

## ***INVESCO, LLC***

An SEC Registered Investment Advisor

INVESCO, LLC  
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### **FORM ADV Part 2 Client Brochure December 31, 2022**

This brochure provides information about the qualifications and business practices of INVESCO, LLC. If you have any questions about the contents of this brochure, please contact Keith Nyborg (847) 824-4078.

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. Additional information about INVESCO, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and the search for "Investment Adviser Firm" using the firm's IARD number, which is 123524.

While the firm and its associates may be registered with the SEC, it does not imply a certain level of skill or training on the part of the firm or its associated personnel.

**Form ADV Part 2 Client Brochure**

**Item 2 Material Changes**

**No Material Changes**

## **Form ADV Part 2 Client Brochure**

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## **Item 4 - Advisory Business**

### **Description of Advisory Firm**

INVESCO, LLC is an Illinois-based company formed in 1980. The firm is not a subsidiary of, nor does it control another entity. The firm was registered as an investment advisor in Illinois in 1999, and then with the SEC in 2018. Keith Nyborg, Ryan McNeilly, Paul Linzer, and Nilu Judge noted in Item 19 of this brochure, are the firm's managing members.

We hold ourselves to a fiduciary standard, which means our firm and its associates will act in the utmost good faith and perform in a manner believed to be in the best interest of our clients. As fiduciaries, we are obligated to put you - our client - first. We feel this sets us apart from other types of firms in the securities industry such as broker/dealers that may be held to a perhaps lesser "suitability" standard. Such firms may not be required under current regulation to place clients' interests ahead of their own or to fully disclose conflicts of interest involving their recommendations to clients.

### **Description of Advisory Services Offered**

INVESCO, LLC excels at providing investment guidance for people interested in achieving financial independence. Our financial services include financial planning, investment counseling, retirement planning, estate planning, tax planning, managing customized investment portfolios and financial education.

### **Client Tailored Services and Client Imposed Restrictions**

#### **Financial Planning/Investment Counseling Services**

Our firm's success in helping clients realize financial security is based on three basic principles:

1. We take our fiduciary duty to clients very seriously. We help them make decisions to their benefit, not ours.
2. Clients should be personally committed to following their financial plans that include managing savings and investments.
3. We believe in educating our clients on different types of investments, so they fully understand what is being recommended for them and can make their own decisions.

Each of our clients has individual personal and financial needs and goals; we listen to each and customize our investment advice accordingly. Some have substantial savings and investments. Other clients need to save and invest more income from their jobs or businesses in order to reach a secure retirement position. We're large enough to accomplish all of a client's financial objectives, but small enough to know everyone personally. Our investors gather regularly over dinner to listen to our ideas and discuss the quality of our service with each other.

## **Retirement Planning**

Our retirement planning services typically include projections of your likelihood of achieving your financial goals, with financial independence usually the primary objective. For situations where projections show less than the desired results, we may make recommendations that include showing you the impact on those projections by making changes in certain variables (i.e., working longer, savings more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not our interests ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest (see PTE 2020-02 on client 401(k) rollovers in our Investment Advisor Agreement);
- Charge no more than is reasonable for our services;
- Give you basic information about conflicts of interest

## **Tax Planning Strategies and Income Tax Preparation.**

Ryan McNeilly & Assoc's CPA's is a related firm that shares office space and clients with INVESCO, LLC. While INVESCO, LLC does not offer tax preparation, we can work with your tax professional or Ryan McNeilly & Assoc's CPA's to assist in structuring your financial life to identify tax-saving opportunities.

Ryan McNeilly & Assoc's CPAs helps clients plan their financial decisions to minimize taxes (such as deciding how large an IRA distribution should be). They file tax returns not only for individuals, but also businesses, estates and non-profits organizations. Their expertise ensures that clients minimize their tax burdens.

Advice may also include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with consideration that there is always a possibility of future changes to federal, state or local tax laws, and rates that may impact your situation.

## **Estate Planning**

This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of wills, living trusts, charitable remainder trusts or family limited partnerships.

We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

We make sure clients' families avoid financial disagreements and hardships upon their death, minimize their estate tax and name a legal guardian in case of incompetence. We have many years of experience advising clients, implementing all of the necessary documents, transferring titles and accounts and even serving as trustee when requested.

## **Customized Investment Portfolios**

Customized investment portfolios are sometimes referred to as Separately Managed Accounts (SMA's). There are several advantages of having a separately managed investment account. These include:

1. Maximum diversification with 23 stocks and a strong belief in efficient markets.
2. Risk is tailored to each client's specific needs.
3. Substantial tax benefits available, such as capital losses in non-IRA type accounts, deferred capital gains and forgiveness of tax upon death.

We rarely recommend mutual funds and annuities for the following reasons:

1. Mutual Funds have a very poor history of promoting their investors' interests; hence low rates of return.
2. Mutual Fund and Annuity fees are unacceptably high; especially costs they do not report.
3. Funds are not customized to meet client objectives.
4. Funds cannot pass through capital losses to minimize taxes paid by Fundholders.

Our fees are based on the value of our clients' investment portfolios. Schwab institutional, a division of Charles Schwab & Co., Inc. is a leading provider of custodial, operational and trading support for

independent investment advisors. Since 1987, Schwab institutional has supported independent investment advisors by offering support and services to help grow their businesses and help their clients. Working with Schwab enables INVESCO, LLC to help investors reach their financial goals.

We also manage tax-deferred I.R.A., Roth, 401(k), 403 (b), SEP and Keough accounts and pension plans, using a diversified approach to meet client investment objectives and risk levels. Fees for these accounts are even lower than taxable investment portfolios.

## **Financial Education**

INVESCO, LLC is committed to educating people on personal financial management and investing. We offer classes on investing in stocks through the adult education program at local schools. We are pleased we have been able to help so many people.

We also provide free educational seminars on an “as announced” basis for groups desiring general advice on investments and personal finance. Topics may include issues related to financial management, financial planning, retirement strategies, or various other economic and investment topics.

Our seminars are educational in nature and do not involve the sale of insurance or investment products. Information presented will not be based on any one person's need nor do we provide individualized investment advice to attendees during our general sessions.

## **General information**

INVESCO, LLC does not provide legal, accounting or insurance services. With your consent, we may work with your other advisors (attorneys, accountant, etc.) to assist with coordination and implementation of accepted strategies. You should be aware that these other advisors may charge you separately for their services and these fees may be in addition to our advisory fees.

INVESCO, LLC will use its best judgment and good faith effort in rendering its services. INVESCO, LLC cannot warrant or guarantee any particular level of account performance or that your account will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, our firm will not be liable to the client, heirs, or assignees for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by our firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from our adherence to your direction or that of your legal agent; or any act or failure to act by a service provider maintaining an account.

Notwithstanding the preceding, nothing within our client agreement is intended to diminish in any way our fiduciary obligation to act in your best interest or in any way limit or waive your rights under federal or state securities laws or the rules promulgated pursuant to those laws.

### Wrap Fee Programs

INVESCO, LLC does not participate in or sponsor wrap fee investment management programs.

### Client Assets Under Management

As of December 31, 2022, our firm had approximately \$201,833,883 of reportable client assets directly under its management on a discretionary basis.

## **Item 5 - Fees and Compensation**

### Method of Compensation and Fee Schedule

INVESCO, LLC does not charge people for planning and counseling services. The specific manner in which fees are charged by INVESCO, LLC is established in a client's written investment advisor agreement. The annual fee for portfolio management services will be charged as a percentage of assets under management according to the schedule below.

Assets Under Management	Non-IRA	IRA
\$ 50,000 to \$ 100,000	2.00%	1.00%
\$ 100,000 to \$ 500,000	1.50%	0.80%
\$ 500,000 to \$ 2,000,000	1.25%	0.60%
Over \$ 2,000,000	1.00%	0.40%

Our fees are payable quarterly, in arrears, usually within thirty (30) days following the end of the quarter for which said fees will be incurred. Our clients authorize the account custodian to debit their client account for the amount of our investment advisory fee. At the inception of the relationship and each quarter thereafter, we will notify your custodian of the amount of the fee due and payable to us through our fee schedule and contract. The custodian does not validate or check our fee, its calculation or the assets on which the fee is based. They will “deduct” the fee from your account(s) or, if you have more than one account, from the account you have designated to pay our advisory fees. In limited situations we may provide an alternate payment method.

Each month, you will receive a statement directly from your custodian showing all transactions, positions and credits / debits into or from your account; the statements after the quarter-end will reflect these transactions, including the advisory fee paid by you to us.

Management fees shall be prorated for capital contributions made during the applicable calendar quarter (with the exception of de minimis contribution). Accounts opened in mid-quarter will be assessed at a pro-rated management fee. Fees are not negotiable. Any investment advisory contract may be cancelled by the client at any time with five days' notice.

## **Item 6 - Performance-Based fees and Side-By-Side Management**

INVESCO, LLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) or side-by-side management fees.

### **Item 7 - Types of Clients**

We may provide our services to a variety of client types

- . Individual, families
- . Trusts and estates
- . Endowments, foundations, and other charitable organizations
- . Corporations and other business entities
- . Pension and profit-sharing plans

The minimum initial investment is \$150,000 for management of accounts.

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

#### **Methods of Analysis and Investment Strategies**

When we provide investment advice, we will first gather and consider several factors, including

- . current financial situation,
- . current and long-term need,
- . investment goals and objectives,
- . level of investment knowledge,
- . tolerance and appetite for risk, and
- . restrictions, if any, on the management of your portfolio.

INVESCO, LLC employs an investment philosophy emphasizing portfolio management that is custom tailored to the needs of each client. We begin the investment process by carefully listening to the client and gaining a thorough understanding of the client's unique goals, risk tolerance, time horizon, and other circumstances. We then determine an appropriate risk level with the client based on those understandings. With limited exceptions, INVESCO, LLC rarely utilizes mutual funds thereby avoiding inefficiencies and additional layers of fees.

INVESCO, LLC client portfolios are managed to provide diversification for safety plus tax advantages. We have a strong belief in efficient markets. Our client portfolios are mostly comprised of U.S. large and medium cap publicly traded companies. We do not use foreign stocks due to higher risk of political factors and currency fluctuations. We diversify into the 23 largest industries excluding conglomerates and real estate. We may use some corporate bonds to lower client risk levels. We use a risk profile questionnaire as one of the tools to determine what a client's portfolio risk level should be. We then "build a portfolio" with stocks that achieve that desired risk level. Individual stock beta values (risk levels) are researched using Value Line. A total of all client accounts (IRA's, Roth's, Brokerage) are viewed as one portfolio. Client accounts are reviewed monthly. Triggering factors in rebalancing portfolios occurs in brokerage accounts when the stock price drops substantially below the cost basis,

or, in all accounts to adjust back to desired target risk level, or, when an industry becomes over-weighted. Investing in securities involves risk of loss that clients should be prepared to bear.

Although we may make use of margin in brokerage accounts, we do not risk client assets in option or commodity trading.

We do not engage in market timing, technical analysis or charting. We have four categories of risk tolerance:

\*Aggressive- Generally suitable for investors younger than 50 years old who are in the “accumulation phase” of managing their assets; or for those who are very risk tolerant, who have a significant guaranteed income (pensions or annuities), or with a long time horizon before their portfolio must be tapped.

\*Moderately Aggressive - Generally suitable for investors between the ages of 50-60, who are still in the “accumulation phase” but moving closer to retirement age; or for those who are willing to take some risk for the possibility of capital improvement.

\*Moderately Conservative - Generally suitable for investors between the ages of 60-70, who are concerned with capital preservation but want or need to see some capital appreciation in their portfolio.

\*Conservative - Investors over 70 or those with a lower risk tolerance who must preserve assets while still managing inflation.

### Investment Strategy Risks

We believe our strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, we cannot guarantee that an investment objective or planning goal will be achieved. As an investor you must be able to bear the risk of loss that is associated with your account, which may include the loss of some or all of your principal.

Risk is a measure of variation of returns around the mean average return. Low risk means little variation; higher variation is more risk.

Risk is mathematically defined. Zero risk is that available on 30-day treasury bills (no variation), while one beta of risk is the average deviation of all the stock prices on the New York Exchange on a weighted basis. Since this is a logarithmic scale, make sure you understand that two betas of risk is ten times that of one beta risk, not twice. You will probably go broke with a two beta portfolio in the next market crash.

There are three types of portfolio risk: individual company risk; industry risk; and market risk. Remember, new public information is the only thing that changes stock prices.

Information pertaining to only one company (CFO indicted for instance) will affect the stock price of only that company. Over 98% of individual company risk can be avoided by investing in 20 unrelated companies.

Information pertaining to only one industry (digitizing books really hurt the printing industry) will reflect the price of all stocks in that industry. Over 98% of industry risk can be avoided by investing in 23 different industries. According to Standard and Poors there are 26 major industries. We ignore conglomerates because they, by definition, operate in several industries. Nor do we use real estate, since most of our clients own enough. Then, we drop out the smallest industries and invest in the 23 that are left.

Market risk cannot be reduced or eliminated, since market timing does not work.

About 30% of portfolio risk is individual stock risk and another 30% consists of industry risk. Proper diversification will eliminate over 98% of these risks, which leaves you with about 58% less risk in your portfolio.

You want stocks with higher risks because they have higher expected rates of return, but you want your portfolio risk to be much lower. With proper diversification you can have higher risk/higher rate of return stocks while actually lowering your portfolio risk.

Determining your risk level is where financial/retirement planning comes in. If you have 20 years or more before you will need the money, you can afford a relatively high risk (perhaps 1.1 beta). Even if you're already retired, you can afford higher risks if you have more money than you will need.

If you have, or plan to have, less than the amount you'd like for a pleasant retirement, you can't afford as much risk. If you're 75 years old with only \$300,000 in financial assets and social security, you can't afford risky investments. You may want a portfolio of investment grade bonds, even though the income may not keep up with inflation.

Then, there is "psychological" risk tolerance. If you are the type of investor who would become afraid and reduce your portfolio risk in market downturns, you should have a much lower portfolio risk than indicated above. You don't lose money when the market falls; you lose if you are out of the market when it rises. We administer a "Psychological Risk Assessment" to each prospective client to reduce or eliminate these situations.

#### **Item 9 - Disciplinary information**

Neither the firm nor any member of its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding in the past 20+ years that would reflect poorly upon our firm's advisory business or the integrity of our firm, or that would be material to a client's evaluation of the company or its personnel.

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

### **Broker-Dealer or Representative Registration**

Neither INVESCO, LLC nor a member of firm management is registered, or has an application pending to register, as a broker/dealer or a registered representative of a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) broker/dealer.

### **Futures or Commodity Registration**

Neither INVESCO, LLC nor a member of firm management is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### **Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

Our policies require our firm and its associates to conduct business activities in a manner that avoids actual or potential conflicts of interest between the firm, its employees and clients, or that may be contrary to law. We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest which might reasonably compromise our impartiality or independence.

Neither INVESCO, LLC nor a member of our firm's management is or has a material relationship with any of the following types of entities:

- municipal securities dealer or government securities dealer or broker;
- banking or thrift institution;
- lawyer or law firm\*;
- insurance company or agency\*;
- pension consultant;
- sponsor or syndicator of limited partnerships; or
- investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)\*\*.

\*Upon your request, we may provide referrals to various professionals, such as an attorney or insurance agent. We do not have an agreement with or receive fees from these professionals for these informal referrals. Any fees charged by these other entities for their services are completely separate from fees charged by our firm.

Accountant/Accounting firm – Ryan McNeilly & Assoc’s CPAs is a related firm which shares office space and clients with INVESCO, LLC. Ryan McNeilly & Assoc’s, CPAs bills clients for tax preparation, IRS audits, and estate planning only.

Real Estate Broker – Preferred Apartment Rentals, LLC is a licensed Illinois real estate broker and is a related firm which shares office space and clients with INVESCO, LLC. Keith Nyborg is the managing broker.

\*\* The Select Investors Fund, LLC is an Illinois Limited Liability Company that may buy or sell income producing property or other investments that will promote the benefit of its clients. Select Investors Fund, LLC also has a stock portfolio managed by INVESCO, LLC.

#### Recommendation or Selection of Other Investment Advisors and Conflicts of Interest

We do not provide recommendations to or make selection of other investment advisors or third-party registered investment advisor firms for your account.

### **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

#### Code of Ethics

INVESCO, LLC has adopted a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with INVESCO, LLC. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. INVESCO, LLC and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of INVESCO, LLC associates to adhere not only to the specific provisions of the Code but to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include: general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures.

We periodically review and amend our Code of Ethics to ensure that it remains current.

Our firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

#### Personal Trading and Conflicts of Interest

At times, INVESCO, LLC or employees may buy or sell securities for their own account which are also recommended to clients. INVESCO, LLC may recommend securities or investment products in which INVESCO, LLC or a related person has some financial interest. To avoid any potential conflicts of interest involving personal trades, INVESCO, LLC has adopted a Code of Ethics. The Code of Ethics is predicated on the principle that INVESCO, LLC owes a fiduciary duty to its clients. Accordingly, employees must attempt to avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interests of clients.

- Act within an ethical manner with the public, investors, prospective clients and investors;
- Place the interests of Clients above their own personal interests;

- Not take inappropriate advantage of their position;
- Avoid actual or potential material conflicts of interest. In the event conflicts cannot be avoided, it is INVESCO, LLC's policy to proactively disclose such conflicts to all investors;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment.

The majority of INVESCO LLC's investing is in widely traded stocks. Given the volume of these stocks, it is unlikely that the trading of INVESCO, LLC employees would have any material impact on the stock being traded.

At no time will INVESCO, LLC or any associated person of INVESCO, LLC transact in any security to the detriment of any Client.

INVESCO, LLC does not engage in any transactions where it has a financial interest, including, but not limited to commissionable securities transactions, buying securities from or selling securities to its Clients.

1. As a Fee-Only registered investment advisor ("RIA"), INVESCO, LLC does not have a broker dealer relationship and has no incentive to sell products of any kind to its Clients.

## **Item 12 - Brokerage Practices**

### **Factors used to Select Broker-Dealers for Client Transactions**

INVESCO, LLC does not typically maintain custody of any of your assets (see item 15). Your assets must be maintained in an account at a "qualified custodian" that is frequently assessed for its capabilities to serve as a custodian by their respective industry regulatory authority. Our firm does not have an affiliate that is a custodian.

INVESCO, LLC does not receive any compensation for commissions when stocks are bought or sold. Charles Schwab & Co., Inc. has been selected as broker for reasonable commissions, efficient on-line trading and security of client securities.

INVESCO, LLC may require that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although INVESCO, LLC may require that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. INVESCO, LLC is independently owned and operated and not affiliated with Schwab. Schwab provides INVESCO, LLC with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab institutional. These services are not contingent upon INVESCO, LLC committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody research, and access to mutual funds and other investments that are

otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For INVESCO, LLC client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab institutional also makes available to INVESCO, LLC other products and services that benefit INVESCO, LLC but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of INVESCO, LLC accounts, including accounts not maintained by Schwab.

Schwab's products and services that assist INVESCO, LLC in managing and administering clients' accounts include software and other technology to (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of INVESCO, LLC fees from its clients' accounts; and (v) assist with back-office functions, record keeping and client reporting.

Schwab institutional also offers other services intended to help INVESCO, LLC manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to INVESCO, LLC. Schwab institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to INVESCO, LLC. Schwab institutional may also provide other benefits such as educational events or occasional business entertainment of INVESCO, LLC personnel.

INVESCO, LLC may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Unlike many investment advisors, INVESCO, LLC does not engage in any "soft dollar" practices involving the receipt of research or other brokerage service in relation to client commission money, nor do we receive any research or other products in connection with Client transactions. INVESCO, LLC also does not use client commission money to compensate or otherwise reward any brokers for client referrals.

We periodically conduct an assessment of any service provider we recommend, including Charles Schwab & Co., which typically includes a review of their range of services, reasonableness of fees, among other items, and in comparison, to their industry peers.

#### Best Execution

Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed in the previous section. We recognize our obligation in seeking “best execution” for our clients; however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected service provider's transactions represent the best “qualitative” execution while taking into consideration the full range of services provided. Therefore, we will seek services involving competitive rates but it may not necessarily result in the lowest possible rate for each transaction. We have determined that having Charles Schwab & Co. execute our trades is consistent with our duty to seek “best execution.”

We periodically review policies regarding our recommending service providers to our clients in light of our duty to seek “best execution.”

#### Aggregating Securities Transactions for Client Accounts

Transactions for each of our clients will generally be affected independently unless we decide to purchase or sell the same securities for several clients at approximately the same time, often termed “aggregated” or “batched” orders. We do not receive any additional compensation or remuneration as a result of aggregated transactions.

We may, but are not obligated to, aggregate orders in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among our client accounts should there be differences in prices and commissions or other transaction costs that might have been obtained had such orders been separately placed.

#### **Item 13 - Review of Accounts**

Portfolios must be periodically rebalanced back to their original targets to maintain the intended risk level and industry allocations. INVESCO, LLC reviews each Client's Account when it is opened, and monitors and periodically rebalances each Client's portfolio to seek to maintain a Client's desired risk level. INVESCO, LLC also conducts reviews when material changes may have occurred to a Client's portfolio or investment objectives. We consider tax implication when deciding when and how to rebalance in taxable accounts.

Triggering factors in rebalancing portfolios occur in brokerage accounts when the stock price drops substantially below the cost basis, or in all accounts to adjust back to desired target risk level, or when an industry becomes over-weighted.

On a quarterly basis, INVESCO, LLC provides clients written reports on their portfolio's balances & projected cash flow. The report also shows how our average client portfolio performed. In addition, we report what fees will be billed to the account for the previous quarter.

The Client will receive brokerage statements monthly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the

Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account(s).

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

##### Economic Benefits Provided to the Advisory Firm From External Sources and Conflicts of Interest

INVESCO, LLC is a Fee-Only advisor, who, in all circumstances, is compensated solely by the client. INVESCO, LLC does not receive commissions or other compensation from product sponsors, broker dealers or any un-related third party.

##### Advisory Firm Payments for Client Referrals

We do not engage in solicitation activities as defined by the SEC.

#### **Item 15 - Custody**

Client funds and securities will be maintained by an unaffiliated, qualified custodian. Client assets are not held by our firm or any of our associates.

Clients will be provided with transaction confirmations and summary account statements directly from the custodian/broker. Typically, statements are provided on a monthly basis or as transactions occur within your account. We will not create a statement for you nor be the sole recipient of account statements.

Clients will receive periodic reports from our firm that include investment performance information; you are urged to carefully review and compare your account statements that you have received directly from your broker/custodian with any report from our firm. Only the broker's trading confirmations and statements represent the official records of a client's account.

INVESCO, LLC maintains custody of two client accounts: The Select Investors Fund, LLC with securities assets totaling \$60,011,904 on 12/31/2022 and the Kathy J. Kastak Family Trust with securities assets totaling \$2,355,662 as of 12/31/2022. The Select Investors Fund, LLC is subject to a full audit, and The Kathy J. Kastak Trust is subject to an annual surprise exam - both annually by DeMarco Sciacotta Wilkens & Dunleavy, LLP, 9645 Lincolnway Ln #214a, Frankfort, IL 60423 (708) 489-1680.

#### **Item 16 - Investment Discretion**

##### Discretionary Management

We receive 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. Such authority is provided in our contract with

each client. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

Similar to a limited power of attorney, discretionary authority allows our firm to implement investment decisions, such as the purchase or sale of a security on behalf of your account, without requiring your prior authorization for each transaction in order to meet your stated account objectives.

### **Item 17 - Voting Client Securities**

As a matter of general policy, INVESCO, LLC does not vote proxies for its clients, however there may be exceptions to this rule at the manager's discretion. In the event INVESCO, LLC does vote proxies, it shall vote client proxies in a way that is consistent with the best economic interests of the clients.

### **Item 18 - Financial Information**

INVESCO, LLC does not have any financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. In addition, we do not require or solicit pre-payment of advisory fees.

### **Professional Certifications**

Partners may have earned certifications and credentials that are required to be explained in further detail.

### **Certified Public Accountant (CPA)**

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two-year period or 120 hours over a three-year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's Code of Professional Conduct within their state accountancy laws or have created their own. While various supervised persons of INVESCO, LLC are CPAs, this firm is not a CPA firm.



## **Item 19 - Requirements for Registered Advisors**

Principal Executive Officers and Management Persons

### **Keith B. Nyborg (Born 1959)**

Investment Advisor Representative

#### **Education:**

Uniform Investment Adviser State Law Examination/NASAA Series 65  
Licensed Illinois Real Estate Managing Broker  
Bachelor of Sciences University of Illinois (1981)

#### **Business Experience & Background:**

Principal, INVESCO, LLC (1990-present)

Keith has been a partner with INVESCO, LLC for over 30 years and is responsible for the management of INVESCO's daily business operations. This involves overseeing property management activities for about 150 apartments, as well as managing over \$200 million in client IRA and other stock portfolios.

#### **Other Activities:**

Keith teaches the Investing in Stocks classes through District 211 and 214's adult continuing education program. In addition, he serves as a Board member/Officer/Director on many homeowner associations boards. Keith is also a Five-Star Wealth Manager as reported in Chicago Magazine since 2012.

#### **Disciplinary Information:**

Keith B. Nyborg does not have any legal or disciplinary events that would be material to a client's evaluation of Keith or INVESCO, LLC.

#### **Additional Compensation:**

Keith B. Nyborg does not receive any additional economic benefit from third parties for providing advisory services.

#### **Supervision:**

As a managing member of INVESCO, LLC, Keith B. Nyborg is responsible for his own supervision. You can contact Keith at (847) 824-4078 or by email at [keith@invescollc.com](mailto:keith@invescollc.com).

**Ryan J. McNeilly (Born 1979)**

Investment Advisor Representative

**Education:**

Uniform Investment Adviser State Law Examination/NASAA Series 65  
Licensed Illinois Real Estate Broker  
Certified Public Accountant CPA  
Bachelor of Arts, University of Illinois (2001)

**Business Experience & Background:**

Principal, INVESCO, LLC (2008-present)  
Partner, Ryan McNeilly & Assoc's, CPAs (2008-present)  
Mortgage underwriter, TCF Bank, (2002-2008)

Ryan has a background in estate, retirement and financial planning. Ryan and his staff of CPAs prepare over 700 individual, business and partnership tax returns annually.

**Other Activities:**

Ryan is a Five-Star CPA as reported in Chicago Magazine since 2014.

**Disciplinary Information:**

Ryan J. McNeilly does not have any legal or disciplinary events that would be material to a client's evaluation of Ryan or INVESCO, LLC.

**Additional Compensation:**

Ryan J. McNeilly does not receive any additional economic benefit from third parties for providing advisory services.

**Supervision:**

As a managing member of INVESCO, LLC, Ryan J. McNeilly is responsible for his own supervision. You can contact Ryan at (847) 824-4078 or by email at [ryan@invescollc.com](mailto:ryan@invescollc.com)

**Paul N. Linzer (Born 1942)**

Investment Advisor Representative

**Education:**

Uniform Investment Adviser State Law Examination/NASAA Series 65  
MA, Northeastern Illinois University  
Bachelor of Arts, DePaul University (1966)

**Business Experience & Background:**

Principal, INVESCO, LLC (1985-present)  
Teacher, St. Patricks High School (1966 - 1985)

Paul has an extensive background in evaluating and purchasing multifamily real estate. He has helped many clients acquire and dispose of investment property over the last 30 years.

**Disciplinary Information:**

Paul N. Linzer does not have any legal or disciplinary events that would be material to a client's evaluation of Paul or INVESCO, LLC.

**Additional Compensation:**

Paul N. Linzer does not receive any additional economic benefit from third parties for providing advisory services.

**Supervision:**

As a managing member of INVESCO, LLC, Paul N. Linzer is responsible for his own supervision. You can contact Paul at (847) 824-4078 or by email at [info@invescollc.com](mailto:info@invescollc.com).

## **Nilu Judge (Born 1971)**

Investment Advisor Representative

### **Education:**

Uniform Investment Adviser State Law Examination/NASAA Series 65

Certified Public Accountant CPA

Bachelor of Commerce, University of Toronto University (1995)

### **Business Experience & Background:**

Partner, Ryan McNeilly & Assoc's, CPAs (2019-present)

Director FP&A, Enesco LLC (2006-2020)

Nilu has a background in estate, retirement and financial planning. Nilu and her staff of CPAs prepare over 700 individual, business and partnership tax returns annually.

### **Disciplinary Information:**

Nilu Judge does not have any legal or disciplinary events that would be material to a client's evaluation of Nilu or INVESCO, LLC.

### **Additional Compensation:**

Nilu Judge does not receive any additional economic benefit from third parties for providing advisory services.

### **Supervision:**

As, a managing member of INVESCO, LLC, Nilu Judge is responsible for her own supervision. You can contact Nilu at (847) 824-4078 or by email at [nilu@invescollc.com](mailto:nilu@invescollc.com)