

FIRM BROCHURE

Part 2A of Form ADV

March 29, 2021

Index Fund Advisors, Inc.

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Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of Index Fund Advisors, Inc. If you have any questions about the contents of this Brochure, please contact us at (949) 502-0050 and/or www.ifa.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.

Index Fund Advisors, Inc. is registered as an investment adviser with the Securities and Exchange Commission (“SEC”); however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Index Fund Advisors, Inc. is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

The last annual update of this Brochure is dated March 18, 2020. IFA encourages each client to read the Brochure carefully and to call us with any questions you may have.

Index Fund Advisors, Inc. (“IFA” or the “Firm”) is amending this brochure to update the following items:

Item 4 – Advisory Services – updated to reflect our assets under management as of December 31, 2020.

Item 5 – Fees and Compensation – updated to: (i) outline that the account market value for purposes of calculating fees includes cash, cash equivalents, dividends, and accrued interest, (ii) include a description of the firm’s process for selecting mutual fund class shares, (iii) add information on additional fees associated with certain types of investments.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss – updated to expand risk disclosures pertaining to certain types of investments.

Item 12 – Brokerage Practices – updated to: (i) include information on client directed brokerage accounts, and (ii) add disclosures on best execution considerations.

Pursuant to SEC Rules, IFA will ensure that clients receive a summary of any material changes to this Brochure within 120 days of the close of IFA’s fiscal year, along with a copy of this Brochure or an offer to provide the Brochure. Additionally, as IFA experiences material changes in the future, we will send you a summary of our “Material Changes” under separate cover. For more information about the firm, please contact Michelle@ifa.com.

Additional information about IFA and its investment adviser representatives is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 3: Table of Contents

<u>Item Number</u>	<u>Page</u>
Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business	5
About the Company	5
Investment Advisory Services	5
Types of Investments	6
Wealth Services	6
Tax Services	7
Retirement Plans Services	7
Advisory Agreements	7
Assets Under Management	8
Item 5: Fees and Compensation	8
Investment Advisory and Wealth Services	8
IFA Taxes	10
Additional Fees and Expenses	10
Arrangement with Third Party Advisors (TPAs)	12
Item 6: Performance-Based Fees and Side-by-Side Management	12
Item 7: Types of Clients	12
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	13
Our Methods of Analysis and Investment Strategies	13
Risk of Loss	16
Recommendation of Particular Types of Securities	17
Tax Reporting	17
Wealth Services	18
Retirement Plans Services Performance Monitoring	18
Item 9: Disciplinary Information	18
Item 10: Other Financial Industry Activities and Affiliations	18
Doing Business As	18
Tax Services	19
Other Outside Activities	19

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .	20
Description of Our Code of Ethics.....	20
Participation or Interest in Client Transactions	20
Item 12: Brokerage Practices	21
Investment Advisory Services	21
Research and Other Benefits.....	21
Brokerage for Client Referrals.....	23
Directed Brokerage	23
Block Trades	23
Trade Errors	24
Item 13: Review of Accounts	24
Investment Advisory Services	24
Item 14: Client Referrals and Other Compensation.....	24
TD Ameritrade AdvisorDirect Program	25
Referral Services	25
Item 15: Custody.....	26
Item 16: Investment Discretion.....	27
Item 17: Voting Client Securities	27
Item 18: Financial Information	27

Item 4: Advisory Business

About the Company

Index Fund Advisors, Inc. (“IFA”) is an SEC-registered investment adviser based in Irvine, California. IFA is organized as a corporation under the laws of the State of Delaware, and has been providing fee-only investment advisory services since 1999. Prior to July 1, 2013, the firm operated under the name of “Index Funds Advisors, Inc.”, and was incorporated in, and governed by the laws of, the State of California. Mark T. Hebner, President, is IFA’s principal owner.

Investment Advisory Services

At IFA, we offer discretionary investment advisory services that focus specifically on providing our clients with portfolios of passively managed or index mutual and exchange-traded funds. IFA offers customized investment management services to individuals, high net worth clients, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and other types of business entities.

Investing for Catholics (IFC), a division of IFA, provides Catholic Values Investing advice and portfolio implementation to institutions and individuals, using the Socially Responsible implementations of selected fund managers. IFC’s globally diversified portfolios are screened to closely align with the United States Conference of Catholic Bishops guidelines for investing.

Our investment advice is tailored to match each of our clients’ capacity for risk. If you retain our firm for investment advisory services, we will help you determine your risk capacity in consideration of five dimensions of risk: time horizon and liquidity needs; net income; net savings; investment knowledge; and attitude toward risk. We will provide investment advisory services with respect to each account designated by our clients for management, as follows:

- make recommendations based on our clients’ risk capacity;
- develop an asset allocation utilizing primarily passively managed mutual and exchange-traded funds;
- place trades on behalf of our clients;
- accept liability for trading errors (if such arise) that are caused by our actions or inactions;
- provide quarterly performance reports;
- perform quarterly portfolio reviews to determine if rebalancing is necessary; and
- rebalance when deemed necessary.

Additional services may include investment-related tax management and “Glide Path” portfolio management. Investment-related tax management will provide advice on tax-efficient investment strategies and tax loss harvesting opportunities. Glide Path portfolio management can be an optional automated risk reducing investment strategy whereby portfolios become gradually more conservative (higher allocation to fixed income funds versus equity funds) over time.

Clients are responsible for informing IFA of any changes to their capacity for risk.

Types of Investments

We primarily recommend passively managed mutual and exchange-traded funds; however, we also offer advice from time to time on equity securities, U.S. government securities, corporate debt securities, municipal debt securities, and actively managed mutual funds. We will also review, and when appropriate, make recommendations to the sub-accounts within fee-based variable annuities, variable life insurance products, and 529 plans. Additionally, we provide advice on other types of investments that we deem appropriate based on the client's stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship and upon a client's request.

Please refer to Item 8 below for further information on the types of investments IFA provides advice on, along with the associated risks.

Wealth Services

In addition to customized investment advice and portfolio strategies, IFA offers financial planning and referral services. Many areas of personal finance are interrelated, and IFA's investment advice can be refined by coordinating with estate attorneys, corporate trustees and insurance advisors during the financial planning process to help clients accomplish their financial objectives and produce a better overall client experience.

Wealth Planning

Financial Planning – IFA offers Financial Planning, utilizing eMoney to provide a complimentary, wealth management system that will allow our clients to track their assets, liabilities, income, and spending across all their accounts as well as store all their important documents in electronic form. Wealth Advisors work with their clients to produce financial plans, using this analysis as the foundation for recommendations to achieve each client's financial objectives.

Retirement Planning – With the aid of the IFA Retirement Plan Analyzer, IFA Wealth Advisors are able to help clients make more informed decisions in each stage of their lives.

College Planning – IFA's College Savings Analyzer helps IFA Wealth Advisors align a client's college funding objectives with an appropriate college savings and investment plan.

Charitable Giving – IFA Wealth Advisors assist clients in setting up donor advised funds, which are charitable giving accounts that provide an efficient way to make grants to charities.

Referral Services

Estate Services – IFA Wealth Advisors can refer clients to estate attorneys to create estate plans and aid in the implementation of the plans.

Trust Services – For trust management and administrative needs, IFA Wealth Advisors can refer clients to corporate or administrative trustees.

Insurance Services – IFA Wealth Advisors refer clients to insurance advisors and collaborate with the advisors to integrate the insurance policies with the overall financial needs of the client.

(See Item 14 – “Client Referrals and Other Compensation” for more information)

Tax Services

IFA, through its IFA Taxes division, offers Tax Advice & Planning, Tax Accounting & Bookkeeping, and Tax Return Preparation (collectively, “Tax Services”). The IFA Taxes division does not provide auditing or attestation services and therefore is not a licensed CPA firm. Where appropriate, IFA will recommend tax saving strategies to maximize your after-tax income. For special advice and planning projects (“Special Projects”), there will be an additional charge, which will be quoted and agreed upon in a contract between the client and IFA prior to commencement the Special Project.

IFA’s tax services are provided by its professionals under a separate written engagement and in their separate capacities as tax advisers. Clients do not have to be investment advisory clients of IFA in order to receive Tax Services. IFA’s fees may be higher or lower than those available from other professional providers for similar Tax Services. Clients are not required to use IFA for Tax Services. For additional information, please see Item 5 and Item 10 below.

Retirement Plans Services

IFA offers advisory services to a variety of employer-sponsored retirement plans including 401(k), 403(b) and church plans. Services include plan-level services (fiduciary best practices), investment services (investment advice and investment management), and participant services (education, enrollment and advice.) Taking advantage of IFA’s expertise with index funds, model portfolios and risk capacity surveys, IFA is able to deliver services to employer-sponsored retirement plans designed to achieve the objectives of both plan sponsors and plan participants.

Advisory Agreements

Prior to engaging IFA to provide investment advisory and wealth services, the client will be required to enter into one or more written agreements with IFA setting forth the terms and conditions under which IFA shall render its services (collectively the “Agreement”).

In accordance with Rule 204-3 under the Investment Advisers Act of 1940, as amended (“Advisers Act”), IFA will provide a brochure and one or more brochure supplements to each client or prospective client prior to or contemporaneously with the execution of an investment advisory agreement.

The Agreement between IFA and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. Neither IFA nor the client may assign the Agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of IFA shall not be considered an assignment.

Assets Under Management

As of December 31, 2020, the following represents the amount of client assets under management by IFA on a discretionary basis:

Type of Account	Assets Under Management ("AUM")
Discretionary	\$ 4,132,878,908.34
Non-Discretionary	\$ 0
Total:	\$4,132,878,908.34

Item 5: Fees and Compensation

Investment Advisory and Wealth Services

Our maximum fee for investment advisory and wealth services is based on a percentage of your assets we manage and is set forth in the following fee schedule:

<u>Assets Under Management</u>	<u>Annual Fee is Billed Quarterly as Follows</u>	<u>Annual Fee</u>
First \$500,000	0.2250%	0.90%
Next \$500,000	0.1875%	0.75%
Next \$1,000,000	0.1500%	0.60%
Next \$2,000,000	0.1125%	0.45%
Next \$2,000,000	0.0750%	0.30%
Next \$4,000,000	0.0625%	0.25%
Next \$10,000,000(+)	0.0500%	0.20%

The fee schedule results in a blended fee for assets over \$500,000. For example, the blended annual fee for \$1,000,000 is 0.825% (the First \$500,000 at 0.90% and the Next \$500,000 at 0.75%).

Our annual investment advisory fees are billed quarterly and payable three months in advance and are based upon the value of assets held in the account (including cash, cash equivalents, dividends, and accrued interest) on the last trading day of the month immediately prior to the three-month period. You will not be billed until you have signed our Client Agreement, completed our Risk Capacity Survey ("RCS"), and completed the account opening/transfer process. (Retirement Plan clients require a signed Investment Policy Statement rather than the

Risk Capacity Survey.) Fees for portfolio management services and Wealth Services are calculated based on the first day assets of any kind appear in an account IFA is authorized to manage. Fees are payable three months in advance and are based upon the value of assets held in the account on the last trading day of the month immediately prior to the three-month billing period, subject to the adjustments described below. Our advisory fee is negotiable at the sole discretion of IFA. Therefore, IFA has clients that are charged advisory fees that are higher and lower than what is reflected herein. The advisory fee charged to a client is outlined in their client agreement with IFA. IFA has given discounts for families, groups, associations, and for competitive reasons. As stated in our Client Agreement, we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. Further, the qualified custodian will deliver an account statement to you at least quarterly showing all disbursements from your account. Although IFA believes its advisory fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources. In addition, IFA has the discretion to and has lowered its advisory fees, thereby providing a discount, if and when an investment adviser representative leaves IFA. This may serve as an incentive for the client to remain with IFA, as such discounts could result in a substantial savings in advisory fees.

Fees quoted do not include brokerage commissions, transaction fees, or any other fees which are charged directly to the Client's account by the custodian or the mutual fund company at the time of trade or otherwise, certain deferred sales charges on previously purchased mutual funds transferred into the account, other transaction related fees, IRA and, interest charged on margin borrowing, interest charged on debit balanced, "spreads" imposed by brokers and dealers representing implicit transaction costs, commissions and transfer taxes. Information regarding fees or charges assessed by any mutual funds held in a client account is available in the appropriate prospectus. The fees set forth herein are for investment advisory services and Wealth Management services only and do not include any other professional services which may be necessary or advisable to implement the recommendations made by IFA. For example, IFA will not provide legal advice nor prepare any legal documents for the implementation of Client's investment plan.

Retail client's account assets are held at one of three custodians. They include Charles Schwab, Fidelity and TD Ameritrade. Retirement Plan account assets are held at numerous custodians, in addition to these three. In addition to the fees charged by us, there are transaction charges involved when purchasing and selling securities in client accounts, which are charged by the custodian. A written confirmation of each transaction including all transaction charges will be sent by the custodian to the client immediately following execution of each transaction. Please refer to Item 12, Brokerage Practices section below for detailed information on these brokerage services.

Except for situations that involve termination of the Client Agreement, the above-described fee will be (a) increased by a pro-rata charge for assets deposited during the prior billing period based upon the number of days during that billing period that such assets were in an IFA managed account and (b) decreased by a credit for assets withdrawn during the prior billing period based upon the number of days during that billing period that such assets were not in an IFA managed account.

Either you, the client, or we, IFA, may terminate our Client Agreement by written notice stating the effective date of termination. If no effective date of termination is stated, termination shall occur on the last trading day of the month during which written notice is received by the other party. If you terminate our Client Agreement, your fee will be based upon the value of assets deposited in the account and the number of days which assets were held in the account prior to termination. You will then be reimbursed a pro-rata portion of any unearned fee. If we terminate our Client Agreement, your fee for the final three-month billing period will be pro-rated to the account for the duration during which assets were held in the account.

We encourage our clients to reconcile our advisory fee invoices with the fee deductions shown on statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian, please call our main office number located on the cover page of this brochure.

IFA does not charge a separate or additional fee for the Wealth Services described above in Item 4 with the exception of IFA Taxes.

IFA Taxes

IFA's tax services are provided by its professionals under a separate written engagement and in their separate capacities as tax advisers. IFA Taxes typically charges a range of fees, from \$200 to \$5,000, depending on the client. At times, IFA Taxes may offer promotional rates, where clients may pay lower fees, or even no fees, for certain services. IFA's fees may be higher or lower than those available from other professional providers for similar Tax Services.

Additional Fees and Expenses

Clients' accounts are subject to third party fees, including, as applicable, custodian fees, brokerage fees, retirement plan administration fees, odd-lot differential fees, margin interest, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes. Clients' accounts are also subject to fees associated with certain types of investments, such as mutual funds, ETFs, fee-based variable annuities, donor advised funds, and 529 plans. We do not share in any fees charged by third parties. To fully understand the total cost you will incur, you should review all the fees charged by all parties, including, but not necessarily limited to, mutual funds, exchange-traded funds, our firm, and your custodian.

Mutual Fund Fees

Open-end mutual funds charge fees to their shareholders, which are described in the mutual fund's respective prospectus. These fees usually include a management fee, administrative and operations fees, and in some cases, distribution fees (e.g., 12b-1 fees). These fees are generally referred to as a fund's "expense ratio" and are deducted at the mutual fund level when calculating the fund's net asset value ("NAV"). The deduction of fees has a direct bearing on the fund's performance. Certain mutual funds also can charge an up-front or back-end sales charge and/or redemption fees. In addition, some open-end mutual funds offer different share classes of the same fund and one share-class can have an expense ratio and sales/redemption fees that are

higher than another share class. The most economical share class will depend on certain factors, including but not limited to the amount of time the shares are held by a client and the amount a client will be investing. Mutual fund expense ratios and sales/redemption fees vary by mutual fund, so it is important to read the mutual fund prospectus to fully understand all the fees charged.

When purchasing open-end mutual funds, IFA strives to purchase the lowest cost available share class for clients. In addition, for new clients that hold any mutual funds upon account opening, IFA will determine whether such mutual fund remains suitable for the client's current objective and if we believe it is, then we will check to see if a lower-cost share class is available. If it is, we will determine based on all facts and circumstances, whether it appears to be best for the client to transfer into the lower-cost share class and if so, implement the transfer. However, there can be times when IFA does not have access to lower-cost share classes. This mainly happens when the client's custodian does not offer a lower-cost share class for some or all of the mutual funds bought for and/or held in clients' accounts, or the investment amount does not meet the share class minimum investment requirement.

ETFs also have expense ratios, but they do not have different share classes or charge up-front or back-end sales charges.

Fee Based Variable Annuities

While the fees are outlined in an annuity's prospectus, they can include, but not limited to administrative fees, surrender charges, mortality expenses, transfer fees, distribution fees, contract fees, underwriting fees and fees associated with the underlining portfolio investments, such as mutual fund fees. Some of these additional fees are included in the expense ratio and reflected in the per share value of the annuity, while other fees are deducted from the client's assets invested in the annuity.

Effect of Fees on Managed Assets

Clients should review all applicable direct and indirect fees charged and advisory fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. It is important that clients understand how all these fees can affect investment returns over time. For further information, please refer to the SEC's Investor Bulletin at <https://www.investor.gov/introduction-investing/general-resources/news-alerts/alerts-bulletins/investor-bulletins/updated>.

Clients can avoid paying layers of fees by making their own decisions regarding the investments made in their accounts. However, in doing that, clients would not have the benefit of receiving experienced investment advice provided by IFA.

Margin Accounts

From time to time, we accept accounts for clients who have opted for the margin feature available on their account. These accounts require you to sign a separate margin agreement with the custodian before margin is extended to your account. Buying securities on margin subjects

clients to additional costs and risks that should be carefully considered before opening a margin account. For example, the use of margin will result in interest charges on any borrowed amount. Risks associated with margin accounts, include but are not limited to; (i) the loss of more assets than what is in a margin account, (ii) a decline in the value of securities purchased on margin can require you to deposit additional funds in the account or have other securities in the account sold to cover any debt amount, (iii) if the equity in your margin account falls below the maintenance margin requirements under the law—or the lending brokerage firm's higher "house" requirements—the brokerage firm can sell the securities in your account to cover the margin deficiency. Importantly, clients should take time to learn about the additional costs and risks associated with margin accounts.

Clients who have opted for the margin feature on their account are not billed on their margin balance.

Arrangement with Third Party Advisors (TPAs)

We have arrangements with Third Party Advisors which include Network Members and Solicitors. Network Members are third party, registered investment advisors independent of our firm who pay a fee to license the use of our website (www.ifa.com). Solicitors are a third party, independent from our firm, who receive a share of the IFA fee to recommend our services to clients.

Our firm does not endorse or recommend Network Members or Solicitors individually or as a group, nor do we endorse or recommend any of their investment strategies. We strongly encourage investors to perform due diligence on any investment manager they consider hiring, regardless of whether that manager is our firm, a Network Member, or Solicitor.

For solicitor compensation arrangements, please see the Item 14: Client Referrals and Other Compensation section below.

Item 6: Performance-Based Fees and Side-by-Side Management

We do not charge performance-based fees (*i.e.*, fees calculated based on a share of capital gains on or capital appreciation of the client's assets or any portion of the client's assets). We do not participate in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management).

Item 7: Types of Clients

Investment Advisory and Wealth Services

We offer discretionary investment advisory services to individuals and institutions, including, endowments, foundations, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

If a Client's account is a pension or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), IFA acknowledges that we are qualified to serve as a discretionary investment manager and will accept fiduciary status to certain plans under Section 3(38) of ERISA. In this capacity, the plan's sponsor or those who would otherwise be responsible for selecting and monitoring the plan's investment options are allowed to delegate these fiduciary duties to IFA. In providing our investment management services, the sole standard of care imposed upon us is to act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

IFA will provide certain required disclosures to the "responsible plan fiduciary" (as such term is defined in ERISA) in accordance with Section 408(b)(2), regarding the services we provide and the direct and indirect compensation we've received by such clients. Generally, these disclosures are contained in this Form ADV Part 2A, the client agreement and in separate ERISA disclosure documents, and are designed to enable the ERISA plan's fiduciary to: (1) determine the reasonableness of all compensation received by IFA; (2) identify any potential conflicts of interests; and (3) satisfy reporting and disclosure requirements to plan participants.

In general, we require a minimum of \$100,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Our Methods of Analysis and Investment Strategies

IFA's investment analysis and strategies can be summarized as follows:

- Extensive research has shown that investment strategies that try to beat the market are not successful over the long term.
- We invest globally in capital markets using index funds. IFA defines index funds as mutual or exchange-traded funds that have a set of rules of ownership which are held constant regardless of market conditions. These funds may also be referred to as passively managed funds.
- We have designed index portfolios, based on IFA Indexes, to address our clients' widely varying levels of risk capacity.
- We design our index portfolios to include a tilt towards equity investments in indexes that include more smaller and value-oriented companies than many well-known indices.
- The implementations of IFA's Index Portfolios for our clients may obtain different returns than the index portfolio returns shown on IFA's Website for several reasons such as the use of different mutual and/or exchange-traded funds, depending on the client's unique situation. A more detailed explanation may be found on www.ifabt.com.
- Most of IFA's index portfolios also include indexes of fixed income and real estate investment trust (REITs).

- The portfolio implementations designed for IFC use funds that are screened to closely align with the United States Conference of Catholic Bishops guidelines for investing. As such, these funds exclude companies that:
 1. Directly participate in abortions.
 2. Own or operate acute-care hospitals or surgical centers.
 3. Engage in the development or manufacture of abortifacients.
 4. Derive identifiable revenues from the development or manufacture of contraceptives.
 5. Conduct stem cell research with cells derived from human embryos or fetal tissue, use fetal cell lines in the development of vaccines and other biologics such as therapeutic proteins and gene therapy products, or develop products for scientific research specifically on embryonic or fetal stem cells, such as technology that isolates or regulates the growth and proliferation of stem cells.
 6. Derive 15% (or more) of their total business revenue from the rental, sale, distribution or production of pornographic materials or the ownership or operation of adult entertainment establishment.
 7. Derive 15% (or more) of revenue from the manufacture of alcoholic beverages, the supply of raw materials and other products necessary for the production of alcoholic beverages or the distribution of alcoholic beverages.
 8. Have had major recent controversies relating to child labor infractions in the US or abroad.
 9. Derive 20% (or more) of revenue from the production of goods used exclusively for gambling, such as slot machines; ownership and/or operation of casinos, racetracks, bingo parlors, or other betting establishments; or the provision of services in casinos that are fundamental to gambling operations, such as gambling technology
 10. Are involved in the production of anti-personnel landmines, anti-vehicle landmines, or the essential components of these products.
 11. Derive 20% (or more) of revenue from the production and/or sale of military weapons or weapons systems; customized components for military weapons or weapons systems; or weapons of mass destruction, including nuclear weapons, nuclear weapons systems, and customized components thereof.
 12. Conduct business in Sudan, including those that own assets in, have employees/facilities in, obtain goods/services from, or have distribution agreements in Sudan; that issue credits or loans to companies domiciled in Sudan; or provide goods/services to, or purchase goods or commercial paper issued by, the government of Sudan.
 13. Derive at least 15% of revenue from the manufacture of tobacco products, production of raw materials and other products necessary for the production of tobacco products, or the distribution of tobacco products.

In implementing our index portfolios, we do not attempt to time the overall index portfolio or individual indexes. Instead, we advise our clients to buy, hold, rebalance, and Glide Path index portfolios that are globally diversified and incorporate an appropriate level of risk with a ratio of fixed income to equities as determined by our Risk Capacity Survey which is located on our website.

In September 2013, IFA changed the numbering system where the Index Portfolio number now matches the equity allocation of the portfolio. Secondly, there is an increased tilt toward small and value equities among the stock indexes in the portfolios. To accommodate the new numbering system, 10 points were added to past and future Risk Capacity Survey scores.

IFA applies the tenets of Modern Portfolio Theory ("MPT"), which, in part, states that when investing, risk must be considered as well as return. We attempt to maximize a portfolio's expected return for a given amount of portfolio risk by carefully choosing the proportions of various indexes. We construct our clients' portfolios utilizing a large data series for asset class indexes. This data is back-tested and aggregated through our Time Series Construction for asset class indexes dating back to 1928, as described on www.ifaindexes.com.

We incorporate the findings of Nobel Laureate Eugene F. Fama of the University of Chicago and Kenneth R. French of Dartmouth University, who together identified four risk factors associated with stock market returns (market, size, value, and profitability) and two risk factors associated with fixed income returns (term and default). Their Multi-Factor Model demonstrated that a diversified portfolio's exposure to the market as a whole, as well as the degree to which that portfolio carries increased or decreased exposure to small company stocks, stocks with high book-to-market ratios (also known as value stocks), and high profitability stocks primarily determines the portfolio's equity returns over time.

Many empirical studies guide our selection of indexes and funds in the construction of IFA Index Portfolios and their implementations. Our investment portfolios are designed in consideration of the conclusions of many studies, including the following:

- ✓ Harry Markowitz, "Portfolio Selection," *Journal of Finance* (1952)
- ✓ William Sharpe, "Capital Asset Prices - A Theory of Market Equilibrium Under Conditions of Risk," *Journal of Finance* (1964)
- ✓ Gary P. Brinson, L. Randolph Hood, and Gilbert L. Beebower, "Determinants of Portfolio Performance," *The Financial Analysts Journal* (1986)
- ✓ Eugene Fama and Kenneth French, "The Cross-Section of Expected Stock Returns," *Journal of Finance* (1992)
- ✓ Eugene Fama and Kenneth French, "Common Risk Factors in the Returns on Stocks and Bonds," *Journal of Financial Economics* (1993)
- ✓ Eugene Fama and Kenneth French, "Size and Book-to-Market Factors in Earnings and Returns," *Journal of Finance* (1994)
- ✓ John Graham and Campbell Harvey, "Market Timing Ability and Volatility Implied in Investment Newsletter' Asset Allocation Recommendations," *National Bureau of Economic Research Paper #4890* (1995)
- ✓ Eugene Fama and Kenneth French, "Value versus Growth: The International Evidence," *Journal of Finance* (1998)
- ✓ Laurent Barras, Olivier Scaillet, Russ Wermers, "False Discoveries in Mutual Fund Performance: Measuring Luck in Estimating Alphas," *Journal of Finance*, Forthcoming.
- ✓ Amit Goyal and Sunil Wahal, "The Selection and Termination of Investment Managers By Plan Sponsors," *Journal of Finance*, Forthcoming

- ✓ Scott D. Stewart, CFA, John J. Neumann, Christopher R. Knittel, and Jeffrey Heisler, CFA, "Absence of Value: An Analysis of Investment Allocation Decisions by Institutional Plan Sponsors," Financial Analysts Journal (2009)

Risk of Loss

Investing involves risk of loss that you should be prepared to bear. Material risks associated with our passive strategy include the systematic risk of being invested in the market, known as "market risk." Additionally, investing in accordance with the Multi-Factor Model may cause investors to experience a higher level of volatility in the small, value, and profitability-oriented investments.

In addition, generally, the market value of stocks will fluctuate with market conditions, and small cap stock prices generally will move up and down more than large cap stock prices. Small-capitalization ("small cap") stocks may be subject to a higher degree of risk than more established (large capitalization) companies' securities. The illiquidity of the small-cap market may adversely affect the value of client investments. The market value of bonds will generally fluctuate inversely with interest rates and other market conditions prior to maturity and will equal par value (face value) at maturity. In addition, there is no assurance that a mutual fund or an Exchange Traded Fund ("ETF") will achieve its investment objective. Investments in overseas markets (international securities) also pose special risks, including currency fluctuation and political risks, and such investment may be more volatile than that of a U.S. only investment. The risks are generally intensified for investments in emerging markets. We do not represent or guarantee that our services or methods of analysis can or will predict future results or insulate clients from losses due to market declines. We do not offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Below is a summary of some of the main risks involved with the types of investments recommended/utilized by IFA. However, this is not an all-inclusive list, so it is important that clients take time to learn about all the risks involved in their investments, by reading offering documents, disclosure documents, and discussing with your advisor.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. In addition, mutual fund and ETF shareholders are subject to the risks associated with the fund's underlying portfolio securities.

Use of Margin

Clients with margin accounts should be aware that there are additional risks that need to be considered. The risks associated with having a margin account include, but are not limited to, the following:

- Clients can lose more assets than deposited in the margin account. A decline in the value of securities that are purchased on margin can require the client to provide

additional funds to the brokerage firm that has made the loan to avoid the forced sale of securities in the account.

- The lending brokerage firm can force the sale of securities in a client's account. If the equity in a client's account falls below the maintenance margin requirements under the law—or the lending brokerage firm's higher "house" requirements—the brokerage firm can sell the securities in a client's account to cover the margin deficiency. A client will also be responsible for any shortfall in their account after such a sale.

It is important that clients take time to learn about the risks involved in having a margin account and should consult with an IFA advisor regarding any concerns they have with their margin accounts.

Fee-Based Variable Annuities

These types of investment products are exposed to the risks associated with operations of the issuing life insurance company, such as insurance pricing, asset liability management and interest rate risk, and other operational risks, along with the risks applicable to the types of investments in the annuity's underlining portfolio ("sub-account"). For example, an annuity that has mutual funds in the sub-account is subject to the risks of investing in a mutual fund.

In addition, for some annuities, the allowable investments in a sub-account may be limited and, in some cases, certain riders can cause additional restrictions.

Risks and restrictions are outlined in each respective annuity's prospectus and statement of additional information and should be read carefully.

Recommendation of Particular Types of Securities

As disclosed in Item 4 - Advisory Business, we offer advice on several types of investments; however, we primarily recommend index funds.

IFA recommends mutual and exchange-traded funds offered by Dimensional Fund Advisors ("Dimensional"), Vanguard, and Charles Schwab, among other mutual fund companies. Some mutual funds, such as those offered by Dimensional, are available for investment only by clients of authorized registered investment advisers and may only be custodied at approved broker-dealers. In the case of Dimensional mutual funds, this means that if you terminate your agreement with IFA, you may not be able to move the funds unless you move to another custodian approved by Dimensional. If you decide to terminate your agreement with IFA and move to a custodian that does not have an agreement with Dimensional, you will need to sell your Dimensional funds. If those funds are held in a taxable account and have capital gains, this will result in capital gains taxes.

Tax Reporting

As a result of IRS regulations your custodian will default to the Tax Lot Optimizer accounting method for calculating the cost basis of your investments. You are responsible for contacting

your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Wealth Services

IFA utilizes third party financial planning software to prepare written financial plans. The IFA Retirement Plan Analyzer and IFA College Savings Analyzer are proprietary and incorporate a technique called “Monte Carlo Simulation” to refine the time-value of money calculations by performing a statistical analysis of 10,000 computer-simulated outcomes. Financial calculators can provide valuable estimates and test “what-if” scenarios, however, there is a high degree of uncertainty in long-term financial modeling and clients are advised that these tools are very sensitive to the data input and offer no assurance that a client’s objectives will be met.

Performance Monitoring

For the purpose of the quarterly monitoring of the funds that IFA advises for all clients, IFA has developed its own proprietary scoring system. The factors that it considers for equity funds are fund expense ratio, turnover, average market capitalization, average price-to-book ratio, number of holdings, percentage of assets contained in the top ten holdings, and the Sharpe ratio for the prior 3, 5, and 10-year periods. The factors considered for bond funds are net expense ratio, effective duration, and volatility, which in IFA’s opinion, is a reasonable proxy for average quality for which there is no quantitative measurement. IFA’s scoring system reflects its position that the primary determinants of a fund’s future performance are its asset allocation and expenses.

Item 9: Disciplinary Information

Registered investment advisers such as IFA are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client’s or prospective client’s evaluation of IFA or the integrity of its management. Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

Item 10: Other Financial Industry Activities and Affiliations

IFA and its Associated Persons do not have any financial industry activities (except as stated below), financial industry affiliations, nor recommend other advisers.

Doing Business As

Investing for Catholics is a DBA (doing business as) of our firm that advises on socially responsible, passively managed portfolios.

Tax Services

As noted above, IFA, through its IFA Taxes division, offers Tax Services. The Tax Services will be offered for a fee, which is separate and distinct from any advisory fees IFA charges relating to its investment advisory services. The fees charged for Tax Services and the scope of services to be provided by IFA will be set forth in the written agreement between IFA and the client.

At times, IFA will recommend its IFA Taxes division as a client's tax service provider. Should Clients choose to do so, IFA will receive additional compensation from the client and profits received by IFA will be shared by owners of IFA. The receipt of additional compensation creates a conflict of interest relating to such recommendations because the owners and certain representatives of IFA have a financial incentive to recommend its IFA Taxes division as opposed to other firms that provide comparable tax services. IFA mitigates this conflict by disclosing it to clients through this Brochure and relevant Brochure Supplements. Further, clients are made aware – typically through the delivery of this Brochure, that they always have the right to decide whether or not to implement any recommendation by IFA, are under no obligation to utilize IFA for their tax service needs and are free to select any tax services firm of their choosing.

IFA's fees for Tax Services ("Tax Services Fees") are customized to the needs of each client and are listed in the written agreement for Tax Services, subject to a minimum Tax Services Fee of \$200. Tax Services Fees are invoiced and assessed in arrears upon completion of the Tax Services by IFA. Tax Services Fees are negotiable at the sole discretion of IFA, and arrangements with any particular client may differ from those of any other client receiving Tax Services. Although IFA believes its Tax Services Fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources.

Other Outside Activities

Our principal owner of IFA is also a columnist and an author on topics related to investing and the financial services industry. He owns and operates Four Pines Publishing, Inc. Four Pines Publishing, Inc. creates and distributes educational materials for children and adults. The firm's various instruments, books, films, kits, paintings, and library of vintage books contribute to the mission of educating people about statistics, science, mathematics and investing. Four Pines Publishing and IFA share office space and some personnel.

The conflicts surrounding the outside business activities and affiliations listed above are disclosed to clients at the time of entering into an advisory agreement with IFA, through the delivery of this Brochure and the supplemental information on Form ADV Part 2B. Moreover, as part of IFA's fiduciary duty to clients, IFA and its personnel endeavor at all times to put the interests of the clients first, and recommendations will only be made to the extent that they are reasonably believed to be suitable and in the best interests of the client.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Description of Our Code of Ethics

The Investment Advisers Act of 1940 imposes a fiduciary duty on all investment advisers to act in the best interest of its clients. Our clients therefore entrust us to use the highest standards of integrity when dealing with their assets and making investments that impact their financial future. Our fiduciary duty compels all employees to act with integrity in all of our dealings. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our employees. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our employees are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that all persons associated with our firm submit reports of their personal account holdings and transactions to the Co-Chief Compliance Officer of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

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

Participation or Interest in Client Transactions

Because the Code would permit Associated Persons of ours to invest in the same securities as clients, there is a possibility that our Associated Persons could benefit from market activity by a client in a security held by that person. Employee trading is continually monitored under the Code, with an eye to reasonably prevent conflicts of interest between IFA and its clients.

We do not affect any principal or agency cross securities transactions for client accounts, nor do we affect cross-trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Should we ever decide to affect principal trades or cross-trades in client accounts, it will comply with the provisions of Rule 206(3) of the Advisers Act.

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest may

exist in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this potential conflict of interest, it is our policy that neither our employees nor we shall have priority over your account in the purchase or sale of securities.

In the case of mutual funds, which are our primary investment recommendation, effecting transactions in mutual funds recommended to you cannot conflict with our interest in the same funds because open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, our personal transactions in mutual funds will not have an impact on the prices of the fund shares in which you invest.

Item 12: Brokerage Practices

Investment Advisory Services

Retail clients will generally select to execute securities transactions through one of three custodians. They are, in no particular order, Schwab Advisor Services™ (“Schwab”), Fidelity Investments (“Fidelity”), and TD Ameritrade Institutional (“TD Ameritrade”). We believe that these custodians provide execution services at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In exchange for the level of quality each of these companies provides, you may pay higher or lower commissions and/or trading costs than those that may be available elsewhere.

Research and Other Benefits

IFA participates in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC (“TD Ameritrade”), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the Program.

Some of our clients’ accounts are included in the Program in which we participate. Through this Program we receive some benefits from TD Ameritrade that are typically not available to TD Ameritrade retail investors. There is no direct link between our participation in the Program and the investment advice we provide to you. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds

with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our Associated Persons. Some of the products and services made available by TD Ameritrade through the Program may benefit our firm and/or Associated Persons but may not benefit you or your accounts. These products or services may assist our firm in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits we receive through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Schwab provides our firm with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers at no charge to them so long as a total of at least \$10 million of the firm's clients account assets are maintained at Schwab. Schwab services may include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require significantly higher minimum initial investments. Schwab also makes available other products and services that benefit our firm but may not benefit our clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution, provide research, pricing information and other market data, facilitate payment of our advisory fees from our clients' accounts, and assist with back-office support, recordkeeping and client reporting. Our access to the foregoing products and services is not contingent upon our committing to Schwab any specific amount of business (assets in custody or trading). The products and services we receive from the custodians will generally be used in servicing all of our clients' accounts. Our use of these products and services will not be limited to the accounts that paid commissions to the broker-dealer for such products and services.

In addition, our firm most commonly recommends the mutual and exchange-traded funds developed by Dimensional Fund Advisors ("DFA"). While we do not receive compensation for this recommendation, nor do we receive commissions on the sale of the mutual and exchange-traded funds, DFA provides us with access to a software program that enables us to generate risk and return data relative to their indexes and funds. This program assists us in providing data to clients and potential clients. DFA also provides an on-going education program through webinars on advanced topics, educational conferences that provide analytics and current research data, and a proprietary website of articles, research, and analytical tools. IFA pays for its own travel and lodging when attending educational conferences by Dimensional.

Best Execution

IFA has the discretion to place trades with or through such brokers or dealers as it deems appropriate. When placing trades for clients, IFA has a fiduciary duty to seek best execution. In

accordance with that duty, IFA has determined and continues to believe that the client's custodian provides the best overall value for the client and remains competitive in relation to executions and the cost of transaction.

In seeking best execution when trading mutual funds, IFA will consider associated costs, including but not limited to share class costs, front end or back-end loads, redemption fees, and any transaction costs to determine the most economical transaction at the time of the trade.

Brokerage for Client Referrals

See additional information under Item 14, Client Referrals and Other Compensation.

Directed Brokerage

The Schwab, Fidelity, or TD Ameritrade custodial arrangement is a type of directed brokerage arrangement since these firms generally require that client transactions be placed with each firm for execution. Clients should understand that not all advisers require their clients to use one of the above-mentioned custodians or otherwise direct brokerage. We have selected these firms to provide our clients with brokerage and custodial services because we believe one of these firms can provide best execution. To help ensure that clients are receiving best execution and to address the conflict of interest surrounding this arrangement, we perform periodic reviews of the quality of execution and services provided by these firms.

Client may direct IFA in writing to use a particular broker-dealer ("Directed Broker") to execute some or all transactions for Client's account(s) (referred to as "directed brokerage"), in which case, IFA may at its discretion agree to such direction (although it is not required to do so). Should the Client direct IFA to use a particular broker or dealer, Client will have the sole responsibility to negotiate terms and arrangements for the account(s) with the Directed Broker and IFA will not seek better execution services or prices from other broker-dealers or be able to "batch" transactions for execution through other broker-dealers with orders for other accounts managed by IFA. As a result, Client may pay higher commissions or other transaction costs, or receive less favorable net prices on transactions for the account(s) than would otherwise be the case. Client hereby acknowledges that IFA may not be able to achieve best execution if Client directs IFA to use a particular broker-dealer.

Block Trades

When determined to be in the best interests of our clients, IFA will aggregate trades together for the same security on the same day and place as a "block" trade. Accounts participating in the block trade will receive the average share price. If the order is only partially filled, IFA will usually allocate the shares among participating accounts on a pro-rata basis, unless we believe a different allocation would be in the best interest of such accounts. The participating accounts will pay their respective transaction costs

Trade Errors

Errors created in an account (for which IFA is responsible) must be corrected so as not to harm any client. The goal of error correction is to make the client “whole”, regardless of the cost to us. We will not correct a trade error made in a client’s account by allocating the trade to a different account, unless that account was meant to receive the trade in the first place.

Item 13: Review of Accounts

Investment Advisory Services

Our Portfolio Management and Research Department will monitor your accounts on a quarterly basis. Additional reviews may take place based on various circumstances, including, but not limited to:

- contributions and withdrawals; and
- changes in your risk/return objectives or your risk capacity.

We will provide you with quarterly performance reports showing total portfolio value, portfolio holdings, and internal rate of return. You will receive trade confirmations, monthly or quarterly statements, and year-end tax statements from your account custodian.

Item 14: Client Referrals and Other Compensation

Please refer to the Item 12, Brokerage Practices section above for disclosures on research and other benefits we may receive resulting from our relationships with Schwab, Fidelity, TD Ameritrade, and DFA.

IFA has entered into agreements with individuals that refer clients to IFA. All such agreements will be in writing and comply with the requirements of Rule 206(4)-3 of the Advisers Act. If a client is introduced to IFA by a solicitor, IFA may pay that solicitor a fee in accordance with the requirements of Rule 206(4)-3 and any corresponding state securities law requirements. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm may receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor may have a financial incentive to recommend our firm to you for advisory services. This creates a possible conflict of interest since Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We recommend that you request Solicitors to

disclose to you whether multiple referral relationships exist and whether comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

TD Ameritrade AdvisorDirect Program

We may receive client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, we may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with us. No employee or agency relationship exists between us and TD Ameritrade. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise us and has no responsibility for our management of client portfolios or our other advice or services. We pay TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage of the advisory fee that the client pays to us ("Solicitation Fee"). We will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by us from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired us on the recommendation of such referred client. We will not charge clients referred through AdvisorDirect any fees or costs higher than our standard fee schedule offered to our clients or otherwise pass Solicitation Fees paid to TD Ameritrade to our clients. For information regarding additional or other fees paid directly or indirectly to TD, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

Our participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, we may have an incentive to recommend to clients that the assets under management by us be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, we have agreed not to solicit clients referred to us through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when our fiduciary duties require doing so. Our participation in AdvisorDirect does not diminish our duty to seek best execution of trades for client accounts.

Referral Services

IFA may refer clients to unaffiliated professionals for a variety of services such as insurance advice, trust services, and estate planning. In turn, these professionals may refer clients to IFA. IFA will not refer clients to financial planners and other investment advisers unless they are licensed, registered or exempt from registration as an investment adviser.

IFA does not receive any monetary compensation for referring our clients to unaffiliated professionals. However, it could be concluded that IFA is receiving an indirect economic benefit

from this practice as the relationships are mutually beneficial and there could be incentive to recommend services of those who refer clients to IFA. These referrals do not involve in any way client brokerage or the use of client commissions. IFA will never share information with an unaffiliated provider unless first authorized by the client. Clients are under no obligation to purchase any products or services through these professionals. IFA has no control over the services provided by another firm. Clients who chose to engage these professionals will sign a separate agreement with the other firm. Fees charged by the other firm are separate from and in addition to fees charged by IFA.

If the client desires, IFA will work with these professionals or the client's other advisers (such as an insurance advisor, attorney, or trustee) to help ensure that the provider understands the client's financial plan/investments and to coordinate services for the client.

Other Compensation

As outlined in Item 10 above, certain IFA employees have outside business activities with other firms, including affiliates of IFA. Consequently, these activities create conflicts of interest, which are further disclosed in Item 10 above and each individual's Form ADV Part 2B.

Item 15: Custody

Pursuant to Rule 206(4)-2 of the Advisers Act, we are deemed to have custody of client funds because we have the authority and ability to debit our fees directly from our clients' accounts. We are also deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and under that SLOA authorize us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. To mitigate any potential conflicts of interests, all of our client account assets will be maintained with an independent qualified custodian.

Your independent custodian will directly debit your account(s) for the payment of our advisory fees as stated in your Client Agreement. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities and our ability to direct the movement of money to third-parties under an SLOA that you authorize also deems us to have custody. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian will indicate the amount of our advisory fees deducted from your account(s) each billing period and any funds distributed from your account. You should carefully review account statements for accuracy.

If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

Item 16: Investment Discretion

Investment advisory services are performed by IFA on a discretionary basis and before we can buy or sell securities on your behalf, you must first sign our discretionary Client Agreement and your independent custodian's agreements. We require that you grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your prior consent for each transaction. You may request investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may request that certain investments be incorporated when implementing your portfolio. Requests such as this will be considered on a case-by-case basis with respect to our fiduciary responsibility to you. Please refer to the "Advisory Business" section in this brochure for more information on our discretionary management services.

Item 17: Voting Client Securities

IFA's policy and practice is to not vote individual company proxies on your behalf and therefore, IFA shall have no obligation or authority to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in a client's account. If the account is an ERISA account and such authority has not been delegated to another named fiduciary in the plan's written documents, IFA will advise the plan to delegate to a third party. If you own shares of common stock, you are responsible for exercising your right to vote as a shareholder. IFA typically does not advise or act for clients with respect to any legal matters, including bankruptcies and class actions, for the securities held in clients' accounts.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Item 18: Financial Information

IFA does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. IFA does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding. In the past, IFA has made personal loans or extended credit to its owner/President (each, a "Principal Loan"), and expects to do so from time to time in the future. This activity creates a conflict of interest for the firm, and IFA has taken steps to address this matter as follows: Any such Principal Loan will: be approved by senior management (including, without limitation, the CCO and CFO), be secured by adequate collateral, documented in a written agreement, be determined

not to subject the firm to unreasonable risk, and approved by the firm's Board of Directors (which, currently, is comprised solely of Mr. Hebner).