS), Exhibit A of the Client Agreement.

Individual IARs develop specific investment strategies and establish quality and concentration requirements to provide overall discipline. Such strategies ordinarily include long and short-term securities purchases and, depending on the client's objectives and the IAR's investment philosophy, may include supplemental covered option writing. In special circumstances, the strategies may also include margin transactions, other option strategies and trading or short sale transactions.

IARs may use third-party research to assist in developing security selection models for the Program. When seeking to anticipate trends and identify undervalued securities with sound fundamentals, IARs may also use a security selection and portfolio modeling process that incorporates fundamental, technical and statistical analyses of historical data. Due to any number of factors, including timing of deposits, investment selection process or investment needs, certain clients may receive different execution prices and investment results.

Most types of securities are eligible for purchase in the Program. Assets may include, but are not limited to, common and preferred stocks, exchange-traded funds, closed-end funds, advisory class unit investment trusts, corporate and government bonds, certificates of deposit, options, structured products, certain mutual funds whose shares can be purchased at net asset value, and certain advisory class alternative investments, such as REITs, hedge funds and managed futures funds. Collectively, these assets are referred to as "Program Assets."

Certain assets, such as commodity futures contracts, options on such contracts, annuities, limited partnership interests, and mutual funds that cannot be purchased at net asset value are not eligible as Program Assets, and are referred to collectively as "Excluded Assets". The client may purchase or sell some Excluded Assets in their account, but these transactions may incur commissions or charges and the securities will not be included in the monthly billing.

The IAR will gather important information about the client's financial conditions, time horizon, goals and objectives for the Program accounts on an Investment Policy Statement (IPS) and will update this information

whenever it is provided by the client, which should be annually reviewed. The client agrees to timely inform the IAR of any changes in their financial situation, investment objectives, or instructions as necessary. Over time, as changes occur in the financial markets or the client's investment objectives and circumstances change, the IAR may recommend changes in a client's portfolio. In making a recommendation, the IAR will take the updated information received in the IPS into consideration. Decisions relating to investments may have tax consequences that should be discussed with their tax advisor.

Account Rebalancing

The clients may request periodic rebalancing of their account. The IAR can rebalance the account either at predetermined intervals or when directed by the client by reviewing the actual allocation of Assets in the account versus the target allocation established. Generally, subject to certain minimum constraints, if any of the funds in the client's account vary from the client's target allocation, the IAR will rebalance the account by initiating sell and buy transactions. Transactions initiated to rebalance these assets may cause the client to incur tax consequences.

New-Issue CDs

When available and appropriate, IARs may use advisory class new-issue CDs. Advisory class new-issue CDs are generally issued at a discount. While new-issue CDs are an eligible Program Asset, the yield of new-issue CDs may consider a sales concession to compensate the firms that sell the CDs. For certain advisory accounts, the underwriter retains this sales concession. Although IWN may receive or share in the sales concession, these charges reduce the overall yield on the CD and, in some cases, this may result in a negative yield. Clients should be aware they could obtain the same CDs without being subject to the advisory fee if they purchased it in a non-advisory brokerage account.

REITs, Hedge Funds and Managed Futures

REITs, Hedge funds and managed futures may be available in the Program advisory account but are not suitable for all investors. Hedge funds are complex investment vehicles that often use leverage and other speculative investment practices such as short sales, options, derivatives, futures and illiquid investments that may increase the risk of investment loss. Managed futures are speculative investments that are subject to a significant amount of risk. This is not a solicitation, recommendation, or invitation to invest in alternative investments and is intended solely to disclose the availability of alternative investments within the Program.

Costs and Benefits

The client should consider the value of the Wrap-Fee Program. The combination of custodial, advisory and brokerage services may not be available separately or may require multiple accounts, documentation and fees. The client should also consider the amount of anticipated trading activity when selecting the program and assessing the overall cost.

Many Program clients assume a normal amount of trading activity and, therefore, circumstances of prolonged periods of inactivity, or asset allocations with significant fixed income, or cash components may result in higher fees to the client than if commissions were paid separately for each transaction in a brokerage account.

Fees and Compensation

The annual fee for investment management services provided under the Client Agreement shall be based upon a percentage of the market value of the Assets Under Management (AUM) in accordance with the Schedule of Fees as stated in Exhibit B of the Client Agreement, and in accordance with the procedures described in IWN's Form ADV Part 2A. No portion of the fee shall be based on a share of capital gains or capital appreciation of Assets. All Assets will be subject to this fee, including assets, such as cash, that are temporarily awaiting investment. If the client authorizes IAR to use margin in managing the account, the market value of the Account and the corresponding fee payable to the IAR and IWN will be increased.

Client authorizes IWN to liquidate necessary positions if there is not enough liquid cash or equivalents in the Account to cover the amount of fees due. IWN may amend and/or increase the fees set forth in Exhibit B if IAR provides client with written notice of the amendment 30 days in advance. Client understands that services similar to those provided by IWN in the Agreement may be available from other sources at lower cost. Client authorizes the Custodian to charge client's account for the fees and to remit such fee to IWN in compliance with regulatory procedures. This authorization survives the termination of this Agreement to allow the fee for the final month of the Agreement to be charged.

The Investment Advisory Fee is determined by the IAR while the Asset Based Fee and Program Fee are determined by IWN. All fees are detailed in Exhibit B of the Client Agreement.

For transactions in Excluded Assets, clients will pay usual and customary commissions, transaction fees and other charges. Excluded Assets are not included in the calculation of the Asset Based Fee.

Fees shall be prorated and paid monthly, in arrears, based upon the average daily value of the Assets during the previous month. For partial months, the fee will be prorated as reflected in the average daily balance for the entire month.

Risk in the Use of Margin

To the extent margin is used in the client account the client should be aware that the margin debit balance will not reduce the market value of eligible assets and will therefore increase the fee the client is charged. The increased fee may provide an incentive for the IAR to recommend the use of margin strategies. The use of margin is not suitable for all investors since it increases leverage in the client account and therefore risk.

Other Account Fees

The Program account may have cash invested in an unaffiliated money market fund as temporary investment vehicle. The Custodian or affiliates may have arrangements with the money market funds to provide advisory, administrative, distribution and/or other services subject to applicable restriction. Where permitted by law, the Custodian or affiliates may receive a fee for these specialized services from the fund or its service providers in addition to the fees paid by the clients under the described program. For clients that are subject to ERISA or the prohibited transaction provisions of the Internal Revenue Code, applicable law may limit the extent to which such fees may be retained and may require a fee offset. In a low interest rate environment, the yield that the client may earn on cash and cash alternatives, including cash sweep funds, CDs and money market funds may not offset advisory fees. In some instances, the effective yield of the investment may be negative.

Account Termination

The Agreement will continue in effect until terminated by either party by giving written notice to the other party.

Termination of this Agreement will not affect:

- The validity of any action previously taken by IWN or IAR under the Agreement;
- Any liabilities or obligations of the parties from transactions initiated before termination of the Agreement; or
- The client's obligation to pay advisory fees (prorated through the date of termination).

Upon the termination of the Agreement, IWN will have no obligation to recommend or take any action regarding the securities, cash or other investments in the Account.

Reports and Restrictions

Clients receive periodic performance reports of activity in their accounts. The custodian will transmit to the clients a statement of account activity at least quarterly and trade confirmations reflecting all securities transactions.

Clients receive periodic portfolio performance reports of their accounts that are designed to comply with general industry performance standards. The portfolio performance reports will compare the performance of the client's portfolio to a benchmark based on their investment objective. Performance reports will include a reminder to the client to contact IAR if there are any changes in the client's financial situation or other relevant information.

Account Requirements / Types of Clients

The program may be offered to individuals, retirement accounts, IRAs, ROTH IRAs, SEP IRAs, trusts, banks or thrift institutions, pension and profit-sharing plans, estates, charitable organizations, and corporations.

Investment Advisor Representative Selection and Evaluation

IARs are required to meet Firm or industry experience levels and possess sufficient portfolio management experience. IARs that do not maintain compliance with IWN guidelines may be removed from the program.

Services Tailored to Individual Client Needs

IAR's investment recommendations are based on an analysis of the client's individual financial needs and objectives as reported on their IPS. Investment recommendations are drawn from research and analysis which the IAR believes to be reliable and appropriate to the client's financial circumstances. Accounts are tailored to the client and are designed to meet their individual investment objectives, financial needs, and tolerance of risk.

Client Restrictions and Instructions

Each client may impose investment restrictions on the management of their account. IWN and the IAR will comply with any reasonable instructions and/or restrictions for the client's account.

Reasonable instructions generally include the designation of securities or types of securities that should NOT be purchased for the account, or that should be sold if held in the account. If the client restrictions are unreasonable, or if IWN or the IAR believe that the restrictions are inappropriate, IWN will notify the client that unless the restrictions are modified, IWN may remove the client's account from the program. The client will not be able to provide instructions that prohibit or restrict the investment advisor of open-end or closed-end mutual funds or exchange-traded funds ("ETF"), with respect to the purchase or sale of specific securities or types of securities within the fund. IWN's policy is generally to bring the account into conformity with the client stated target allocations. If the client wishes to hold certain positions for tax or investment purposes, the client should consider holding these positions in a separate brokerage account, not subject to advisory fees.

Conflicts of Interest

The IAR may have a conflict of interest recommending a Program that, over the life of the program, may offer more compensation to the IAR versus using a full-service brokerage account or by the client implementing the advice elsewhere.

Factors that IWN considers when selecting a Custodian include its financial strength, reputation, execution, pricing, research and service. The Custodian enables IWN to obtain some securities without transaction charges and other securities at nominal transaction charges.

Client Information Provided to Investment Advisor Representative

The client must complete an IPS with the assistance of their IAR which outlines the client's investment objectives, financial circumstances, risk tolerance and any restrictions the client may wish to impose on their

investment activities. The IAR and client should consider updating the Investment Policy Worksheet at least annually and indicate if there have been any changes in the financial situation, investment objectives or instructions. The client agrees to inform IWN, in writing, of any material change in their circumstances that might affect the way a client's assets should be invested. The client's IAR will be reasonably available to the client for consultation on these matters and will act on any changes in their profile deemed to be material or appropriate as soon as practical after the IAR become aware of the change.

Voting Client Proxies

The client must determine who is responsible to vote proxies and must indicate accordingly on Account application(s).

If IAR does not vote proxies, then client shall be responsible for directing the way proxies solicited by issuers of securities beneficially owned by client shall be voted, and making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Assets.

If IAR votes proxies, then client understands IAR will generally determine how to vote proxies based on IAR's reasonable judgment of what vote is likely to produce favorable financial results for client and IAR's other clients who hold the security. IAR will generally cast proxy votes in favor of proposals that maintain or strengthen the shared interests of issuer's shareholders and management, increase shareholder value, maintain or increase the rights of shareholders. IAR will generally cast proxy votes against proposals having the opposite effect. However, IAR will consider both sides of each proxy issue to be voted on. IAR will not consider social considerations, absent contrary instructions from client.

Client acknowledges that conflicts of interest may arise between IAR and client regarding proxy issues. If IWN's Chief Compliance Officer determines that a material conflict exists, IWN will follow the following procedures:

- Disclose the existence and nature of the conflict to client and seek direction on how to vote proxies;
- Abstain from voting, particularly if there are conflicting client interests; or
- Follow the recommendations of an independent proxy voting service.

Client maintains the exclusive responsibility for all legal proceedings or other types of events relating to the Assets in the Account, including but not limited to class action lawsuits.

Client Contact with Investment Advisor Representative

The client has no restrictions in contacting their IAR who will be generally available during normal working hours.

Disciplinary Information

Neither Independent Wealth Network, Inc. nor any management person has had any civil or criminal actions brought against them.

Neither Independent Wealth Network, Inc. nor any management person has had any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

Neither Independent Wealth Network, Inc. nor any management person has had any proceedings before a self-regulatory organization.

Other Financial Industry Activities and Affiliations

The principal business of IWN executive officers includes directing the operations of the firm as a SEC registered investment advisory firm. IWN shares certain personnel in accounting, managerial, compliance and operational services with their respective affiliates, DV Financial and Preferred Wealth Management.

IWN also has contractual relationships with other registered investment advisors pursuant to which IWN receives compensation for these services.

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

The Code of Ethics (the “Code”) was adopted to effectuate the purposes and objectives of Sections 204A and Section 206 of the Investment Advisers Act of 1940 (the “Advisers Act”) and Rule 204-2 under the Advisers Act and Rule 17j-1 of the Investment Act of 1940. The Code is a comprehensive guideline to make our Investment Advisor Representatives (“IARs”) aware of conduct and behavior expected of them, including with respect to personal securities transactions and prohibitions against trading upon material nonpublic information, so as not to take inappropriate advantage of their positions and the access to information that comes with their position. This Code further addresses other prohibited activities, and addresses reporting requirements, confidentiality requirements, and standards of care.

The Code is based on the principles that Independent Wealth Network, Inc. owes a fiduciary duty to its clients. Accordingly, employees must avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interests of the clients.

To avoid any potential conflicts of interest involving personal securities transactions IWN investment advisor representatives and employees must at all times:

- 1) Place clients’ interest ahead of the firms. As a fiduciary, they must serve in its clients’ best interests and may not benefit at the expense of clients.
- 2) Advisory personnel should not contemporaneously purchase or sell the same securities as a client without making an equitable allocation of the securities to the client first, based on such considerations as available capital and current positions, and then to the account of the employee. Personal trades may require preauthorization, the reporting of the transactions on a Personal Securities Blotter, and further detailed information regarding certain securities holdings, both upon commencement and upon request, over which such personnel have a direct or indirect beneficial interest.
- 3) Avoid taking advantage of the firm by not accepting investment opportunities, gifts, or gratuities, as defined in the Advisers Act, from individuals seeking to conduct business with the firm or on behalf of a client.
- 4) Advisory personnel must abide by standards of disclosure regarding personal securities trading and reporting as set forth in the Advisers Act and under the firm’s Private Securities Transactions, Policy on Confidential Information and Insider Trading Policy.
- 5) Advisory personnel are charged with the duty to protect all client information and confidentiality by properly securing their workstations, computers, mobile devices, external storage units and records; and only authorize access to employees or vendors who have a legal business need for that information to complete a customer transaction.

Employees and IARs must promptly report any violations of the Code to the Compliance Department, which will be treated as being made on an anonymous basis. IWN monitors and reviews these concerns on a continuous basis and will provide a copy of the Code to any client or prospective client upon request.

Review of Accounts

IWN conducts ongoing account reviews for Accounts where the IAR provides continuous advisory services. Financial Plans and Consulting Services Agreements are periodically reviewed as received. IWN has designated the Chief Compliance Officer, Compliance Consultant(s), and Director of Operations as those who conduct ongoing reviews and IAR Strategies.

Through the Custodian's system and IWN internal software, IWN reviews daily trades and multiple exception reports. Exception reports include monitoring account volatility versus stated risk objective, size of transaction versus total account value, the amount of activity in the account, along with any margin and options alerts or other risk factors. The Management team conducts periodic reviews of third-party managers and alternative investments.

Investment advisory clients are encouraged to discuss their needs, goals and objectives with their IAR and to keep their IAR informed of any changes that may occur. IARs shall contact ongoing investment advisory clients at least annually to review their previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the custodian for their account. IWN clients will periodically receive a report that may include relevant account and market-related information such as an inventory of account holdings with account performance. Those clients to whom IWN provides financial planning or consulting services typically do not receive regular reports on their accounts after the financial planning or consulting services have been concluded.