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This **Wrap Fee Program Brochure** ("Brochure") provides information about IC Advisory Services, Inc.'s ("IC Advisory") wrap fee program. If you have any questions about the contents of this Brochure, please contact us at 908-707-4422 and/or email us at [advinfo@investctr.com](mailto:advinfo@investctr.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

IC Advisory 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 IC Advisory is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## **Item 2 – Material Changes**

This Wrap Fee Brochure or “Brochure” provides you with a summary of IC Advisory Services, Inc.’s wrap fee programs. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client’s full understanding of who we are, how to find us, and how we do business.

There have been no material changes to this Wrap Fee Brochure since IC Advisory’s last annual updating amendment filed on March 30, 2020.

IC Advisory will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Additional copies of this Brochure may be requested by contacting Kristen McCann, AVP Advisory Operations at (908) 707-4422 or [advinfo@investctr.com](mailto:advinfo@investctr.com). The Brochure is also available on our web site [www.investmentctr.com/wrap-fee-brochure](http://www.investmentctr.com/wrap-fee-brochure), free of charge.

Information about IC Advisory Services, Inc. is available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with IC Advisory who are registered, or are required to be registered, as investment adviser representatives of IC Advisory.



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## **Item 4 – Services, Fees and Compensation**

As discussed below in this Brochure, IC Advisory provides its Clients (i.e. individuals, high net worth individuals, corporate pension and profit-sharing plans, defined-contribution plans, retirement accounts, charitable institutions, foundations, endowments, private investment funds, trust programs, and other U.S. and international institutions) with investment management services on both a discretionary and non-discretionary basis.

Our firm offers services through our network of investment adviser representatives (“IARs”). It is important to understand that our firm enables its IARs to provide customized advice to their clients. IARs are permitted great latitude in selecting investments, investment strategies, delivering investment advice to our clients, and negotiating their fees, which all remain subject to the supervision of our compliance department. Each of our advisory programs that our IARs may use in servicing their clients are described in detail below.

### **Advisor Managed Account Programs**

Advisor managed account programs available through IC Advisory include the firm’s sponsored asset management wrap fee programs, the Independent Asset Management Account (“IAM”) and Choice programs.

IAM and Choice program accounts are typically opened with The Investment Center and Pershing LLC serves as the clearing broker-dealer. Your IAR will recommend or manage your assets in accordance with your stated objectives. The terms and conditions of the IAM and Choice programs are set forth in a separate written agreement between IC Advisory and the Client.

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client’s individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Warrants
- Corporate debt securities (other than commercial paper)

- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- Exchange Traded Funds (ETFs)
- Unit Investment Trusts (UITs)
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

### ***IAM***

IC Advisory is able to offer its Clients a comprehensive investment program, for a single specified fee, with unlimited trading in individual stocks, bonds, exchange traded funds (ETFs), Unit Investment Trusts (UITs), no-load and select load-waived mutual funds, long options, short puts and covered calls. The Client, through their IAR, grants IC Advisory discretionary authority to buy and/or sell no-load and select load-waived mutual funds, and to liquidate previously purchased load mutual funds. In addition, either with discretion, or upon consultation with and direction from the Client, the IAR is authorized to buy, sell and trade other securities approved for the IAM Program account, including individual stocks, bonds and options.

Participation in the IAM Program may cost more or less than purchasing such services separately or engaging the services of a broker-dealer. In addition, the fees charged by IC Advisory for participation in the IAM Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs. See available IAM customized non-wrap arrangement discussed below.

IC Advisory charges an annual investment management fee for the IAM Program based upon a percentage of the market value of the assets being managed by IC Advisory. The investment management fee charged shall vary (typically between 0.50% and 3.00%) depending upon the market value of assets under management and the specific type of investment management services to be provided.

### ***Choice***

Choice is a comprehensive mutual fund and exchange traded fund (ETF) investment program that combines the power of professional research with the advantage of professional guidance. Choice offers access to thousands of mutual funds from over one hundred highly regarded investment managers, including no-load fund families and institutional share classes and ETFs.

The fee that a Client shall pay for participation in the Choice program shall vary (typically between 0.5% and 2.00%) depending upon the specific type of investment management services to be provided. The Choice Program may cost more or less than purchasing such services separately or engaging the services of a broker-dealer. In addition, the fees charged by IC Advisory in the Choice Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs. See available Choice customized non-wrap arrangement discussed below.

In addition to the management fee, the Client shall also incur, relative to investments in mutual funds or ETFs, charges imposed directly at the fund level (e.g. fund management fees and other fund expenses).

Prior to engaging IC Advisory to provide investment management services, the Client will be required to enter into a formal Investment Advisory Agreement with IC Advisory setting forth the terms and conditions under which IC Advisory shall manage the Client's assets and a custodial/clearing agreement for both IC Advisory's Investment Advisory Agreement and the custodial/clearing agreement may authorize the account custodian to debit the account for the amount of IC Advisory's wrap fee and to directly remit that management fee to IC Advisory. The investment advisory agreement between IC Advisory and the Client will continue in effect until terminated by either party by written notice. IC Advisory's wrap fee shall be pro-rated through the date of termination, and any remaining balance (if any) shall be promptly refunded to the Client.

Mutual funds and/or variable annuity/life products may have been (or may in the future be) purchased by the Client through an SEC registered and FINRA member broker-dealer (including, but not limited to, IC Advisory's affiliated SEC registered and FINRA member broker-dealer, The Investment Center, Inc.-see disclosure below), for which product sales the Client may have paid (will pay) a separate commission.

**Mutual Fund Asset Allocation Programs (Choice)** - IC Advisory may allocate investment management assets of its Client accounts, on a discretionary basis, among one or more of its mutual fund asset allocation programs (i.e. Growth, Moderate, Conservative, Growth & Income, and Current Income) as designated on the Investment Advisory Agreement. IC Advisory's proprietary programs have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940.

IC Advisory's annual investment management fee may be higher or lower than that charged by other investment advisers offering similar services/programs. IC Advisory's investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual Client in a taxable account.

IC Advisory's investment advisory fee is negotiable at the firm's discretion, depending upon objective and subjective factors including but not limited to: the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future

additional assets; the professional(s) rendering the service(s); prior relationships with the firm and/or its representatives, and negotiations with the client. Certain legacy clients may have accepted different pre-existing service offerings from IC Advisory and may therefore receive services under different fee schedules than as set forth above. As a result of these factors, similarly situated clients could pay different fees, the services to be provided by IC Advisory to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth above.

**All fees for Advisory Services as described above are subject to negotiation.**

IC Advisory will generally bill its fees on a quarterly basis, in advance or arrears. The management fee will generally be based either upon the market value of the Assets on the last business day of the previous calendar quarter or on the daily average market value of the Assets during the applicable fee period. The specific manner in which fees are calculated and charged by IC Advisory is established in a client's written agreement with IC Advisory. IC Advisory may enter into other fee arrangements with clients, at IC Advisory's discretion (including arrangements which differ in terms of fee timing, frequency, and/or calculation methodology). Clients are advised to consult their IAR and Investment Advisory agreement for details as to their specific fee arrangement. Clients authorize IC Advisory to directly debit fees from client accounts. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

When managing a client's account on a wrap fee basis, IC Advisory receives as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted. As described further below, IC Advisory generally recommends that wrap fee clients enter into asset-based pricing arrangements, whereby the commissions/transactions fees applicable to account trading activity are based on a percentage of the market value of a client's account.

An investor's participation in any wrap fee program may cost the investor more or less than purchasing such services separately or engaging the services of a broker-dealer. Generally, IC Advisory's IARs charge fees for their services, which will vary from IAR to IAR depending on various factors, including the size of the Client's account relationship and the consulting services provided to Clients. Generally, IARs are compensated for their services a portion of the total wrap fee charged to the Client (typically between 0.25% and 2.50% for IAM; between 0.30% and 1.5% for Choice). In addition, the Program Fee may be higher or lower than those charges by other sponsors of comparable wrap fee programs. The amount of the IAR's compensation may be more than what the IAR would receive if the Client participated in other programs offered through IC

Advisory or paid separately for investment advice, brokerage, and other services. The IAR may have a financial incentive to recommend the IAM/Choice program over other programs or services.

***Principal Transactions.*** Principal transactions may be affected in client accounts in accordance with Section 206(3)-2(a)(3) of the Investment Advisers Act. Although not limited to this type of transaction, IC Advisory Services engages in principal transactions through its affiliated broker dealer—the Investment Center, Inc. This practice presents a conflict of interest between IC Advisory Services and the client as IC Advisory Services, its principals or the Investment Center, Inc. (or any combination of the three) may benefit from the transaction by realizing additional profits beyond advisory fees charged to clients. For all principal transactions:

1. The client(s) will provide prospective written authorization permitting principal transactions;
2. The client(s) will receive verbal disclosures prior to any principal transaction(s);
3. The client(s) will be required to provide consent prior to the execution of a principal transaction or after the execution, but before the settlement of the transaction; and
4. The client(s) will receive confirmation statements disclosing the capacity in which IC Advisory Services or The Investment Center, Inc. has acted (agency or principal), unless the client has elected not to receive confirmation statements.

**Clients and prospective clients should also review the “Important Miscellaneous Information” contained in Item 4 in our Form ADV Part 2A for information that impacts their relationship with IC Advisory.**

## **Item 5 – Account Requirements and Types of Clients**

IC Advisory provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, defined-contribution plans, retirement accounts, charitable institutions, foundations, endowments, private investment funds, trust programs, and other U.S. and international institutions.

IC Advisory’s affiliated broker-dealer, The Investment Center, Inc., is an SEC registered and FINRA member broker-dealer engaged in the purchase and sale of securities to public customers such as individuals, pension and profit sharing plans, and corporate, trust, estate and retirement accounts. As discussed above, IC Advisory shall generally recommend The Investment Center, Inc., as the broker-dealer for those Clients seeking to effect securities brokerage transactions on a fully disclosed non-discretionary commission basis.

IC Advisory generally requires an account minimum of between \$10,000.00 and \$50,000.00 for investment management services, depending upon the asset management program selected for the



client and any minimum asset level requirements imposed by engaged Independent Manager[s] and/or model managers.

IC Advisory, in its sole discretion, may reduce or waive its account minimum based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with Client, etc.).

## **Item 6 – Portfolio Manager Selection and Evaluation**

The business of providing sound investment advice has radically changed over the last decade. More than ever, investing requires the need for analysis and investment solutions to help realize an investor's financial needs. IC Advisory Services, Inc. has developed a sophisticated platform to help investors address their situation.

The platform is flexible, providing investors with the opportunity to first enter into a financial planning relationship or to immediately invest into one of the many investment choices available.

By choosing to develop a strategy through a financial planning relationship, typically goal based planning, your designated IAR will help map out a financial plan based on needs and lifestyle choices. IARs will then help manage the plan and will typically review on a regular basis to make certain an investor stays on course and keeps goals in sight.

Some may choose to begin investing immediately through one of the many investment programs offered through IC Advisory Services, Inc. The choices are abundant, ranging from mutual fund and ETF wrap programs to equity and fixed income managed accounts. Wrap programs place an investor into an asset allocation mix based on risk tolerance whereas managed accounts may be more customized, giving an investor the opportunity to work with the manager to tailor a portfolio. Another option available is an investor may elect to have an Advisor Managed Account, where the IAR personally manages the investor's portfolio. The IAR utilizes one of many research programs available to help the investor stay on course to meet their investment needs and objectives.

Typically, investors are charged a fee based on assets for the management of their account and financial planning services can be either charged by the plan or an hourly fee.

**Please see IC Advisory's Form ADV Part 2A for more information in the following areas: Item 4 – Advisory Business, Item 6 – Performance Based-Fees and Side by Side Management, Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss, and Item 17 – Voting Client Securities.**

## **Item 7 – Client Information Provided to Portfolio Managers**

Prior to opening the Account, IC Advisory assists in determining an investor's profile for the Program by obtaining from the investor appropriate information (i.e. investment objectives, risk

tolerance, and investment time horizon, as well as any reasonable restriction that the Client wishes to impose upon the management of the Account). IC Advisory's Financial Advisors jointly determines investment strategy with the Client based on an assessment of the information provided by the Client. Therefore, it remains the Client's responsibility to advise IC Advisory of any changes to the prior information provided that might impact the prior determined investment strategy/objectives.

## **Item 8 – Client Contact with Portfolio Managers**

Clients are encouraged to contact their Financial Adviser as often as they deem appropriate.

## **Item 9 – Additional Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of IC Advisory or the integrity of IC Advisory's management.

**Disclosable Events:** On September 30, 2019, the Securities and Exchange Commission ("SEC") instituted settled administrative proceedings against ICA in connection with the SEC's Mutual Fund Share Class Selection Disclosure Initiative addressing fees paid to investment advisers under Rule 12b-1. At times during the period January 1, 2014 to May 31, 2018, ICA purchased, recommended, or held for advisory clients mutual fund share classes that charged 12b-1 fees. The SEC found that ICA failed to disclose adequately, in its Form ADV or otherwise, the conflicts of interest related to (a) its receipt of 12b-1 fees, and/or (b) its selection of mutual fund share classes that pay such fees where certain mutual fund investments were available for the same fund at a lower cost. ICA elected to participate voluntarily in the SEC's industry-wide initiative and offered to settle with the SEC regarding the adequacy of disclosure and the selection of certain mutual fund share classes that paid 12b-1 fees. Under the settlement, ICA agreed to (a) cease and desist from committing or causing violations and any future violations of Sections 206(2) of the Investment Advisers Act of 1940; (b) a censure; (c) pay disgorgement and prejudgment interest to affected investors totaling \$1,195,186.20. ICA will distribute to affected clients the attributable 12b-1 fees and interest once the SEC approves the final payment calculations. The SEC did not impose any penalty in recognition of ICA's voluntarily participation and self-reporting in the initiative.

**Please see IC Advisory's Form ADV Part 2A for more information in the following areas: Item 10 - Other Financial Industry Activities and Affiliations, Item 11 - Code of Ethics, Item 13 - Review of Accounts, Item 14 - Client Referrals and Other Compensation, and Item 18 - Financial Information.**