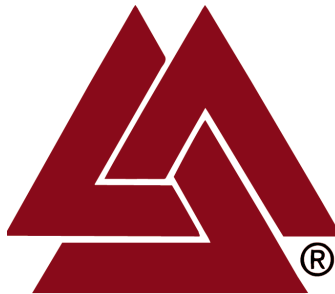


# **Investment Adviser Brochure Form ADV Part 2A**

March 30, 2020



## **INTERVEST INTERNATIONAL, INC.**

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Colorado Springs, CO 80918  
(800) 933-9299  
[www.intervestintl.com](http://www.intervestintl.com)

This Brochure provides information about the qualifications and business practices of Intervest International, Inc. ("Intervest"). If you have any questions about the contents of this Brochure, please contact us at (800) 933-9299 or by email at [main@intervestintl.com](mailto:main@intervestintl.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.

Intervest International, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Intervest International, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 2 – Material Changes**

Item 2 provides a summary of material changes, if any, Intervest has made to the brochure since the last annual update, dated March 31, 2019.

In this brochure, Item 5 was revised to describe the billing policies for Investment Supervisory Services offered through third-party money managers. In addition, information was added regarding conflicts of interest for accounts that invest in mutual funds that pay 12(b)-1 fees.

Item 10 was revised to clarify that when purchasing securities or insurance products through your Adviser Representative, they will receive normal commissions, in addition to advisory fees.

Item 14 was revised to describe different compensation arrangements with Third-Party Money Managers, to disclose compensation and incentive arrangements with product sponsors in addition to Third-Party Money Managers, and to describe how conflicts of interest are addressed.

### **Will I receive a brochure every year?**

We may, at any time, update this Brochure. Any material changes will either be sent to you as a summary of those changes or, depending on the extent of these changes, you will receive the entire updated Brochure.

When there are material changes, you will receive this information within 120 days of the close of our fiscal year.

### **May I request additional copies of the brochure?**

You may request and receive additional copies of this brochure in one of three ways:

- Contact your Advisor Representative with whom you are working.
- Download the brochure from the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Select “investment adviser firm” and type in our Firm name.
- Contact our Compliance Department at (800) 933-9299 or [compliance@intervestintl.com](mailto:compliance@intervestintl.com).

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## Item 4 – Advisory Business

Intervest International, Inc. (“Intervest”) is a Registered Investment Adviser which specializes in total financial planning for families, business executives, and small business owners as well as military and government personnel. Intervest has been in business since 1980 and our principal owner is David M. Smith, CFP®, Chief Executive Officer.

We feature an exclusive group of Certified Financial Planner™ certificants and investment adviser representatives (“Adviser Representatives”) who provide complete and objective financial advice for our clients. Intervest also provides professional asset management, both directly as well as through selected third-party money managers.

Through our programs and services, we help our clients avoid the problems caused by inflation, taxes and money mismanagement — all vital issues in today's rapidly changing economy. We focus on alternative solutions and provide effective recommendations designed to achieve financial success for those we serve.

Our approach to the changing problems and opportunities that make up today's economy is unique. We apply financial planning principles and techniques that are custom designed for each client. We do not represent any one company; instead, we represent the needs of our clients: providing solutions that are both objective and comprehensive. Our clients' financial planning goals are, and will always be, first and foremost.

Intervest offers several different types of investment advisory services including Investment Supervisory Services, Direct Portfolio Management Services, and Financial Planning Services, collectively referred to as “Advisory Services.”

### Investment Supervisory Services

Intervest offers investment supervisory services to its clients in conjunction with several third-party money management programs. This allows us to offer individual account supervision on these specialized money management programs sponsored by other investment advisers.

### Direct Portfolio Management Services

Intervest offers direct portfolio management services to its clients. These services include any or all of the following, as agreed upon between you and Intervest:

- Monitoring the performance of an existing portfolio;
- Periodically rebalancing a portfolio to an agreed-upon model allocation;
- Recommending specific portfolio assets on a nondiscretionary basis; or,
- Modifying portfolio assets on a discretionary basis (limited to asset purchases, sales, and exchanges).

Certain accounts managed under our Direct Portfolio Management Services may be margin accounts. A margin account is an account where you may borrow funds for the purpose of purchasing additional securities. You may also use a margin account to borrow money to pay for fees associated with your account or to withdraw funds. If you decide to open a margin account, please carefully consider the following:

- If you do not have available cash in your account and use margin, you are borrowing money to purchase securities, pay for fees associated with your account or withdraw funds.
- You are using the securities that you own as collateral.
- Money borrowed is charged an interest rate that is subject to change over time.

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- Your Adviser Representative has a conflict of interest when recommending that you purchase or sell securities using borrowed money. This conflict occurs because your advisory fee is based on the total market value of the securities in your account. If you have a margin debit balance (in other words you have borrowed and owe money to the account custodian), your margin debit balance does not reduce the total market value. In fact, since you have borrowed money to purchase additional shares, the total market value of your account will be higher, which results in a higher advisory fee.

We reduce this conflict by requiring all margin accounts to be pre-approved by the home office. We also review accounts to determine whether or not the use of margin is appropriate and in line with your goals and objectives. Please also carefully review the margin disclosure document for additional risks involved in opening a margin account.

#### Financial Planning Services

Intervest provides financial planning services and investment advice through comprehensive reviews of personal, business, family, and estate information and documents provided by the client. Written reports or plans are created for the client, and reviewed with each client in detail. Information provided and reports created may include a review of general securities holdings, employee benefit programs, and business operations.

#### Assets Under Management

As of December 31, 2019, Intervest managed a total of \$275,344,000 in client assets, as follows:

- |  |               |
|--|---------------|
| • Investment Supervisory Services (non-discretionary basis)      | \$177,445,000 |
| • Direct Portfolio Management Services (non-discretionary basis) | \$97,899,000  |
| • Direct Portfolio Management Services (discretionary basis)     | \$0           |

### **Item 5 – Fees and Compensation**

The specific manner in which fees are charged by Intervest is established in a client's written agreement with Intervest. All fees are subject to negotiation. Fees are generally automatically deducted from the client's advisory account. The client may terminate any investment advisory agreement within 5 business days of signing without penalty.

Intervest's fees are exclusive of transaction fees, ticket charges, and other related costs and expenses which shall be incurred by the client. Clients typically incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges and fees are exclusive of and in addition to Intervest's fee, and Intervest shall not receive any portion of these charges, fees, and costs.

Accounts may invest in load and no-load mutual funds that may pay the Firm annual distribution charges, sometimes referred to as 12(b)-1 fees. When 12(b)-1 fees are paid to Intervest, a portion may be passed to your Adviser Representative. Because of the additional compensation that these payments represent, there is a financial incentive for your Adviser Representative to recommend funds that pay 12(b)-1 fees over funds that have no fees or lower fees.

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Clients should be aware that the compensation to Intervest International, Inc. and your Adviser Representative will differ according to the specific advisory program chosen. This compensation to Intervest and your Adviser Representative may be more than the amounts we would otherwise receive if you participated in another program or paid for investment advice, brokerage, and/or other relevant services separately. As a result of the difference in fee schedules among the various advisory programs and services offered by Intervest and your Adviser Representative, we may have a financial incentive to recommend a particular program or service over other programs or services.

### Investment Supervisory Services

When offering Investment Supervisory Services in conjunction with a third-party money manager (TPMM), the fee charged is a percentage of assets under supervision. The maximum annual fee (split between Intervest and the third-party manager) is as follows:

<u>Account Value:</u>	<u>Maximum Annual Fee:</u>
\$0 to \$500,000	2.99%
\$500,000.01 to \$1,000,000	2.75%
\$1,000,000.01 to \$2,500,000	2.25%
\$2,500,000.01 to \$5,000,000	2.00%
\$5,000,000.01 and above	1.75%

When offering Investment Supervisory Services through a third-party money manager, Intervest and the Adviser Representative serve as a solicitor for the third-party money manager. The third-party money manager shall collect the total fee and remit a portion to Intervest. The nature of the relationship, the total fee, and the allocation of the fee between Intervest and the third-party money manager, shall be fully disclosed to Client in the Intervest Investment Advisory Agreement.

The account will be billed by the third-party money manager in accordance with the billing schedule employed by the third-party money manager.

### Direct Portfolio Management Services

When offering Direct Portfolio Management Services, a percentage of Assets Under Management is charged for advisory services. The maximum annual fee is as follows:

<u>Account Value:</u>	<u>Maximum Annual Fee:</u>
\$0 to \$500,000	2.99%
\$500,000.01 to \$1,000,000	2.75%
\$1,000,000.01 to \$2,500,000	2.25%
\$2,500,000.01 to \$5,000,000	2.00%
\$5,000,000.01 and above	1.75%

Intervest will generally bill its fees on a quarterly basis, in advance, unless otherwise agreed to in writing. This means that you are charged for the following calendar quarter's advice and not for past advice. Fees are generally automatically deducted from your advisory account. You may also pay your advisory fees by

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check. If you terminate your account prior to the end of a quarter, we will refund any advisory fees owed to you on a prorated basis. The prorated refund is based on the number of days remaining in the quarter.

### **Financial Planning Services**

Intervest generally charges either an hourly fee for advisory services provided or a fixed fee for the creation and review of a personalized financial plan.

#### **Hourly Fees**

Hourly fees are set by each Intervest Adviser Representative. Hourly fees are negotiable and agreed upon in advance with each client. The maximum allowable hourly rate is \$350.00 per hour. Clients will be billed directly for hourly fees incurred. The client may terminate any advisory services agreement within 5 business days of signing without penalty, in which case any pre-paid hourly fees will be refunded in full. If the agreement is terminated after 5 business days, and the Representative has started to expend time on the Client's behalf, the Client agrees to pay the agreed upon hourly rate for all such time expended. Any prepaid fees collected in excess of the earned amount will be refunded.

We do not take prepayment of more than \$1,200 in fees, six months or more in advance.

#### **Fixed Fees**

A fixed fee may be charged for the creation and review of a personalized family financial plan, or a business operational, succession, educational funding, or estate plan. Fixed fees are negotiable and are agreed upon in advance by the client and Investment Adviser Representative based on the nature and detail of the plan requested by the client. Fixed fees are collected in advance at the time the financial planning agreement is signed. The client may terminate any advisory services agreement within 5 business days of signing for a full refund of any prepaid fees. If the agreement is terminated after 5 business days, and the Representative has started to expend time on the Client's behalf, the Client agrees to pay a percentage of the fixed fee based on the percentage of work completed. Any prepaid fees collected in excess of the earned amount will be refunded.

We do not take prepayment of more than \$1,200 in fees, six months or more in advance.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Intervest does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). Intervest has entered into solicitation agreements with third-party money managers who themselves charge performance-based fees (see Item 14 - Client Referrals and Other Compensation, below). The details, including the method of calculation, of any such performance-based fee shall be disclosed in the third-party money manager's Form ADV Part 2A and/or client agreement, and Intervest's solicitation fee shall be disclosed as part of Intervest's client agreement.

## **Item 7 – Types of Clients**

Intervest provides investment advisory services primarily to individuals, families and small businesses. Intervest also serves as sub adviser to certain Collective Investment Funds, available through TD Ameritrade for use inside qualified plans. We also provide services to pension and profit-sharing plans, trusts, estates, charitable organizations, foundations, endowments, corporations and other business entities. Intervest

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does not have a minimum account size; however, some of the third-party money managers with whom we provide Investment Supervisory Services have minimum account sizes.

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

Intervest's Investment Adviser Representatives use various analysis methods and investment strategies when formulating investment advice or managing client assets. The analysis methods available to Intervest's Investment Adviser Representatives include, but are not limited to:

- **Fundamental analysis.** Fundamental analysis is a method of evaluating securities by examining related economic, financial and other qualitative and quantitative factors. These factors include macroeconomic factors, such as the overall economy and industry conditions, and company-specific factors, such as a company's management and financial condition.
- **Technical analysis.** Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and trading volume. This method attempts to identify patterns that can suggest future activity.
- **Cyclical analysis.** Cyclical analysis is a method of evaluating securities by analyzing how they perform at various stages in a business cycle. Cyclical companies typically provide products or services that are in lower demand at certain points in a business cycle and in higher demand at other points in the same business cycle.

Intervest's Investment Adviser Representatives develop each client's investment strategy by combining analysis results with the client's particular financial goals and objectives, risk tolerance, tax bracket, investment timeframe, and other relevant factors or guidance that the client provides. Investment strategies may incorporate any or all of the following:

- **Buy-and-hold**, in which an asset is purchased and held until it is sold to provide funding for a financial goal, objective, or need.
- **Dollar-cost averaging**, in which equal, periodic purchases of a particular security are made in an effort to take advantage of price volatility by purchasing more shares or units when the price is low and purchasing fewer shares or units when the price is high, thus reducing the average cost per share or unit.
- **Passive asset allocation**, in which a portfolio is periodically rebalanced to match a particular asset percentage mix.
- **Active asset allocation**, which can involve any or all of the following:
  - **Tactical asset allocation**, which attempts to take advantage of short-term changes in asset values through frequent trading into and out of various assets, including cash or cash equivalents;
  - **Strategic asset allocation**, which attempts to take advantage of long-term changes in asset values through occasional trading into and out of various assets, including cash or cash equivalents; and,
  - **Sector rotation**, which attempts to use various points in a business cycle to determine which securities, in which market sectors, to buy or sell.
- **Short sales, options, or other hedging strategies** that are designed to reduce volatility or take advantage of price declines in specific assets or market declines in general.



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- Option spread strategies, such as vertical call spreads, that seek to capture the spread between a sold and a purchased option on the same underlying security.

Every analysis method and investment strategy involves risks. For example:

- Fundamental analysis that is positive for a particular company's securities can be affected by unexpected macroeconomic events, significant changes in the company's market sector, or unexpected changes to the company's management or financial condition.
- Technical analysis that indicates a particular market trend is a prediction only, based on past performance, and is no guarantee of future results.
- Recommendations from cyclical analysis as to when to buy or sell a specific security or securities in a specific market sector may no longer be valid if the business cycle is disrupted, compressed, or lengthened.
- A buy-and-hold strategy does not protect a client in a declining market and will not protect a client in situations in which a security become worthless or significantly devalued.
- A dollar-cost averaging strategy depends on the client's ability to continue periodic investments over a long enough time to take advantage of price variations and will not guarantee a positive return in a declining market.
- A passive asset allocation strategy will not guarantee a positive return in a declining market and may require modification if the asset allocation model in use is no longer appropriate because of changes in the client's overall financial situation.
- An active asset allocation strategy depends on timely moves into and out of various assets and asset categories and can fail if the moves are mistimed. Frequent trading can affect overall portfolio performance because of increased transaction costs and taxes.
- Short sales, options, and other hedging strategies are used in anticipation of price moves in a particular direction and can be more costly or less effective if prices move in the opposite direction instead.
- The effectiveness of option spread strategies will vary depending on the underlying stock's movement.

Although Intervest's Investment Adviser Representatives seek to manage risk by implementing an investment strategy tailored to your specific financial situation, no analysis method or investment strategy can guarantee positive results. Investing in securities involves a risk of loss that you should be prepared to bear.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding certain legal or disciplinary events that would be material to your evaluation of Intervest or the integrity of Intervest's management. At this time, Intervest has no information applicable to this Item.

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

Intervest is the parent company of Intervest International Equities Corporation (IIEC), a FINRA broker/dealer. Most of Intervest's Adviser Representatives are also registered representatives of IIEC. As such, they execute securities transactions, such as the purchase or sale of stocks, bonds, mutual funds,

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variable annuities or variable life products, for their advisory clients.

Intervest is also an insurance agency and many of Intervest's Adviser Representatives are licensed life and health insurance agents. In addition to providing investment advisory services, an Intervest Representative may recommend the purchase of life and/or health insurance.

If you purchase securities or insurance products through your Adviser Representative, they will receive normal commissions, in addition to advisory fees. This includes asset-based compensation, such as 12(b)1 fees, which may be paid in lieu of, or in addition to, customary advisory fees. As such, your Adviser Representative may have an incentive to sell you commissionable products which presents a conflict of interest because they have an interest in making commissions on sales in addition to receiving fees on advisory services. You may have the option of holding certain assets outside of your advisory account and thereby avoiding advisory fees. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Therefore, a conflict of interest may exist between their interests and your interests. While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented. Please be aware that you are under no obligation to purchase products or services recommended by us, members of our Firm, or a related entity in connection with providing you with any advisory services.

Due to the fact that your Adviser Representative may have the ability to offer advisory and brokerage services, your Adviser Representative may be conflicted as to the investment options they recommend. In a brokerage account, your Adviser Representative is paid based on a transactional basis. In an advisory account, your Adviser Representative is compensated based on an advisory fee that may be flat, fixed, or a percentage of the assets under management. Your investment needs, as well as associated account expenses, should influence your decision whether to open an advisory or a brokerage account. An advisory account is likely more suitable if you are looking for a long-term investment strategy, quarterly performance reporting, and an ongoing relationship with your Adviser Representative.

## **Item 11 – Code of Ethics**

Intervest is committed to providing brokerage services and/or investment advice with the utmost professionalism and integrity.

To help us avoid potential conflicts, we have developed a Code of Ethics designed to protect our professional reputation and comply with federal or other applicable securities laws. This Code of Ethics sets forth guidelines and restrictions for personal securities trading, including an absolute prohibition of trading on the basis of "inside" (i.e., material, non-public) information. Adherence to our code of ethics is a condition of employment or affiliation with the Firm. Our Code of Ethics is summarized as follows:

### ***Personal Investing by Your Adviser Representative***

Your Adviser Representative may purchase or sell the same security as you. This type of trading activity creates a conflict between your Adviser Representative and you because your Adviser Representative's transaction may receive a better price than your transaction. Our Code of Ethics places restrictions on your Adviser Representative's personal trading activities. These restrictions include a prohibition on trading based on non-public information, pre-clearance requirements for certain personnel transactions with advance knowledge of model transactions and a requirement that any personal securities transactions do

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not disadvantage clients or otherwise raise fiduciary or antifraud issues. Also, your Adviser Representative cannot purchase securities in an initial public offering or participate in a private placement without our written approval.

### ***Personal Holdings and Transaction Reporting***

We receive information of the security transactions purchased and/or sold by your Adviser Representative in their personal accounts. We also receive information listing all securities that they currently own in their personal securities accounts. Certain investments are not required to be reported to us by your Adviser Representative, such as mutual funds holdings and securities issued by the Government of the United States.

You may request a copy of our Code of Ethics at any time by contacting your Adviser Representative.

## **Item 12 – Brokerage Practices**

Intervest does not receive research or other products or services other than execution from any broker/dealer or third party in connection with client securities transactions.

Most of Intervest's Adviser Representatives are also registered representatives with Intervest's subsidiary broker/dealer, Intervest International Equities Corporation ("IIEC"). Since Intervest and IIEC are affiliated companies, this is considered a conflict of interest.

In their capacity as registered representatives, our Adviser Representatives offer securities products and receive normal and customary commissions as a result of such transactions, which presents a conflict of interest because they have an interest in making commissions on sales that may be adverse to your interests. To mitigate this conflict of interest, Intervest and IIEC routinely review our accounts to ensure that the advisory services and product sales being recommended are consistent with your stated goals and objectives.

Because your Adviser Representative may have the ability to offer advisory and brokerage services, your Adviser Representative may be conflicted as to the investment options they recommend. In a brokerage account, your Adviser Representative is paid based on a transactional basis. In an advisory account, your Adviser Representative is compensated based on an advisory fee that is a flat or fixed fee, or a percentage of the assets under management. Your investment needs, as well as associated account expenses, should influence your decision whether to open an advisory or a brokerage account. An advisory account is likely more suitable if you are looking for a long-term investment strategy, quarterly performance reporting, and an ongoing relationship with your Adviser Representative.

In general, when an Intervest Adviser Representative provides portfolio service and support in both capacities, transactions for directly-managed portfolios are placed through IIEC. IIEC introduces all brokerage trades to its clearing firm, Pershing, who executes the trades and is the custodian of client funds and securities. IIEC, through Pershing, will aggregate multiple transactions of the same security whenever possible in order to provide the same purchase or sale price to all affected clients and not to favor any one client over another.

Some directly-managed portfolios consist of ERISA plan assets or nonqualified assets that are held at a third-party custodian, such as TD Ameritrade. In general, this situation arises when an Intervest Adviser Representative is not also providing portfolio service and support as a registered representative of IIEC. In this situation, the Intervest Adviser Representative may use a third-party custodian as the broker/dealer to

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execute portfolio trades in lieu of IIEC and Pershing. Intervest does not receive any compensation for execution of these transactions.

Accounts for which Intervest provides investment supervisory services only may be maintained at outside broker-dealers utilized by Third Party Money Managers for which Intervest serves as solicitor. Intervest does not receive any compensation for execution of transactions in such accounts.

Each client shall be fully informed as to which broker/dealer is transacting business for their account.

### **Item 13 – Review of Accounts**

The accounts of clients using our Investment Supervisory Services are reviewed by the Third-Party Money Manager (TPMM) on an ongoing basis and receive quarterly reports. The Intervest Adviser Representative reviews these accounts and the TPMM reports with their clients annually.

Clients with Direct Portfolio Management accounts will have a quarterly review of their account with their Intervest Adviser Representative and portfolio manager.

Since Intervest does not hold custody of client funds, reports are prepared by the custodian broker/dealer, typically on a quarterly basis, but no less than annually. These written reports contain detailed information on account values, account holdings, asset class positions, and performance.

Clients who engage Intervest for Financial Planning Services will have their financial plan reviewed by a principal of Intervest at or before the time the plan is presented to the client. The Intervest Adviser Representative will present the plan to the client, including any proposed reallocation of assets, recommendations for plan implementation, and the expected results. Annual plan reviews are offered to planning clients to track the progress of plan implementation and to incorporate any financial changes into the financial plan.

### **Item 14 – Client Referrals and Other Compensation**

When providing Investment Supervisory Services, Intervest will receive compensation based on solicitor agreements with selected Third-Party Money Managers (TPMMs) who sponsor specialty investment programs. Under many of these agreements, Intervest receives a portion of the total fees charged by the TPMM based on net assets under supervision. In some cases, the TPMM charges a set fee and Intervest charges an additional fee as a percentage of assets under management. In all arrangements with TPMMs, the relationship and the fee to the TPMM, Intervest and the Adviser Representative are fully disclosed to clients.

Intervest and/or our Adviser Representatives may receive compensation from TPMMs or other product sponsors that creates a conflict of interest. This compensation may include sales-based marketing bonuses, reimbursements for conferences, training, educational meetings, training events, industry conferences and entertainment for our Adviser Representatives and/or clients, as permitted by industry rules. The conflict of interest exists in that this compensation provides your Adviser Representative with an incentive to recommend one TPMM versus another TPMM or one product versus another product. Clients do not pay more, however, to purchase TPMM products through us than clients would pay to purchase the same TPMM products elsewhere.

To mitigate this conflict of interest, Intervest and IIEC review our accounts to ensure that the advisory services and product sales being recommended are consistent with your stated goals and objectives.

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Another way that Intervest addresses the conflict is that sales-based marketing bonuses are not passed on directly to Adviser Representatives, so they do not directly affect an Adviser Representative's product selection.

### **Item 15 – Custody**

It is Intervest's policy to arrange for the safekeeping of client assets with a broker-dealer or bank or other custodial platform. Intervest does not have custody of client assets. Intervest does not directly or indirectly hold client funds or securities, does not have any authority to possess them, and does not have access to client funds or assets.

Typically, clients receive periodic activity reports and an annual account statement from the broker/dealer, bank or other qualified custodian that holds and maintains the investment assets. Intervest urges clients to carefully review such statements and compare such official custodial records to any unofficial account statements that your Adviser Representative may provide.

### **Item 16 – Investment Discretion**

Intervest occasionally receives discretionary authority from a client to select the identity and amount of securities to be bought or sold. In these cases, the client executes a limited discretion agreement, solely for the purpose of purchasing and selling securities. Such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Intervest observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Intervest in writing.

### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, Intervest does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. The Adviser Representative may provide advice to clients regarding the clients' voting of proxies.

### **Item 18 – Financial Information**

Intervest has no financial condition that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.