



# INTEGRATED WEALTHCARE

## *FORM ADV PART 2A*

### FIRM BROCHURE

MARCH 23, 2023

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This Part 2A of Form ADV (“Brochure”), provides information about the qualifications and business practices of Integrated WealthCare, LLC’s (“IWC” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at (866) 694-6292 or [shayne@iwcglobal.net](mailto:shayne@iwcglobal.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. Registration does not imply a certain level of skill or training.

Additional information about IWC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The site may be searched by a unique identifying number known as a CRD number. IWC’s CRD number is 312929.

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**Item 2: Material Changes**

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This Brochure contains information regarding our qualifications, business practices, nature of the advisory services we provide as well as a reasonable description of any known or potential conflicts of interest relating to our advisory business that could affect a client's account with us. You should rely on the information contained in this document or other information that we have referred you to. We have not authorized anyone to provide you with information that is different. We encourage all current and prospective clients to read this Brochure and discuss any questions you have with us. Should you have any additional questions or concerns regarding IWC or the contents of this Brochure, please contact Shayne Ruffing, Chief Compliance Officer, by phone at (866) 694-6292.

**MATERIAL CHANGES SINCE THE LAST ANNUAL AMENDMENT**

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There have been no material changes to this Disclosure Brochure since the last filing and distribution to clients.

**FULL BROCHURE AVAILABLE**

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We will provide a new version of the Brochure as necessary when updates or new information are added, at any time, without charge. To request a complete copy of our Brochure, contact us by telephone at (866) 694-6292 or by email to [shayne@iwcglobal.net](mailto:shayne@iwcglobal.net).

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## **Item 4: Advisory Business**

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### **A. FIRM DESCRIPTION**

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Integrated WealthCare, LLC (“IWC” or the “Firm”), a North Carolina Limited Liability Company, was founded in 2006 as a multi-specialty wealth management firm, dedicated to serving the unique needs of physicians and medical professionals. IWC is based in Durham, North Carolina and is an SEC registered investment advisor.

Michael Shayne Ruffing owns 70% of IWC and is the sole investment advisor. On September 1, 2021, Blue Slide Steamers, LLC purchased 30% of IWC. Blue Slide Steamers, LLC is a single member LLC, controlled by Anthony Dilweg.

IWC offers a variety of investment advisory and related financial services to our clients. We provide investment advisory service, Financial Planning Services, Orion Portfolio Solutions, Retirement Plan Management Services, and Consulting Services, all which are discussed below in further detail. The products discussed throughout this Brochure are all available on a non-wrap fee basis. Our clients consist of individuals, high net-worth individuals, families, business owners and corporations.

### **B. TYPES OF ADVISORY SERVICES**

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IWC dedicates itself to understanding the intricacies of each client. For all advisory and related services described below, we tailor our products in accordance with the client-specific needs obtained from documented discussions, a financial plan, IPS, and/ or risk assessment. Before providing investment advisory services, IWC takes multiple factors into consideration, including, but not limited to, investment objectives, investment horizon, risk tolerance, as well as any reasonable guidelines and restrictions a client may need or impose.

#### *Investment Advisory Services*

We provide discretionary portfolio management services to individuals, high net worth individuals, and families, based on the specific needs and objectives of such persons and the suitability of products and services. IWC shall be granted full discretion and authority to manage the client’s account. Accordingly, we are authorized to perform various functions without further approval from the client, such as the determination of securities to be purchased or to be sold without permission from the client prior to each transaction. We do not act as a custodian of client assets, and the client always maintains control of their assets.

Prior to engaging us to provide any of the aforementioned investment advisory services, we require a written investment management agreement (“IMA”) signed by the client prior to providing our services to the client. The IMA outlines the services and fees the clients will incur pursuant to the IMA with IWC.

Upon signing the IMA, we will gather the client’s financial information and work with them to complete a risk assessment, which will help us identify, quantify, and understand our client’s unique risk tolerance. The information gathered in the risk assessment will be used to develop the client’s Investment Policy Statement (“IPS”). The information gathered in the risk assessment will be used to identify the appropriate investments and portfolio construction, and specifies any restrictions or prohibitions expressed by the client for their portfolio and / or assets

IWC’s investment advisory services include, but are not limited to, the following:

- Investment Strategy
- Asset Allocation
- Regular Portfolio Monitoring

- Personal Investment Policy
- Security Selection

As noted, IWC's asset management services are designed to offer portfolio construction and ongoing management of accounts with defined investment strategies to meet the client's personal investment goals and objectives. We evaluate the current investments of each client with respect to risk tolerance levels and time horizon. Risk tolerance levels may be documented in the IPS. IWC is responsible for providing ongoing re-balancing and continuous monitoring of our clients' securities holdings.

#### *Investment Advisory Services for Business Retirement Plans*

IWC offers investment advisory services specifically tailored to the needs and special circumstances of businesses, including their pension and retirement plans. These services are generally provided in conjunction with other professionals and include investment management services for pension and profit-sharing plans, 401(k) plans, 403(b) plans, SEP IRA plans, SIMPLE IRA plans, non-qualified deferred compensation plans, asset protection plans, executive salary continuation plans, cross-purchase and stock redemption agreements, and employee advisory services.

We also provide general investment advisory services specifically tailored to the needs of a trustee or other fiduciary, including but not limited to, meeting the definition of "fiduciary" under the Employee Retirement Income Security Act of 1974 ("ERISA") or an employee benefit plan subject to ERISA.

#### *Financial Planning Services*

Prior to engaging IWC for financial planning services, we require an executed financial planning agreement ("FPA") signed by the client prior to us providing financial planning services. The FPA outlines the services and fees the clients will incur pursuant to the FPA with IWC. We provide our financial planning clients with an in-depth analysis of their current financial situation, as well as detailed recommendations relating to the client's financial goals. These services are provided on a non-discretionary basis. Financial planning services do not involve the active management of client accounts, but instead focus on a client's overall financial situation. Financial planning can be described as helping individuals to determine and set their long-term financial goals through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. The role of the financial planner is to find ways to help the client understand their overall financial situation and help the client set financial objectives.

Our financial planning services may include the following:

- Detailed Net Worth Statement
- Detailed Emergency Fund Plan
- Current Asset Allocation Analysis
- Detailed Survivor Needs Plan
- Asset Allocation Recommendation
- Detailed Disability Needs Plan
- Investment Policy Statement
- Summary Long-Term Care Plan
- Detailed Retirement Plan
- Summary Insurance Audit Report

An inherent conflict exists between the interests of IWC and the interests of the client. The client is under no obligation to act upon IWC's recommendations. Should the client elect to act on any recommendation made by IWC, the client is under no obligation to affect the transaction through the Firm.

### *Consulting Services*

We provide miscellaneous consulting services, which covers a broad range of services not related to other services as outlined in this Brochure. Examples of miscellaneous consulting services may include researching costs basis, conducting market research, advising on the purchase or sale of a business, etc.

### *Third-Party Money Managers*

IWC may determine that opening an account with a professional (unaffiliated) Third-Party Money Manager (“TPMM”) is in your best interest. If so, we will provide you with pertinent information about the TPMM, including services provided and any fees that they may charge. IWC’s management reviews all TPMMs, and has the discretion to hire and fire a TPMM, as needed.

In TTPM programs, the program sponsor selects the investments, monitors and evaluates investment performance, executes portfolio transactions without commission charges, and provides custodial services. IWC reviews several factors when determining which third-party investment advisor is best suitable for clients. These factors include but is not limited to: performance, investment objectives, fees, and methods of analysis. TTPM’s to which IWC refers its clients may not achieve the best rate of returns or charge the lowest fees in comparison to other third-party investment advisors. There can be no guarantee that the client’s goals or investment objectives will be achieved by any specific program

Clients recommended for these programs will receive a copy of the TPMM disclosure brochure from the program sponsor. Please see the recommended TTPM disclosure brochure for additional detailed information about the TTPM programs and fees. The fees and expenses charged by a TTPM is separate and apart from the fee that will be assessed by IWC pursuant to the agreement between IWC and the client. As portfolio fees and fees for brokerage services will vary based on the program, the size of the account being managed, and the clearing firm at which trades are transacted, IWC will seek to assure that the client is charged a competitive rate according to the size of the account being managed. However, please note, the total fees charged by the program sponsor, including brokerage and custodial fees, may exceed the cost of separately obtaining brokerage, custody and other services if such fees were negotiated separately. The client will receive performance reports, account value and billing information at least quarterly, and in some cases monthly, depending on the program used, from the program sponsor. As the relationship manager, IWC will contact the client periodically to conduct a financial review utilizing the reports generated by the program sponsor. Interim reviews of client accounts with IWC are available upon request by the client. IWC will monitor the performance of the TTPM, on at least a quarterly basis, and will make recommendations or re-allocate assets amongst managers, as necessary.

## **C. TAILORED RELATIONSHIPS**

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At IWC, we offer the same suite of services to all our clients. The management services and recommendations offered by IWC are based on the individual needs of our clients and the suitability of products and services. Specific client financial plans and their implementation are dependent upon the client’s investment strategy and/or IPS which outlines each client’s current situation (income, objectives, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets. Currently, we do not allow clients to impose restrictions on investing in certain securities or types of securities.

## **D. WRAP FEE PROGRAMS**

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IWC does not participate in and is not a sponsor of wrap fee programs.

Wrap Fee Programs are arrangements between broker-dealers, investment advisers, banks and other

financial institutions, and affiliated and unaffiliated investment advisers through which the clients of such firms receive discretionary investment advisory, execution, clearing and custodial services in a “bundled” form. In exchange for these “bundled” services, the clients pay an all-inclusive (or “wrap”) fee determined as a percentage of the assets held in the wrap account.

## **E. ASSETS UNDER MANAGEMENT**

When calculating regulatory assets under management, an investment adviser must include the value of any advisory account over which it exercises continuous and regular advisory or management services. As of December 31, 2022, IWC reports \$ 94,958,423 in client assets, \$19,050,437 of which are managed on a discretionary basis and \$75,907,986 on a non-discretionary basis.

## **Item 5: Fees and Compensation**

### **A. FEE SCHEDULE**

#### *Investment Advisory Services*

The investment management fee is an annual fee based on a percentage of the value of the client’s assets under management, including all cash and other assets in the account (valued at liquidation value) (the “Account Value”), as follows:

<b>INVESTMENT ADVISORY SERVICES</b>	
Total Assets Under Management	Annual Fee
Less than \$1,000,000	1.25%
\$1,000,001 to \$2,000,000	1.00%
\$2,000,001 and above	0.50%

The investment management fee charged is subject to negotiation with each client based on the client’s characteristics and may differ from client to client.

#### *Investment Advisory Services for Business Retirement Plans*

Clients engaging IWC for investment advisory services for practice retirement plans may be charged up to a **\$750.00** account setup fee, as well as an investment management fee for its investment advisory services. The annual investment management fee may be up to **1.25%** based on a percentage of the value of the Plan Assets. In lieu of the percentage fee, IWC may instead charge a fixed dollar amount not to exceed the equivalent of 1.00% of the Plan assets. The fee is most often paid quarterly, in arrears.

The account setup fee and investment management fee charged are subject to negotiation with each client and are generally based on the size and complexity of the plan, the number of plan participants, the location of the participants, the estimated number of meetings required, and other factors that may be deemed relevant by Integrated WealthCare and Plan Trustees. An estimate of the total cost will be determined at the start of the advisory relationship and provided to the client in writing.

#### *Financial Planning Services*

IWC’s financial planning services are offered on an hourly, flat, or annual recurring fee basis. The estimated and actual billed fee is based on the scope and complexity of each individual client. IWC’s hourly rate is \$525. Annual recurring fees range from \$2,400.00 to \$6,000.00. Fixed fees for project-based engagements will not exceed \$15,000. At the outset, we will establish and disclose to the client all applicable fees, fee

payment arrangements, and terms of the engagement in the client agreement executed between IWC and the client prior to providing any financial services. If additional services or changes to the engagement which exceeds the estimated fee is required, IWC will notify the client as soon as possible to discuss the necessary additional fees. The financial planning services fees may be negotiable based on the complexity and scope of the services, as well as the client's financial situation and objectives.

### *Consulting Services*

IWC's consulting services are offered on an hourly fee basis. The current hourly fee rate is **\$525.00** per hour. The consulting services fees are negotiable on a case-by-case basis.

### *Third-Party Money Managers*

Fees associated with TPMMs will vary and will be fully disclosed to you before any manager is retained on your behalf. Fees charged by TPMM's are in addition to IWC's advisory fees. Fees will be described in detail in your investment advisory agreement and in the manager's Form ADV Part 2A disclosure brochure.

## **B. PAYMENT OF FEES**

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### *Investment Advisory Services & Investment Advisory Services for Business Retirement Plans*

IWC's investment advisory services fees are due quarterly and paid in advance. If the client does not receive this Brochure at least forty-eight (48) hours prior to signing the IMA with IWC, the client may terminate the agreement within five (5) business days of signing the IMA without incurring any penalties. The client and IWC may voluntarily terminate the engaged advisory services for any reason with thirty (30) days written notice to the other party delivered by certified or registered mail. The date of receipt of the written notice will be the effective date of termination.

Upon termination of advisory services, we will conduct a fee reconciliation that will determine whether a refund is owed to the client, or if there are outstanding fees due from the client. The refund amount will be calculated as the difference between the total number of calendar days in the month in which the termination took place and the number of calendar days worked (the number of calendar days between the first day of the termination month and the effective date of termination), then multiplied by the monthly assets under management fee converted into a daily rate (the total number of calendar days in the termination month) and the refund will be credited to the client's fee reconciliation statement.

### *Third-Party Money Managers*

The specific payment method will be outlined in the applicable TPMM's separate disclosure documents that are provided to clients. Generally, the TPMM deducts their fee directly from the client's account.

### *Financial Planning Services*

The specific fee-paying arrangements are determined on a case-by-case basis and will be outlined in the signed advisory agreement. Depending on the complexity of the scope of services, fifty (50) percent of the fees may be invoiced in advance. Either party may terminate the financial planning services engagement prior to the completion of the engaged services with 30- days prior written notice to the other party. IWC will prorate the financial planning services fee and will issue an invoice for any outstanding fees as of the effective date of termination. If any fees were collected in advance, IWC will refund any unearned fees as of the effective date of termination.

### *Consulting Services*

IWC's consulting services fees are paid in stages. Fifty (50) percent of the agreed upon fees are due in advance. Either party may terminate the consulting services engagement prior to the completion of the engaged services with 30-days prior written notice to the other party. IWC will prorate the consulting services fee and will issue an invoice for any outstanding fees as of the effective date of termination. For fees collected in advance, IWC will refund any unearned fees as of the effective date of termination.



## **C. OTHER FEES AND PAYMENTS**

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Integrated WealthCare acts as a licensed insurance agent, including selling insurance policies for our physician clients. These are most commonly Disability Insurance, Life Insurance and Long-term Care Insurance. In most cases, the insurance industry has commissions embedded into the scheduled premiums for all products that are paid to the advisor, broker or agent who is involved with the transaction. IWC does not have any proprietary relationship with any insurance company, or other financial firm. All fees paid to IWC for services related to insurance acquisition are paid directly by the insurance company, according to their compensation structure that may be in effect at the time of acquisition. IWC does not have any influence or ability to negotiate the rate of compensation either by product or company.

There may be additional fees or charges that result from the maintenance of or trading within a client's investment advisory account. These are fees that are imposed by third parties in connection with investments made through a client's account, such as custodial and investment fees. Expenses charged by mutual funds ("Funds") to their shareholders as described in each Fund's prospectus may also apply. These fees will generally include a management fee, other Fund expenses, and a possible distribution fee (also known as a 12b-1 fee). If the Fund also imposes sales charges/commissions, these will generally be suppressed or, if for some reason not suppressed, credited back to your account. In no case will IWC receive any sales charges/commissions or 12b-1 fees associated with Fund transactions.

Please see Item 12 of this brochure regarding broker/dealers and brokerage fees.

## **D. OTHER COMPENSATION**

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Certain Advisory Persons are also licensed as independent insurance professionals. As an independent insurance professional, the Advisory Person will earn commission-based compensation for recommending and placing insurance products. Insurance commissions earned by these persons are separate and in addition to our advisory fees.

Neither IWC nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds. IWC does not currently charge for the publication of periodicals or wealth education services.

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

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### **A. PERFORMANCE-BASED COMPENSATION**

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IWC does not assess Performance Fees.

Performance-Based Fees ("Performance Fees") are based on a share of the capital gains or capital appreciation of the assets of a client. Our fees are calculated as described in Item 5 above.

### **B. SIDE-BY-SIDE MANAGEMENT**

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IWC does not assess Side-By-Side Management.

"Side-by-Side Management" refers to a situation in which the same adviser manages accounts that are billed based only on a percentage of assets under management and at the same time manages other accounts for which fees are performance-based.

## **Item 7:       Types of Clients**

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IWC generally provides investment advisory services to individuals, high net-worth individuals, pension and profit-sharing plans, trustee or other fiduciary, and other businesses.

IWC does not require a minimum account balance. It is our goal to serve the medical community and provide every client, large or small, with unbiased, uninfluenced, wealth management services.

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

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### **A.       METHODS OF ANALYSIS**

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IWC may utilize one or more of the following methods of analysis when providing investment advice to its clients:

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. It involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of

making financial forecasts. There are several possible objectives: to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions and to calculate its credit risk. This strategy would normally encourage equity purchases

in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. It attempts to predict a future stock price or direction based on market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall. Technical analysis methods employ software and other financial data management tools to assess various aspects of the marketplace. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Cyclical analysis** assumes that markets react in cyclical patterns which, once identified, can be leveraged to provide performance. Cyclical analysis of economic cycles is used to determine how these cycles affect the returns of an investment, an asset class, or an individual company's profits. Cyclical analysis is a time-based assessment which incorporates past and present performance to determine future value. Cyclical risks exist because the broad economy has been shown to move in cycles, from periods of peak performance followed by a downturn, then a trough of low activity. The risks of this strategy are two-fold: (1) the markets do not always repeat cyclical patterns; and (2) if too many investors begin to implement this strategy, it changes the very cycles of which they are trying to take advantage.

### **B.       INVESTMENT STRATEGIES**

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IWC uses the varying methods of analysis aforementioned to determine the proper investment strategy for each client. Our strategies are heavily based on each client's personal circumstances, financial goals, and their risk tolerance. We utilize a blend of strategic approaches with tactical and alternative strategies that enable us to allocate client assets by liquidity and time horizon. We focus on what has been proven, over time, to produce results. We believe the most effective means of outperforming the market is to use creative

analysis, to research our investments diligently, and to exercise cautious decisiveness.

IWC targets globally diversified allocation models across a broad spectrum of regions and asset classes, each designed to meet a specific investment goal. Security selection within each model may be comprised of exchange-traded funds (“ETFs”), mutual funds, non-traded alternatives, which may include limited partnerships, and/or individual securities that allow for daily liquidity or redemption. Assets in each model portfolios are allocated strategically. IWC conducts proprietary research to generate mathematical targets to identify preferred holdings in each asset class with the most competitive blend of low expense ratios, and high, consistent performance. Model portfolios are rebalanced to their target allocations quarterly, at a minimum, or when our analysis indicates a change is warranted. This use of quantitative analysis reduces human emotion and bias in the investment process.

### C. RISK OF LOSS

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Clients need to be aware that investing in securities involves risk of loss of the principal. Every method of analysis has its own inherent risks. To perform an accurate market analysis IWC must have access to current/new market information. IWC has no control over the dissemination rate of market information; therefore, unbeknownst to IWC, certain analyses may be compiled with outdated market information, severely limiting the value of IWC’s analysis.

Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by IWC) will be profitable or equal any specific performance level(s). IWC does not represent, warrant, or imply that its services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Notwithstanding IWC’s method of analysis or investment strategy, the assets within the client’s portfolio are subject to risk of devaluation or loss. The client should be aware that there are many different events that can affect the value of the client’s assets or portfolio including, but not limited to, changes in financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters.

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security’s particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar will be worth more today than a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Prepayment Risk:** The returns on the collateral for the deal can change dramatically at times if the debtors prepay the loans earlier than scheduled.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment’s originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be

reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

- **Business Risk:** This risk is associated with a particular industry or a particular company within an industry.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Risk Factors relevant to specific securities utilized include:

- **Equity Securities:** The value of the equity securities is subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and riskier than some other forms of investment.
- **Exchange Traded Funds ("ETF"):** ETFs are a recently developed type of investment security, representing an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or the Dow Jones Industrial Average, or to represent exposure to a particular industry or sector. Unlike open-end mutual funds, the shares of ETFs and closed-end investment companies are not purchased and redeemed by investors directly with the fund, but instead are purchased and sold through broker-dealers in transactions on a stock exchange. Because ETF and closed-end fund shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. In addition to bearing the risks related to investments in equity securities, investors in ETFs intended to replicate a securities index bear the risk that the ETF's performance may not correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs, and other expenses. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.
- **Mutual Fund Shares:** Some of the risks of investing in mutual fund shares include: (i) the price to invest in mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads), (ii) investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs, and (iii) investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.
- **Real Estate Related Securities Risk:** Investing in real estate related securities includes, among others, the following risks: possible declines in the value of real estate; risks related to general and local economic conditions, including increases in the rate of inflation; possible lack of availability of mortgage funds; overbuilding; extending vacancies of properties; increases in competition, property taxes and operating expenses; changes in zoning laws; costs resulting from cleanup of, and liability to third parties for damages resulting from environmental problems; casualty or condemnation losses; uninsured damages from floods, earth quakes or other natural disasters; limitations on and variations in rents; and changes in interest rates. Investing in Real Estate Investment Trusts ("REITs") involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs are dependent upon management skills, are not diversified, and are subject to heavy cash flow dependency, default by borrowers and self-liquidation.
- **Municipal Bond Risk:** Municipal securities issuers may face local economic or business conditions (including bankruptcy) and litigation, legislation or other political events that could have a significant effect on the ability of the municipality to make payments on the interest or principal of its municipal bonds. In addition, because municipalities issue municipal securities to finance similar types of projects, such as education, healthcare, transportation, infrastructure and utility

projects, conditions in those sectors can affect the overall municipal bond market. Furthermore, changes in the financial condition of one municipality may affect the overall municipal bond market. The municipal obligations in which clients invest will be subject to credit risk, market risk, interest rate risk, credit spread risk, selection risk, call and redemption risk and tax risk, and the occurrence of any one of these risks may materially and adversely affect the value of the client's assets or profits.

- **Non-Traded Alternatives (Private Placements) Risk:** A private placement (non-public offering) is an illiquid security sold to qualified investors and are not publicly traded nor registered with the Securities and Exchange Commission. Private placements generally carry a higher degree of risk due to illiquidity. Most securities that are acquired in a private placement will be restricted securities and must be held for an extended amount of time and therefore cannot be sold easily. The range of risks are dependent on the nature of the partnership and are disclosed in the offering documents.
- **Limited Partnerships Risk:** A limited partnership is a financial affiliation that includes at least one General partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner has management authority and unlimited liability. The general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority, and their liability is limited to the amount of their capital commitment. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership. The range of risks are dependent on the nature of the partnership and disclosed in the offering documents if privately placed. Publicly traded limited partnership have similar risk attributes to equities. However, like privately placed limited partnerships their tax treatment is under a different tax regime from equities. You should speak to your tax adviser in regard to their tax treatment.
- **Fixed Income Securities Risk:** Prices of fixed income securities tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect fixed income security prices. The longer the effective maturity and duration of the client's portfolio, the more the portfolio's value is likely to react to interest rates. For example, securities with longer maturities sometimes offer higher yields, but are subject to greater price shifts as a result of interest rate changes than debt securities with shorter maturities. Some fixed income securities give the issuer the option to call, or redeem, the securities before their maturity dates. If an issuer calls its security during a time of declining interest rates, we might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates. During periods of market illiquidity or rising interest rates, prices of callable issues are subject to increased price fluctuation.

While this information provides a synopsis of the events that may affect a client's investments, this listing is not exhaustive. Although IWC's methods of analysis and investment strategies do not present any significant or unusual risks, all investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Clients should understand that there are inherent risks associated with investing and depending on the risk occurrence; clients may suffer LOSS OF ALL OR PART OF THE CLIENT'S PRINCIPAL INVESTMENT.

#### **D. RECOMMENDATION OF SPECIFIC TYPES OF SECURITIES**

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IWC does not primarily recommend a particular type of security. Investments may include, but are not limited to, exchange listed securities, fixed-income securities, alternative investments, which may include limited partnerships and private placements, and other pooled investment vehicles, such as open and closed end mutual funds or ETFs.



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**Item 9: Disciplinary Information**

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Registered investment advisers are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Neither IWC nor any of its management persons has been involved in legal or disciplinary events that are related to past or present investment clients.

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**Item 10: Other Financial Industry Activities and Affiliations**

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**A. FINANCIAL INDUSTRY ACTIVITIES**

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As stated above, IWC is licensed to provide insurance products. If IWC advisors sell insurance products to our advisory clients, IWC and the advisor will receive a commission. This creates a conflict of interest for IWC and its advisors to recommend insurance products based on the compensation to be received. To mitigate this conflict, IWC, as fiduciary, will only recommend insurance products when it believes it to be in the client's best interest. Furthermore, clients are under no obligation to purchase insurance products through IWC's advisors, or any person affiliated with IWC.

IWC is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. Furthermore, none of IWC's management or supervised persons is a registered representative of, nor has an application pending to register as a representative of, a broker-dealer. However, IWC does have the ability to service variable annuities, 529 plans and other broker-dealer products as a Registered Investment Adviser.

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**B. FINANCIAL INDUSTRY AFFILIATIONS**

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IWC is not a registered Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor and does not have an application pending to register as such. Furthermore, IWC's management and supervised persons are not registered as and do not have an application pending to register as an associated person of the foregoing entities.

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**C. OTHER MATERIAL RELATIONSHIPS**

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Blue Slide Steamers, LLC is a single person LLC which owns 30% of IWC. Anthony Dilweg owns Blue Slide Steamers, LLC. Mr. Dilweg is the founder and manager of The Dilweg Companies, Inc., a real estate company which sponsors private placements, some of which may be recommend to IWC clients. In addition to this activity, Mr. Dilweg is a partner in the Carolina Experience Fund, a real estate private placement that may be recommended to IWC clients. Mr. Dilweg indirectly receives profits from IWC and receives profits from investments into the funds that he manages/ sponsors. Mr. Dilweg is not a management person, nor does he have control over what investments are approved for use at IWC. IWC is required to act as a fiduciary and only recommend private placements it believes are in the best interest of its clients who are also accredited investors. IWC does not accept any referral fees or other compensation from the fund companies associated with Mr. Dilweg. Clients are notified of the conflict of interest prior to investing in any private placement affiliated with Mr. Dilweg. Clients are not required to invest in any private placements affiliated with Mr. Dilweg, nor is IWC required to only offer private placements affiliated with Mr. Dilweg.

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**D. OTHER INVESTMENT ADVISORS**

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IWC does not have any material arrangements with other investment advisers that are material to its advisory clients.

## **Item 11: Code of Ethics, Participation Or Interest In Client Transactions and Personal Trading**

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### **A. DESCRIPTION OF CODE OF ETHICS**

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All employees of IWC must act in an ethical and professional manner. In view of the foregoing and applicable provisions of relevant law, IWC has adopted a Code of Ethics in its Employee Policies and Procedures Manual to specify and prohibit certain types of transactions deemed to create conflicts of interest (or the potential for or the appearance of such conflicts), and to establish reporting requirements and enforcement procedures relating to personal trading by IWC personnel. IWC Code of Ethics in its Employee Policies and Procedures Manual, which specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, and fiduciary duties, establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

### **B. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

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As disclosed in Item 10 – Anthony Dilweg indirectly owns a minority interest in IWC. Mr. Dilweg is affiliated with a few private placement investments offered by IWC. All private placements approved for use by IWC undergo due diligence based off the merits of the security, without regard to the involvement of Mr. Dilweg. Mr. Dilweg does not exercise management control over IWC, nor does he have direct influence over the investments approved for use by IWC. To minimize this conflict of interest, IWC does not receive any compensation from any funds associated with Mr. Dilweg, nor does IWC accept any referral fees. IWC discloses this conflict to all clients recommended to invest in private placements affiliated with Mr. Dilweg on the Private Placement Disclosures and Authorization Form. No client is required to invest in private placements recommended by IWC, or those affiliated with Mr. Dilweg.

### **C. PROPRIETARY/SIMULTANEOUS TRADING**

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At times, IWC or its affiliated persons may buy or sell securities for its own accounts that it has also recommended to clients. However, any purchase or sale of a security by IWC or a related person will be subject to IWC's fiduciary duty to client accounts. From time to time, representatives of IWC may buy or sell securities for themselves at or around the same time as IWC's client accounts. In any instance where similar securities are bought or sold, IWC will uphold its fiduciary duty by always transacting on behalf of the client before transacting for its own benefit. IWC will always document any transactions that could be construed as conflicts of interest. To mitigate or remedy any conflicts of interest or perceived conflicts of interest, IWC will monitor its proprietary and personal trading reports for adherence to its Code of Ethics.

## **Item 12: Brokerage Practices**

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### **A. SELECTION AND RECOMMENDATION**

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IWC seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that, overall, are most advantageous when compared to other available providers and their services.

IWC considers a wide range of factors in selecting a custodian/broker including, among others, the following:

- Timeliness of execution
- Clearance and settlement capabilities

- Ability to place trades in difficult market environments
- Timeliness and accuracy of trade confirmations
- Quality of account statements
- Research, execution facilitation, record keeping, custody and other “value-added” services provided
- Frequency and correction of trading errors
- Financial condition and willingness to commit capital
- Business reputation and integrity
- IWC’s prior experience with the custodian/broker

To this end, IWC has established a brokerage and custodian relationship with Charles Schwab & Co., Inc. (“Schwab”). IWC is independently owned and operated and is not affiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities only when IWC or the client instructs them to.

Custodian recommendations are based on the client’s account size, investment objectives, trading frequency and overall portfolio strategy. IWC has determined that having the Schwab execute trades is consistent with our duty to seek “best execution” of client trades.

## **B. RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

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IWC does not currently receive “soft dollars.”

Under “soft dollar” arrangements, one or more of the brokerage firms would provide or pay the costs of certain services, equipment, or other items. These soft dollar benefits are attributed to the investment advisor by reducing its expenses; however, the amount of the fee paid to the investment advisor by the client would not be reduced. Making allocations to brokerage businesses with soft dollar arrangements could enhance the ability to obtain research, optimal execution, and other benefits on behalf of clients.

## **C. BROKERAGE FOR CLIENT REFERRALS**

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IWC does not receive client referrals from third parties for recommending the use of specific broker-dealer brokerage services.

## **D. DIRECTED BROKERAGE**

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IWC will recommend clients to open an account with Schwab. This arrangement is designed to maximize efficiency and to be cost effective for IWC’s clients. By requiring clients to use these specific custodians, which IWC has approved, we seek to achieve “best execution” of client transactions.

IWC does not permit clients to direct the use of a particular brokerage firm.

## **E. ORDER AGGREGATION**

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IWC may, at times, aggregate sale and purchase orders of securities (“block trading”) for advisory accounts with similar orders in order to obtain the best pricing averages and minimize trading costs. This practice is reasonably likely to result in administrative convenience or an overall economic benefit to the client. Clients also benefit relatively from better purchase or sale execution prices, lower commission expenses or beneficial timing of transactions or a combination of these and other factors. Aggregate orders will be allocated to client accounts in a systematic non-

preferential manner. IWC may aggregate or “bunch” transactions for a client’s account with those of other clients in an effort to obtain the best execution under the circumstances.



## **F. TRADE ERROR POLICY**

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IWC maintains a record of any trading errors that occur in connection with investment activities of its clients. In accordance with SEC recommendations, IWC will bear any losses due to trading errors and the client account will benefit from any gains due to trading errors.

## **G. MUTUAL FUND SHARE CLASSES**

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IWC will only utilize the lowest cost available mutual fund share class for a client's investment advisory account. Note that the availability of a lower-cost share class is fund specific and may not be available for investment due to investment minimums and other fund-specific requirements. In the event a mutual fund is transferred in from another investment firm and is not the lowest cost share class, IWC, where possible and applicable, will seek to convert (on a tax-free basis) such mutual fund holding to the lowest cost available mutual fund share class.

## **Item 13: Review of Accounts**

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### **A. PERIODIC REVIEWS**

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IWC conducts periodic reviews at least annually to monitor various things, such as, managed account investment performance and asset allocations. The reviews also consist of determining whether a client's investment goals and objectives are aligned with IWC's investment strategies. The reviews are overseen by the Chief Compliance Officer of IWC.

### **B. INTERMITTENT REVIEW FACTORS**

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Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or changes in the client's financial status (such as retirement, termination of employment, relocation, inheritance, etc.). Clients are advised to notify IWC promptly if there are any material changes in their financial situation, investment objectives, or in the event they wish to place restrictions on their account.

### **C. REPORTS**

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Clients may receive confirmations of purchases and sales in their accounts and will receive, at least quarterly, statements containing account information such as account value, transactions, and other relevant information. Confirmations and statements are prepared and delivered by the custodian.

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

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### **A. ECONOMIC BENEFITS FROM OTHERS**

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IWC does not receive an economic benefit (such as sales awards or other prizes) from any third party for providing investment advice or other advisory services to its clients.

### **B. COMPENSATION FOR CLIENT REFERRALS**

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Certain Clients may be referred to IWC by either an affiliated or unaffiliated party (herein "Promoter") and receive, directly or indirectly, compensation for the Client referral. In such instances, IWC will compensate the Promoter a fee in accordance with Rule 206(4)-1 of the Advisers Act and any corresponding state

securities requirements. Any such compensation shall be paid solely from the investment advisory fees earned by IWC, and shall not result in any additional charge to the Client.

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**Item 15: Custody**

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**A. CUSTODIAN OF ASSETS**

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*Custody* means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them. IWC has custody due to its authority to deduct advisory fees from client accounts and because it can, subject to a standing letter of authorization, dispose of client funds or securities. IWC will not maintain physical possession of client funds and securities. Instead, client's funds and securities are held by a IWC preferred, qualified custodian.

While IWC does not have physical custody of client funds or securities, payments of fees may be paid by the custodian from the custodial brokerage account that holds client funds pursuant to the client's account application. Prior to permitting direct debit of fees, each client provides written authorization permitting fees to be paid directly from the custodian.

**B. ACCOUNT STATEMENTS**

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Although IWC is the client's adviser, the client's statements will be mailed or made available electronically by the custodian. When the client receives these statements, they should be reviewed carefully. Clients should compare asset values, holdings, and fees on the statement to that in the account statement issued the previous period

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**Item 16: Investment Discretion**

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It is IWC's customary procedure to have full discretionary authority in order to supervise and direct the investments of a client's accounts. Clients grant this authority upon execution of IWC's IMA. This authority is for the purpose of making and implementing investment decisions, without the client's prior consultation. All investment decisions are made in accordance with the client's stated investment objectives. Other than management fees due to IWC, which IWC will receive directly from the custodian, IWC's discretionary authority does not give authority to take or have possession of any assets in the client's account or to direct delivery of any securities or payment of any funds held in the account to IWC. Furthermore, IWC's discretionary authority by agreement does not allow it to direct the disposition of such securities or funds to anyone except the account owner.

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**Item 17: Voting Client Securities**

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IWC will not vote proxies which are solicited for securities held in client accounts. IWC will not be required to render any advice with respect to the voting of proxies solicited by or with respect to the issuers of securities in which assets of the client's account may be invested in occasionally. Furthermore, IWC will not take any action or render any advice with respect to any securities held in any client's accounts that are named in or subject to class action lawsuits. IWC will however, forward to the client any information received by IWC regarding class action legal matters involving any security held in the client's account.

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**Item 18: Financial Information**

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**A. BALANCE SHEET REQUIREMENT**

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IWC is not the qualified custodian for client funds or securities and does not require prepayment of fees of

more than \$1,200 per client, six (6) months or more in advance.

**B. FINANCIAL CONDITION**

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IWC does not have any financial impairment that would preclude the Firm from meeting contractual commitments to clients.

**C. BANKRUPTCY PETITION**

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IWC has not been the subject of a bankruptcy petition at any time during the last 10 years.

## **PRIVACY POLICY**

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In providing financial services and products to our clients, we collect certain non-public information about them. Our policy is to keep this information confidential and strictly safeguarded, and to use or disclose it only as needed to provide services to our clients, or as permitted by law. Protecting your privacy is important to us.

### **INFORMATION WE COLLECT**

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The non-public personal information we have about clients includes what they give us when opening an account or communicating with us. This could include:

- Name and address
- Social Security Number
- Investment objectives and experience
- Financial circumstances
- Employment history
- Account balance and account transactions

### **INFORMATION WE DISCLOSE**

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We do not disclose personal information about our clients to third parties. We may disclose anonymous information that cannot be linked to an individual client on occasion, but only to companies that we hire to help us provide products and services to our clients, or as required by law, or as authorized by the client personally.

We do not sell personal client information to anyone.

### **HOW INFORMATION IS USED**

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We use information about our clients to provide our asset management services to them, such as managing their investment account. We may disclose this information to third parties as permitted by law, including the outside broker-dealers, custodians, administrators, transfer agents, accountants, or attorneys that we need to use to provide our services to clients. From time to time, we must give information about our business to regulatory authorities. This may, or may not, include personal information about our clients and their accounts.

### **HOW INFORMATION IS SAFEGUARDED**

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We have procedures in place that we believe are reasonably designed to protect the security and confidentiality of client information. These include confidentiality agreements with companies we hire to help us provide services to clients, password-protected user access to our computer files, and strict confidentiality policies that apply to all IWC personnel, vendors, and contractors.