

**Item 1 – Cover Page**

# **Insight Elite Strategies Wrap Fee Program**

**Brochure Appendix 1 of Form ADV Part 2A**

**Insight Securities, Inc.**

**600 Central Ave. Suite 265**

**Highland Park, IL 60035**

**224-632-4700**

**WWW.INSIGHTAMERICAS.NET**

**September 30, 2021**

This Wrap Fee Program Brochure (“Brochure”) provides information about the qualifications and business practices of Insight Securities, Inc. (“Insight Securities”, “InSight”, “us”, “we” or “our”). If you have any questions about the contents of this Brochure, please contact us at 224-632-4700, or via email at [info@insightamericas.net](mailto:info@insightamericas.net). 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.

Insight Securities 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 are intended to provide you with information about which you determine to hire or retain an Adviser.

Additional information about Insight Securities is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Please note that this Brochure includes several minor editorial changes in addition to the changes and modifications to this Brochure that are set forth below and reflect all the “material changes” made to this brochure since our last delivery or posting of the Brochure on the SEC’s public disclosure website (IAPD) at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

### ***Material Changes:***

- Assets under management has been amended
- Branch locations

In the future we will provide new clients with a brochure before or at the time we enter into an advisory agreement. In the future, we will deliver to our clients, within 120 days of the end of each fiscal year, a free, updated Brochure that either includes or is accompanied by a summary of material changes. Alternatively, we may deliver a summary of material changes that includes an offer to provide a copy of the updated brochure and information on how our clients may obtain the brochure.

Currently, our Brochure may be requested by contacting our home office at 224-632-4700 and is provided free of charge.

## Item 3 – Table of Contents

Item 1 – Cover Page .....	1
Item 2 – Material Changes .....	2
Item 4 – Services, Fees and Compensation .....	5
Insight Elite Strategies.....	5
Fees and Compensation.....	5
General.....	5
Clearing and Transaction Charges.....	6
Fund Disclosure.....	7
Authorization to Debit Account .....	7
Proxy Voting.....	7
Termination.....	7
Branch Offices .....	8
Assets under Management .....	8
Item 5 – Account Requirements and Types of Clients .....	8
Account Requirements .....	8
Types of Clients .....	9
Item 6 – Portfolio Manager Selection and Evaluation .....	9
General Portfolio Selection and Evaluation Criteria .....	9
Performance Review .....	10
Related Person Portfolio Management .....	10
Performance Based Fees & Side-by-Side Management .....	10
Methods of Analysis, Investment Strategies and Risk of Loss .....	10
Analysis .....	10
Portfolio Construction.....	10
Insight Securities Guidelines Rules of Investing:.....	11
Risk of Loss .....	12
Voting Client Securities .....	12
Item 7 – Client Information Provided to Portfolio Managers .....	12
Item 8 - Client Contact with Portfolio Managers .....	12
Item 9 Additional Information .....	13

Disciplinary.....	13
Other Financial Industry Activities and Affiliations.....	13
Principal Business Activities of Insight Securities .....	13
Brokerage Practices .....	13
Sale of Other Products and Services .....	14
Code of Ethics .....	15
Review of Accounts.....	15
Client Referrals and Other Compensation.....	15
Financial Information.....	16
Brokerage Practices .....	16
Custody .....	16
Investment Discretion.....	16
Item 10– Requirements for State-Registered Advisers .....	16

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

### **Insight Elite Strategies**

Insight Securities sponsors and directs Insight Elite Strategies (the "Program"), an investment advisory account management program which allows some of its client's access to investment managers for the discretionary management of their accounts based on their individual investment objectives.

The Portfolio Managers act as a fiduciary for the Client's accounts they manage. Insight Securities and the Portfolio Managers shall discharge their duties solely in the interest of Client with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of a like enterprise of a like character and with like aims and investment policies, and, in accordance with the directions given by Client.

Clients have the right to impose restrictions with respect to the investments in their accounts managed by each Portfolio Manager, including restricting investments in specific securities or industry sectors provided, however, such Client restrictions are subject to the approval of each Portfolio Manager

Insight has entered into agreements with other registered investment advisers, (the "sub-managers") to offer the Program to its clients. Under these agreements, a portion of the fees paid to Insight Securities will be shared with the sub-advisor. Insight Securities will perform the due diligence review and executed agreements will be on file for these arrangements. This arrangement will be disclosed by Insight Securities at the time the service is provided to clients by delivery of the Wrap Fee Program Brochure Appendix I of Form ADV Part 2A for Insight Securities. Insight Elite Strategies has established sub-manager arrangements with various firms.

### **Fees and Compensation**

#### ***General***

As compensation for providing the services specified herein, Client shall pay the Sponsor, a fee equal to .06 – 2.0% ("Program Fee") of the Program Assets.

Program Fees are calculated by multiplying the assets under management by the relevant percent and dividing such product by four (4). The extent of monitoring services and all fees are agreed upon in writing prior to engagement. Program Fees are payable quarterly, in advance and such fees will be deducted from client's account(s). All Program Fees may be negotiable under certain circumstances. Services may be terminated by either party at

any time for any reason and any unearned fees are refunded on a pro-rate basis less reasonable startup cost.

Our Program Fees are exclusive of transaction fees, and other related costs and expenses which shall be incurred by the client. Clients will incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions; provided however, the Wrap Fee does not cover brokerage commissions or other charges resulting from transactions not effected through Insight Securities or its affiliates, nor does it cover custody services provided by any third-party custodian. Additionally, the Wrap Fee does not include ticketing charges which generally range from \$8 to \$15 per ticket.

The relationship between the parties may be terminated by either party upon 30 days written notice. Notwithstanding the above, if the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with this investment adviser, then the client has the right to terminate the contract, without a penalty, within five (5) business days after entering into the contract.

In the event of termination, the Client will be entitled to a prorated refund of any pre-paid Program Fees based upon the number of days remaining in the quarter after the termination date. If the account is closed within six months by Client, the Sponsor will retain the pre- paid Program Fee for the current quarter.

See also item number 12 below for additional compensation received by Insight Securities and for a description of factors that Insight Securities considers in selecting or recommending broker- dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

### *Clearing and Transaction Charges*

In addition to the Program Fee, the client may be charged incidental fees by the custodian. Portfolio Managers, the Sponsor and its respective agents, in connection with the performance of their respective services, shall be entitled to and will share proportionally in the Program Fee. Additionally, the Program Fee includes all fees and charges for the services, as applicable, of the Portfolio Managers and the Sponsor, and all applicable brokerage charges, but is exclusive of transaction charges and costs, postage and handling charges and direct out-of- pocket costs incurred by the Sponsor as a result of it's providing the services, and separate third party charges for the Account, including transfer fees, and certain transaction and settlement costs incurred by the Sponsor, or separate fees, costs and expenses resulting from the agreement(s) executed between Clients and the Custodian.

## *Fund Disclosure*

To the extent mutual funds are selected by the sub-manager to fill components of the overall investment strategy, the annual advisory fee set forth above does not include the customary fees and expenses associated with investing in mutual funds or other costs of establishing and maintaining an account with mutual funds including Rule 12b-1 fees and expenses. The client is advised that, in addition to the annual advisory fee set forth above, each mutual fund in which assets are invested will incur separate investment advisory fees and other expenses for which Client will bear a proportionate share. As a result, the fees charged to the Client's account may be higher than fees charged by other investment advisors for similar services, and that mutual funds can be purchased directly without participation in the Program.

### **Authorization to Debit Account**

Clients authorize the Sponsor and the Custodian to deduct all applicable fees from the Client's account. All such fees will be clearly noted on the Client's statements. It is agreed by the Client and the Sponsor that the Program Fees will be payable from the redemption or withdrawal (as authorized by the Client) of Client's shares of any money market account or balances in any money market fund within the account. In the event that the Client's balances in money market accounts are insufficient to pay the Program Fees, the Client will authorize the Advisor to liquidate securities holdings in the account. The Client may further authorize Program Fees to be debited from a separate account owned by the Client by completing and attaching an Alternative Fee Payment Instructions Form.

### **Proxy Voting**

Neither Sponsor nor Portfolio Manager(s) are obligated to take any action with respect to the voting of proxies, except as regards ERISA accounts as noted herein. Client may delegate the voting of proxies to the hired sub-advisors in accordance with applicable regulations at the time. If Client is a retirement plan subject to ERISA, Portfolio Manager will be responsible for voting proxies and reporting such votes to the plan, unless Client expressly retains that right. Sponsor shall not render any advice or take an action on behalf of Client with respect to securities or other investments held in the Account, or the issuer's thereof, which become the subject of any legal proceedings, including bankruptcies.

### **Termination**

Either party may terminate the relationship at any time by giving thirty (30) days prior written notice of such termination to the other parties. If the account is to be liquidated as the result of a termination notice, the process of liquidation may take up to five (5) trading days to effect following the date the liquidation request was received by the Sponsor. Fees earned but unpaid shall be prorated to the date of termination date.

If for any reason the Client Account value falls below the minimum account balance required by a specific Portfolio Manager, the Sponsor and the Portfolio Manager have the right to terminate the Client Account.

## **Branch Offices**

Insight Securities has branch offices at the following locations:

- 1920 Manhattan Blvd.  
Spirit Lake, IA 51360
- 1600 Ponce De Leon Blvd., Suite 806  
Coral Gables, FL 33134
- 1853 William Penn Way  
Lancaster, PA 17601
- 221 N. Kansas St., Suite 727  
El Paso, TX 79901
- 999 Ponce De Leon Blvd., Suite 830  
Coral Gables, FL 33134

## **Assets under Management**

As of June 30, 2021; Insight Securities has approximately \$179,197,038.00 under management, including approximately \$57,713,171.00 under management in the wrap program.

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

### **Account Requirements**

Minimum account size is dictated by the program in which a client is participating. Exceptions to the minimum account size are made at the discretion of the manager and/or Insight.



## **Types of Clients**

Insight Securities, Inc. may provide portfolio management services to individuals, high net worth individuals, trusts, corporate pension and profit-sharing plans, Taft-Hartley plans, private investment funds, trust programs, and other institutions.

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

### **General Portfolio Selection and Evaluation Criteria**

We take into consideration a number of issues in our due diligence effort to select and retain suitable managers. While not exclusive, we generally take into consideration the following:

- Whether portfolio or sub-manager is affiliated with a bank, insurance company, broker-dealer, and/or registered investment advisor;
- With respect to active managers, we look to see if historical performance calculations are in compliance with the performance guidelines of the Global Investment Performance Standards (“GIPS”) and represents the style of the portfolio being considered;
- We review information is available on key personnel, representative clients, fee arrangements, range of investment styles, and assets under management;
- We perform a qualitative analysis on the portfolio or sub-manager where we take into consideration whether there a clearly defined investment strategy and investment selection process, sell discipline/downside protection, investment style adherence, quality and depth of the management team, favorable firm ownership, desire to close portfolios based on size, marketing capabilities, type of client base, and regulatory compliance, transparency of underlying investments, and research capabilities;
- We also perform a quantitative analysis which considers risk-adjusted returns, performance attribution, portfolio composition, fees, and statistical measures.

To assist in the portfolio manager and sub-manager selection process, we utilize analytical information provided by Morningstar, Lockwood Advisors, and material provided directly from the managers.

Additionally, consideration is given to both active and passive management when available. The rationale to engage active management is to “add value” over time versus an indexed alternative. Both enhanced return and risk control are opportunities for a manager to “outperform” a comparable benchmark. Recognizing that active managers have periods where they over and or underperform the benchmarks, manager selection and retention attempts to consider a series of full market cycles (at least 5-10 years) in order to weight the impact of active management over long periods of time.

The selection, retention or dismissal of a manager is based on a comprehensive due diligence assessment, however it is possible that a manager could be engaged even though the analysis reveals certain factors that, in isolation, could be deemed unappealing.

## **Performance Review**

Insight does not utilize a third-party to review the portfolio and or sub-manager performance information. Additionally, you should be aware that performance information may not be calculated on a uniform and consistent basis.

## **Related Person Portfolio Management**

IARs of Insight Securities are allowed to act as a portfolio manager for the Managed Program. Their activities are monitored, and they are compensated through a comprehensive single fee.

## **Performance Based Fees & Side-by-Side Management**

Insight Securities does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) or engage in side by side management.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

Insight Securities, Inc. may use Charting, as well Fundamental, Technical and Cyclical analysis. Investing in securities involves risk loss that clients should be prepared to bear.

## **Analysis**

We evaluate each opportunity and we understand what they do. We get those questions answered by top management. Then, we determine a stock's suitability for inclusion in the Insight Securities.

## **Portfolio Construction**

Investment decisions take into consideration how a particular security will affect the overall portfolio. We assess its potential for growth and/or income, the security's impact on overall portfolio risk, and possible tax consequences. Factors that may be considered when making investment decisions include, but are not limited to (listed in alphabetical order):

- Ability to Communicate with Management - Analyst Forecast
- Balance of Company Leverage & Liquidity - Beta
- Book Value
- Business Mix

- Cash Flow
- Dividend Policy (Payout/Growth)
- Dividends
- Earnings Consistency & Quality
- Economic Considerations
- Economic MOAT
- EPS
- Historic Business Results & Growth
- Industry Outlook
- Industry/Sector
- Insider & Large Holders Transactions
- Institutional Ownership
- Investment Timeframe
- Local vs. Global
- Management Quality
- Market Liquidity & Capitalization
- Market Price vs. Fair Value
- Market Share of Products/Services
- Options & Premiums
- P/E Ratio
- P/E to Growth
- Profitable Margin Growth
- Return on Equity
- Return on Sales
- Return on Assets
- Sector vs. Current Holdings
- Suitability
- Tax Considerations
- Technical & Psychological Considerations
- Time of Year

### **Insight Securities Guidelines Rules of Investing:**

Insight generally conforms to the following guidelines with respect to its investment methodology:

- Buy and hold good stocks and quality bonds
- Use options to mitigate risk and produce income
- Perform research to uncover hidden opportunities

- Analyze and discern the “big picture”
- Assess each investment’s potential for growth and/or income, overall impact on portfolio risk, and possible tax consequences
- Research Continuity and commitment to our strategy
- Maintain a long-term perspective
- Keep costs among the lowest and provide best-in-class wealth management service and quality bonds

## **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Investing in securities involves risk of loss that clients should be prepared to bear. Questions regarding risks may be directed to the firm.

## **Voting Client Securities**

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

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

In compliance with the client agreement executed by you and Insight, we will provide a portfolio manager and or sub-manager information regarding your investment objectives, account holdings to be managed and other information as may be reasonably necessary for the portfolio manager and or sub-manager to decide as to whether to accept the engagement with respect to your account management. After the portfolio manager and or sub-manager is engaged to manage your assets, Insight will on an on-going basis provide the portfolio manager and or sub-managers with any information you provide us regarding your portfolio, including changes or modifications to your investment objectives, and any specific investment restrictions relating to your portfolio imposed by you, investments that you advise us to not conform to your instructions.

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

Each portfolio manager and or sub-managers will be reasonably available to you for joint consultation along with us, regarding your financial situation and objectives, and the management by the respective portfolio manager and or sub-managers of your investment portfolio.

## **Item 9 Additional Information**

### **Disciplinary**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Insight Securities or the integrity of Insight Securities' management. Insight Securities has no information which is applicable to this Item.

### **Other Financial Industry Activities and Affiliations**

#### *Principal Business Activities of Insight Securities*

Insight Securities is registered as a broker-dealer with the SEC and various state jurisdictions and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Municipal Securities Rulemaking Board ("MSRB"). As such, Insight may execute trades on behalf of the client's advisory account.

#### *Brokerage Practices*

Insight, in its capacity as a broker-dealer, may be used to execute portfolio transactions for investment advisory clients of Insight. These transactions will be conducted subject to proper, and customary, disclosure including (but not limited to) compensation received by Insight and its registered representatives. Compensation will be received by Insight, as a broker dealer, when portfolio transactions are affected on behalf of investment advisory clients. Registered representatives may receive compensation as a result of acting in one or both capacities.

It is generally anticipated that Insight will be designated by the client as the broker-dealer for the execution of securities transactions, which are directed by Insight. To the extent that it is, Insight will seek to obtain the best combination of price and execution for such transactions; however, lower commissions or better execution may be available elsewhere, for example, by the execution of the transaction through a so called "discount broker."

Additionally, Insight, as a broker-dealer, may buy securities for itself from, or sell securities it owns to clients of Insight, at which time commissions and or other markups/markdowns will be charged to those clients. To the extent this occurs, you will have the opportunity to approve such transaction prior to settlement.

If an investment advisory client utilizes Insight as the broker-dealer of record, Insight's selection of money market mutual funds or comparable investments in which to hold cash

reserves in the client's account will be limited to certain investments. The selection includes money market, municipal money market and government money-market funds, and the issuers of funds pay Insight a distribution fee in its capacity as a broker-dealer. This compensation is in addition to other fees, etc. received from client accounts. representatives do not receive additional compensation based on client account balances being held in the money-market funds ("trailers"). These "trailers" are credited directly into client accounts. Additionally, cash balances arising from the sales of securities, redemption of debt securities, dividend and interest payments and funds received from clients may be invested/swept automatically daily. When securities are sold, funds are deposited on settlement date. Funds placed in a client's account by personal check usually will not be invested until the next business day following the day that the deposit is credited to the client's account. Where an unaffiliated broker-dealer or other entity acts as custodian of the client's account assets, Insight will have no control over the way the cash reserves will be handled. The client and/or custodian will make that determination.

Based upon the similarity of investments among client accounts having similar investment objectives, and the fact that Insight may direct the purchase of securities for more than one account simultaneously, and the possible appearance of similarity in the treatment of clients, all client accounts are handled under the following basic conditions, designed to prevent pooling of assets and/or the management of accounts on a de facto pooled basis, resulting in the existence of an investment company. The custody of accounts held by the custodian on behalf of Insight is structured such that each client's securities are held in nominee name only for ministerial purposes and each client's account is maintained as a separate account. The client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the client's securities in the account.

Further, each client retains any and all rights afforded under the federal securities laws to proceed directly against the issuer of any underlying security in the client's account. Each client may withdraw, hypothecate, vote or pledge securities in their account upon notice to Insight and each client has the authority to instruct Insight in directing the purchase of certain securities through Insight that might otherwise be purchased in the client's account. At least annually, customer objectives are reviewed with the client and holdings reviewed with respect to keeping in line with those objectives.

### *Sale of Other Products and Services*

Insight Securities also offers non-wrap investment advice to clients in which a client can pay transaction-based fees as well as a fee based on account assets. As such the advisor may have an incentive to recommend non-wrap investment advice to curtail transactional expenses incurred.

Certain associated persons of Insight are licensed insurance brokers, and as such, do on occasion sell insurance products to the clients of Insight. The amount of time spent on these activities is no more than two (2%) percent.

## **Code of Ethics**

Insight has adopted a Code of Ethics to ensure that securities transactions by Insight employees are consistent with Insight's fiduciary duty to its clients and to ensure compliance with legal and regulatory requirements and the firms standards of business conduct.

The principals and employees of the firm are permitted to invest in the same securities that the firm recommends to clients. They may recommend to clients or may buy and sell securities for client accounts at or about the same time that they buy or sell in their own account. This creates a conflict of interest because the principals and employees of the firm may have an incentive to execute their orders in front of client orders. To mitigate this conflict, employees are not permitted to enter buy or sell orders in the same or similar securities contemporaneously with client orders.

Insight requires transaction confirmation and quarterly reporting for all registered representatives who provide investment advisory services to clients of Insight Securities. A written copy of Insight's Code of Ethics is available upon request, free of charge.

## **Review of Accounts**

Insight, as investment advisor, reviews all investment advisory accounts. Changes in market prices, interest rates, news stories, earning reports, etc., that are deemed to influence a client account would initiate a review of the account. All investment advisory accounts are reviewed at least monthly by Insight's Compliance department overseen by James Kim Chief Compliance Officer.

Clients receive statements from the custodian of assets at least quarterly, or monthly, if there is activity in the account. (See Custody section below). Clients may give written request to receive their statements and trade confirmations electronically from the custodian.

## **Client Referrals and Other Compensation**

Insight Securities does not have any arrangements, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients. Additionally, Insight does not directly or indirectly compensate any person for client referrals.

## **Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Insight's financial condition. Insight has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

## **Brokerage Practices**

Clients should review InSight's Form ADV Part 2 for a full discussion on the brokerage practices of the firm.

## **Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Insight Securities urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Investment Discretion**

Insight Securities usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the client account.

When selecting securities and determining amounts, we observe the investment policies, limitations and restrictions of the clients for which we advise. For registered investment companies, our authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made. Investment guidelines and restrictions must be provided to Insight Securities in writing.

## **Item 10- Requirements for State-Registered Advisers**

Not applicable.