



INVESTMENT  
PARTNERS LTD

**Form ADV Part 2A: Firm Brochure**

**Item 1 - Cover Page**

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Date of Brochure: January 2024

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This brochure provides information about the qualifications and business practices of Investment Partners, LTD. If you have any questions about the contents of this brochure, please contact us at 330-308-9707 or at [invest@invp.com](mailto:invest@invp.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Investment Partners, LTD is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view Investment Partners, LTD's information on this website by searching for Investment Partners, LTD. You can search for information by using Investment Partners, LTD's name or by using Investment Partners, LTD's CRD number. The CRD number for Investment Partners, LTD is 108913.

\*Registration as an investment advisor does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

There are no material changes to report since our last annual amendment was filed in January 2023

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on October 31 so you will receive the summary of material changes, if any, no later than February 28 each year. At that time, we will also offer a copy of the most current disclosure brochure. We will also provide other ongoing disclosure information about material changes as necessary.

You may request a copy of our current Brochure at any time, without charge, by calling 330-308-9707 or by emailing [invest@invp.com](mailto:invest@invp.com).

### Item 3 – Table of Contents

Item 1 - Cover Page.....	1
Item 2 – Material Changes .....	2
Item 4 – Advisory Business.....	5
<i>Our Principal Owners</i> .....	5
<i>Client Assets Managed by Advisor</i> .....	5
<i>Advisory Services Offered</i> .....	5
Asset Management Services .....	5
Planning Services .....	6
<i>General Information</i> .....	7
<i>Participation in Wrap Fee Programs</i> .....	7
<i>Program Choice Conflicts of Interest</i> .....	8
Item 5 – Fees and Compensation .....	11
Asset Management Fee Schedule.....	11
Fixed Schedule .....	11
Blended Schedule .....	12
Planning Services Fee Schedule.....	13
Additional Compensation.....	13
Item 6 – Performance-Based Fees and Side-By-Side Management.....	15
Item 7 – Types of Clients.....	15
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	15
<i>Methods of Analysis</i> .....	15
<i>Investment Strategies</i> .....	17
<i>Risk of Loss</i> .....	17
Item 9 – Disciplinary Information .....	22
Item 10 – Other Financial Industry Activities and Affiliations.....	23

<i>Other Business Activities</i> .....	23
<i>Other Related Companies</i> .....	23
<i>Relationship with Rea Financial Services; Relationship with Unaffiliated Broker-Dealer</i> .....	24
<b>Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading</b> .....	24
<i>Code of Ethics Summary</i> .....	24
<i>Participation in Client Transactions and Personal Trading</i> .....	24
<b>Item 12 – Brokerage Practices</b> .....	25
<i>Block Trading Policy</i> .....	26
<i>Soft Dollars</i> .....	26
<i>Account Reviews and Reviewers</i> .....	27
<i>Statements and Reports</i> .....	27
<b>Item 14 – Client Referrals and Other Compensation</b> .....	27
<b>Item 15 – Custody</b> .....	28
<b>Item 16 – Investment Discretion</b> .....	28
<b>Item 17 – Voting Client Securities</b> .....	29
<b>Item 18 – Financial Information</b> .....	29

## Item 4 – Advisory Business

Investment Partners, LTD is an investment adviser registered with the United States Securities and Exchange Commission. Investment Partners, LTD is a limited liability company formed under the laws of the state of Ohio.

Investment Partners offers investment advisory services including asset management services, planning services, and a mutual fund asset allocation service. Investment Partners has been registered as an investment adviser since November 21, 1997.

This Brochure is designed to provide detailed and clear information relating to each item noted in the table of contents. Certain disclosures are repeated in one or more items, and/or other items are referred to in an effort to be as comprehensive as possible on the broad subject matters discussed. Within this Brochure, certain terms in either upper- or lowercase are used as follows:

- “INVP”, “Investment Partners”, “we”, “us”, and “our” refer to Investment Partners, LTD
- “Investment Advisor Representative”, or “IAR”, refers to persons who provide investment recommendations or advice on behalf of Investment Partners, LTD.
- “You”, “yours”, and “client” refer to clients of Investment Partners, LTD.

Commonwealth Equity Services, Inc dba Commonwealth Financial Network (hereinafter “Commonwealth”) of Waltham, Massachusetts, a FINRA-registered broker/dealer and SEC-registered investment adviser will be referenced throughout this brochure.

### ***Our Principal Owners***

Rea Financial Services, LTD is the 100% controlling owner of Investment Partners, LTD. Rea Financial Services, LTD is wholly owned by Rea & Associates, Inc. The major decisions of a strategic and administrative nature for the firm are made by Douglas Bambeck, President and Chief Compliance Officer.

### ***Client Assets Managed by Advisor***

The amount of clients’ assets managed by Investment Partners totaled \$646,132,340 as of October 31, 2023. \$638,272,067 are managed on a discretionary basis and \$7,860,273 are managed on a non-discretionary basis.

### ***Advisory Services Offered***

#### **Asset Management Services**

We offer asset management services based on each client’s individual needs on a continuous and ongoing basis. When providing asset management services, we will gather information about your financial history, goals, objectives, and financial concerns. This will help us develop an asset allocation strategy customized to your situation. All information that you provide to us will be kept confidential. You will establish an account and deposit cash, cash equivalents and securities and engage Investment Partners to manage the account. We will then manage your account, on a continuous basis, consistent with your individual investment objectives, risk tolerance, and financial situation. You must appoint our firm as your investment adviser of record on specified accounts opened through Commonwealth and custodied through National Financial Services, LLC (NFS). Your accounts will be held separately from all other clients by NFS under your name. NFS maintains physical custody of all funds and securities of your accounts, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the accounts.

Our Asset Management Services will include asset allocation, investment policy statements and decisions regarding the purchase of individual securities; including stocks, bonds and mutual funds, if applicable. Accounts are managed by developing either individually customized account holdings or by utilizing one or more models developed by Investment Partners through a comprehensive client interview including a discussion of your stated investment objectives, financial condition, time horizon and risk tolerance. When accounts are managed using one or more of the Investment Partners models, the model shall consist of a portfolio of general mutual fund asset classes.

Each asset allocation model shall consist of an agreed to percentage mix of fixed income and equity mutual fund shares. For each model the fixed income allocation may include mutual funds of the following general types: (a) Money Market; (b) US Government Securities; (c) Foreign or Global Government; (d) US Corporate; (e) Foreign Corporate; (f) Municipals; (g) Diversified; (h) Strategic; or any other present or future fixed income mutual fund. For each model, the equity allocation may include the following general types: (a) Equity Income; (b) Growth and Income; (c) Growth; (d) Aggressive Growth; (e) Global; (f) International; (g) Emerging Markets; (h) Special Situations; or any other present or future equity type mutual fund. Some or all of these general mutual fund types will be used in a given client's portfolio depending on the availability within the client's respective mutual fund families.

Once the basic asset allocation model is determined, assets will be reallocated from the current allocation at any point in time as appropriate. All reallocation decisions are made so as to be consistent with the client's original goals and strategies.

Your specific needs, objectives and requirements are identified prior to implementing any investment decisions. Your goals and objectives are reviewed by an Investment Advisor Representative (IAR) of Investment Partners when known changes in your individual circumstances or market conditions dictate.

You are responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your account. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

It is important you understand that we manage investments for other clients and can give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we cannot lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

Separate records are maintained for each client and statements are sent at least quarterly. Statements include information relating to the composition of the portfolio, market value, and will include asset allocation information and performance comparisons. Trade confirmations are mailed to you from the account custodian as transactions occur in your account. We are available to meet with you when needed (as determined by us) or at your request to discuss your investment portfolio and to update your financial information if any changes have occurred.

You are advised that transactions in the account, account reallocations and rebalancing can trigger a taxable event, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts.

### **Planning Services**

We provide various planning services, including but not limited to financial, retirement, education, and estate planning analysis services as well as budgeting and cash flow analysis, consistent with an individual client's financial and tax status, risk tolerance, and investment objectives.

We will gather financial information and history from you including, but not limited to, retirement and financial goals, investment objectives, investment horizon, financial needs, fringe benefit analysis, cash flow analysis, cost of living needs, education needs, savings tendencies, and other applicable financial information

required by us in order to provide the advisory services requested. Based upon your needs, we will present an analysis of your situation and recommendations for steps to be taken to assist you to work toward financial goals.

Financial plans are based on your financial situation at the time and are based on financial information disclosed by you to us. Be advised that certain assumptions are made with respect to interest and inflation rates and use of past trends and performance of the market and economy. However, past performance is in no way an indication of future performance. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Further, you must continue to review any plan and update the plan based upon changes in your financial situation, goals, or objectives or changes in the economy. Should your financial situation or investment goals or objectives change, you must notify us promptly of the changes. Be advised that the advice offered by us is limited and is not meant to be comprehensive. Therefore, you should seek the services of other professionals such as an insurance advisor, attorney and/or accountant.

### ***General Information***

Please be advised that the investment recommendations and advice offered by us is not legal advice or accounting advice. You should coordinate and discuss the impact of financial advice with your attorney and/or accountant. It is necessary to inform us promptly with respect to any changes in your financial situation and investment goals and objectives. Failure to notify us of any such changes could result in investment recommendations not meeting your needs.

### ***Participation in Wrap Fee Programs***

We offer asset management services through two programs, a traditional asset management program and a wrap-fee management program. In our traditional asset management program, you elect to pay expenses under a “traditional” payment option. This means that advisory services are provided for a fee, but transaction services are billed separately on a per-transaction basis. In our wrap-fee management program, you elect the bundled “wrap-fee” payment option. This means that advisory services (including portfolio management or advice regarding selecting other investment advisors) and transaction services are provided for one fee. Whenever a fee is charged to you for services described in this Wrap Fee Program Brochure, we will receive all or a portion of the fee charged.

From a management perspective, there is not a fundamental difference in the way we manage accounts that have elected the traditional payment option versus those that have elected the bundled wrap-fee payment option. The only significant difference is the way in which transaction costs are paid.

When we pay the qualified custodian on a per transaction basis for a Wrap Account, we have a conflict of interest when recommending a client select a Wrap Account because, in a Wrap Account arrangement, our net compensation will decrease with each execution fee that we pay on behalf of the client. As a result, we have a financial incentive to recommend the client execute fewer transactions in a Wrap Account or to recommend a Wrap account if such recommendation would increase our net compensation.

In order to mitigate this conflict of interest, the investment adviser representative assigned to the client will (i) provide investment advice regarding a selection or change in account type in accordance with the adviser’s fiduciary duty, (ii) not recommend investments which result in our firm or any supervised person of our firm receiving unreasonable compensation related to establishing Wrap account over a Non-Wrap account or switching account type from a Wrap account to Non-Wrap account or vice versa, and (iii) fully disclose compensation received by our firm and its supervised persons and any material conflicts of interest related to the investment adviser representative recommending the establishment of Wrap account or Non-Wrap account or a switch from Wrap account to Non-Wrap account or vice versa. Our firm and our representatives will refrain from making any materially misleading statements regarding the advantages or disadvantages of such account types or a switch in account types.

When an investment adviser representative provides investment advice to a client regarding whether to maintain investments in Wrap account over a Non-Wrap account, the investment adviser representative will act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based

on the investment objectives, risk, tolerance, financial circumstances, and a client's needs, without regard to the financial or other interests of investment adviser representative, our firm or our affiliates.

The investment adviser representative assigned to the client is responsible for analyzing whether to recommend that client establish a Wrap account over a non-Wrap account or a switch from an existing Wrap account to non-Wrap account or vice versa. When analyzing whether to recommend a Wrap account, the investment adviser representative will consider various factors including those laid out in our *Wrap vs. Non-Wrap Account – Client Acknowledgement Form*, the importance of which will depend on the client's individual needs and circumstances.

A Wrap Account is generally not in the best interest of a client if it is more expensive than a Non-Wrap Account alternative. However, cost is not always determinative. If the Wrap Account is expected to be more expensive than a Non-Wrap Account but the client still prefers it, the investment adviser representative must indicate compelling, non-monetary reasons the client prefers the Wrap Account. In all cases, the investment adviser representative must document why he or she thinks the Wrap Account is in the client's best interest.

We provide investment advice on the following types of investments:

- Exchange Traded Funds (ETFs)
- Mutual Funds
- Individual Equities (e.g. individual stock positions) such as exchange-listed securities
- Individual Fixed Income Positions (e.g. bonds)
- Certificates of Deposit

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We can also modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.

### ***Program Choice Conflicts of Interest***

You should be aware that the compensation to Commonwealth and us will differ according to the specific advisory programs or services provided. This compensation to Commonwealth and us is more than the amounts we would otherwise receive if you participated in another program or paid for investment advice, brokerage, or other relevant services separately. Lower fees for comparable services are available from other sources. Because of the differences in fee schedules and other sources of compensation that exist among the various advisory programs and services offered by Commonwealth and us, we have a financial incentive to recommend a particular program or service over other programs or services available through Commonwealth that would cost you less money.

We have taken steps to manage our conflict of interest arising from this program fee variation for current clients, whereby we and our IAR will provide investment advice without regard to the fee payable to us for such advice and without any aim of increasing our compensation at the expense of your interest.

We have instituted procedures designed to recommend investment programs based upon the suitability and best interest standards of your investment interests.

Commonwealth charges us an administrative fee at the same time you are charged asset-based fees. The administrative fee is charged to and paid by us rather than yourself and is calculated as a percentage of the total account assets, including cash and money market positions, held by our clients. The administrative fee covers Commonwealth's maintenance costs associated with performance reporting, account reconciliation, auditing, and quarterly statements. In the same manner as many advisors offer asset management fee discounts to their larger clients, Commonwealth offers us administrative fee discounts based on our total AUM. As we grow our fee-based business, Commonwealth's

economies of scale are shared with us by reducing the percentage amount of administrative fees that would otherwise be charged to us. We are offered discounts on the administrative fee when we reach specified asset levels. As the amount of our client assets in fee-based accounts grows above certain levels, we receive larger percentage discounts to the administrative fees than we would otherwise receive with fewer assets in fee-based accounts.

These discounts in administrative fees and higher payouts for reaching various fee-based AUM levels present a conflict of interest because they provide a financial incentive for us to recommend fee-based accounts over other available accounts that do not offer such discounts or higher payouts to us.

### ***Retirement Plan Rollover Recommendations***

As part of our financial planning and advisory services, we may provide you with recommendations and advice concerning your employer retirement plan or other qualified retirement account. When appropriate, we may recommend that you withdraw the assets from your employer's retirement plan or other qualified retirement account and roll the assets over to an individual retirement account ("IRA") to be managed by our firm or a Third-Party Manager that we recommend. If you elect to roll the assets to an IRA under our management, we will charge you an asset-based fee as described in Item 5. This practice presents a conflict of interest because our Advisory Representative has an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Furthermore, if you do complete the rollover, you are under no obligation to have your IRA assets managed under our program.

Some employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of each.

An employee will typically have four options:

1. Leave the funds in your employer's (former employer's) plan.
2. Roll over the funds to a new employer's retirement plan.
3. Cash out and take a taxable distribution from the plan.
4. Roll the funds into an IRA rollover account.

Each of these options has advantages and disadvantages. Before making a change, we encourage you to speak with your financial advisor, CPA and/or tax attorney.

Before rolling over your retirement funds to an IRA for us to manage or to a Third-Party Managed Program, carefully consider the following. NOTE: This list is not exhaustive.

1. Determine whether the investment options in your employer's retirement plan address your needs or whether other types of investments are needed.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public, such as employer securities or previously closed funds.
2. Your current plan may have lower fees than our fee and/or the Third-Party Manager's fee combined.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
3. You should understand the various products and services available through an IRA provider and their costs.

4. It is likely you will not be charged a management fee and will not receive ongoing asset management services unless you elect to have such services. If your plan offers management services, the fee associated with the service may be more or less than our fee and/or the Third-Party Manager's fee combined.
5. The Third-Party Manager's or our management strategy may have higher risk than the options provided to you in your plan.
6. Your current plan may offer financial advice, guidance, management and/or portfolio options at no additional cost.
7. If you keep your assets titled in a 401(k) or retirement account, you could potentially delay your required minimum distribution beyond the required minimum distribution age.
8. Your 401(k) may offer more liability protection than a rollover IRA; each state varies. Generally, Federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies; however, there can be exceptions. Consult an attorney if you are concerned about protecting your retirement plan assets from creditors.
9. You may be able to take out a loan on your 401(k), but not from an IRA.
10. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or a home purchase.
11. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
12. Your plan may allow you to hire us or another firm as the manager and keep the assets titled in the plan name.

It is important that you understand your options, their features, and their differences, and decide whether a rollover is best for you. If you have questions, contact us at our main number listed on the cover page of this brochure.

In addition to complying with applicable SEC rules, INVP is subject to certain rules and regulations adopted by the U.S. Department of Labor when we provide nondiscretionary investment advice to retirement plan participants and IRA owners. When these DOL rules apply, our advisors and INVP are "fiduciaries," for purposes of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended, and the Internal Revenue Code of 1986 ("the Code"), as amended. Therefore, INVP and our advisors may not receive payments that create conflicts of interest when providing fiduciary investment advice to plan sponsors, plan participants, and IRA owners, unless we comply with a prohibited transaction exemption ("PTE"). Beginning December 20, 2021, INVP and our advisors will comply with ERISA and the Code by using PTE 2020-02. As fiduciaries under ERISA and the Code, we render advice that is in plan participants' and IRA customers' best interest. INVP's and our advisors' status as an ERISA/Code fiduciary is limited to ERISA/Code covered nondiscretionary advice and recommendations regarding rolling over a retirement account and does not extend to all situations.

#### ***Individualized Services and Client-Imposed Restrictions***

The investment advisory services provided by our advisors depend largely on the personal information the client provides to the advisor. In order for our advisors to provide appropriate investment advice to, or, in the case of discretionary accounts, make tailored investment decisions for, the client, it is very important that clients provide accurate and complete responses to their advisor's questions about their financial condition, needs, goals, and objectives and notify the advisor of any reasonable restrictions they wish to apply to the securities or types of securities

to be bought, sold, or held in their managed account. It is also important that clients promptly inform their advisor of any changes in their financial condition, investment objectives, personal circumstances, or reasonable investment restrictions pertaining to the management of their account, if any, that may affect their overall investment goals and strategies or the investment advice provided or investment decisions made by their advisor.

### **Item 5 – Fees and Compensation**

This section provides details regarding Investment Partners’ fees and compensation arrangements for its various advisory services that are described at Item 4 – Advisory Business. It should be noted that lower fees for comparable advisory services are available from other sources.

#### **Asset Management Fee Schedule**

Our compensation is based on fees calculated as a percentage of the market value of your account on the last business day of the just completed calendar quarter and shall be paid in advance of each calendar quarter. Accounts managed for a part of the quarter (i.e. accounts established during a calendar quarter or closed during a calendar quarter) will be charged or credited a prorated portion of the advisory fees for the calendar quarter. Accounts established during a quarter will be charged an initial advisory fee based on the value of the account at the end of the month following account establishment and prorated for the remaining calendar quarter.

Our advisory fees will be collected directly from your accounts provided that you have provided Commonwealth with written authorization to withdraw advisory fees directly from your Account. You will be provided with an account statement reflecting the deduction of the advisory fee from your account. If the Account does not contain sufficient funds to pay advisory fees, we will sell or redeem securities, as necessary, in sufficient amounts to pay advisory fees. These fees are generally deducted from your brokerage account by the end of the following month.

**Fees are negotiable.** Therefore, fees differ from client to client based on such factors as type and size of the account. Transaction charges and other account-related fees assessed by the account custodian or Commonwealth are not negotiable. For some clients, we will aggregate accounts under management (i.e. those accounts being charged an advisory fee) to determine the fee breakpoint. We consider this a negotiating factor that is not available to all clients. Additionally, advisory fees are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds. Advisory fees are in accordance with the following maximum fee schedules depending on the type of managed account.

Investment Partners, LTD generally offers two types of fee schedules. A “Fixed Schedule” and “Blended Fee Schedule”.

#### **Fixed Schedule**

A Fixed Schedule looks at the account value at the end of the billing period and calculates the fee.

<u>Account Value</u>	<u>Maximum Fee</u>
\$0 to \$250,000	1.80%
\$250,001 to \$500,000	1.60%
\$500,001 to \$1,000,000	1.50%
\$1,000,001 to \$2,000,000	1.10%
\$2,000,001 or more	1.00%

## Blended Schedule

A blended schedule looks at the account value and compares it to a set fee schedule. Based upon the value of the account at the end of the billing period, the fee schedule identifies specific portions of the account value to be charged at different fee rates. The total value of the account is compared against this schedule and based on the account size, the different fee rates are blended to determine the total account fee for that period.

For example, assume the advisor and client negotiate the following breakpoint fee schedule:

Account Value		Maximum Fee
Greater than or equal to	Less than	
0\$	\$250,000	1.50%
\$250,000	\$500,000	1.20%
\$500,000	\$2,000,000	1.00%
\$2,000,000	-	0.75%

In addition to the advisory fees above, you will pay fees for custodial services, account maintenance fees, transaction fees, and other fees associated with maintaining your account. By selecting this Investment Partners Asset Management Services Program on a non-wrap fee basis, you are electing to directly pay execution charges, including transaction ticket fees charged by the account custodian and Commonwealth, which are in addition to and separate from the advisory management fee that you pay to us. Such fees will be billed directly to you by the account custodian. If your accounts are managed on a wrap-fee basis, the execution charges including transaction ticket fees are covered by the overall management fee charged and you are not charged separately for such services the account custodian.

For non-wrap accounts, a transaction fee applies to all stock trades, and a transaction fee also will apply to the purchase, sale or exchange of certain mutual funds. By selecting this traditional Investment Partners Asset Management Program, you have elected to directly pay for the execution charges in your managed account. These transaction fees will be debited from your account on the settlement date of such transactions. Investment Partners does not share in a portion of transaction fees for stock trades. Additionally, all clients will pay their proportionate share of the fund's management and administrative fees, as well as, the mutual fund adviser's fee of any mutual fund they purchase in the managed account. Such fees are not shared with Investment Partners and are compensation to the fund-manager. You should read the mutual fund prospectus prior to investing.

You may make additions to your account or withdrawals from your account. No fee adjustments will be made for partial withdrawals from the account, additional deposits to the account, or for account appreciation or depreciation.

Should an error in the execution of a trade be found, we will promptly take steps to rectify the situation. In the event the error has been identified as an error that has occurred as a result of the account custodian's activities or Investment Partners actions, your account will be corrected and any charges for the corrections will be paid by us. Errors created by Investment Partners in advisory accounts will be corrected in a way that does not harm you. If any trade errors that occur result in a gain, Investment Partners will not receive the gain or benefit from the corrected error. We will not use soft dollars to correct errors made by Investment Partners

when placing a trade for your account. You will be made whole, or the transaction corrected as soon as possible.

We or you may terminate management services at any time. Services will be terminated without penalty and any fees due will be pro-rated and billed to you. In the event you terminate services, termination shall be effective from the time we receive written notification, or such other time as may be mutually agreed upon, subject to the settlement of transactions in process and the final payment of advisory fees. There will be no penalty charged upon termination. In the event we terminate the relationship, the agreement will be terminated upon notice to you with any verbal notice confirmed by a written termination notice or such time as may be mutually agreed upon, also subject to the settlement of transactions in progress and the final payment of advisory fees.

Investment Partners may waive all or a portion of the advisory fee, whether on an ongoing or a one-time basis, in its sole discretion.

### **Planning Services Fee Schedule**

Fees are billed at a rate of \$250.00 per hour and are paid as services are provided. Fees are negotiable. Unless otherwise stated, client agreements are for a period of one year. In certain instances, depending on your needs and the services to be performed by the investment advisor representative, the advisory fee will be based upon individual negotiations with you. In such instances, the fee is stipulated and agreed upon in the advisory contract.

The advisory agreement may be terminated at any time at your discretion. You may terminate advisory services within five (5) business days after entering into the advisory agreement without penalty. After five (5) business days of entering into the advisory agreement, you may terminate advisory services at any time upon our receipt of your written notice to terminate. There are no provisions for refunds when services have been rendered, and we do not charge a minimum fee for our financial planning services. You will be sent a final invoice for services rendered up to the date of termination.

Be advised that fees for planning services are strictly for planning services. Therefore, you will pay fees and/or commissions for additional services obtained such as asset management or products purchased such as securities or insurance.

### **Additional Compensation**

In addition to the charges noted above, you incur certain charges imposed by Commonwealth, or by third parties other than Commonwealth or us, in connection with certain investments, transactions, and services in your account.

In many cases, Commonwealth will receive a portion of these fees and charges or add a markup to the charges you would otherwise pay to generate additional revenue for Commonwealth. The actual fees and charges that you will incur are dependent upon the type of account and the nature and quantity of the transactions that occur, the services that are provided, or the positions that are held in the account. Additional fees and charges that clients will typically pay include, but are not limited to:

- Mutual fund or money market 12b-1 fees, sub-transfer agent fees, and distributor fees
- Mutual fund and money market management fees and administrative expenses
- Mutual fund transaction and redemption fees
- Certain deferred sales charges on mutual funds purchased or transferred into the account
- Other transaction charges and service fees
- IRA and qualified retirement plan fees
- Other charges required by law
- Brokerage account fees and charges

Information about the brokerage fees and charges that are applicable to an Investment Partners managed account is provided on Commonwealth's Schedule of Miscellaneous Account and Service Fees, which is available on Commonwealth's website at:

[www.commonwealth.com/clients/media/Commonwealth\\_Brokerage\\_Fee\\_Schedule.pdf](http://www.commonwealth.com/clients/media/Commonwealth_Brokerage_Fee_Schedule.pdf).

We will not select share classes of mutual funds that pay Commonwealth or us 12b-1, sub-transfer agent, distributor, transaction, and/or revenue-sharing fees when lower-cost institutional or advisory share classes of the same mutual fund exist that do not pay Commonwealth or us additional fees. As a matter of policy, Commonwealth and our firm credit the mutual fund 12b-1 fees it receives from mutual funds purchased or held in managed accounts back to the client accounts paying such 12b-1 fees.

In most cases, mutual fund companies offer multiple share classes of the same mutual fund. Some share classes of a fund charge higher internal expenses, whereas other share classes of a fund charge lower internal expenses. Institutional and advisory share classes typically have lower expense ratios and are less costly for a client to hold than Class A shares or other share classes that are eligible for purchase in an advisory account. Mutual funds that offer institutional share classes, advisory share classes, and other share classes with lower expense ratios are available to investors who meet specific eligibility requirements that are described in the mutual fund's prospectus or its statement of additional information. These eligibility requirements include, but may not be limited to, investments meeting certain minimum dollar amounts and accounts that the fund considers qualified fee-based programs. The lowest-cost mutual fund share class for a particular fund is not always offered or made available through Commonwealth or available for accounts with specific registration types of accounts. Although our policy is to select the lowest share class available through Commonwealth, you should never assume that your account will be invested in the share class with the absolute lowest possible expense ratio or cost.

We urge you to discuss with your investment advisor representative whether lower-cost share classes are available in your particular program account. We encourage you to also ask your investment advisor representative why the particular funds or other investments that will be purchased or held in your managed account are appropriate for you in consideration of your expected holding period, investment objective, risk tolerance, time horizon, financial condition, amount invested, trading frequency, the amount of the advisory fee charged, whether you will pay transaction charges for fund purchases and sales, whether you will pay higher internal fund expenses in lieu of transaction charges that could adversely affect long-term performance, and relevant tax considerations. Your IAR will not recommend, select, or continue to hold a fund share class that charges you higher internal expenses than other available share classes for the same fund. Further information regarding fees and charges assessed by a mutual fund is available in the appropriate mutual fund prospectus.

The purchase or sale of transaction-fee ("TF") funds available for investment through Commonwealth will result in the assessment of transaction charges to you, Investment Partners, or Commonwealth. Although no-transaction-fee ("NTF") funds do not assess transaction charges, most NTF funds have higher internal expenses than funds that do not participate in an NTF program. These higher internal fund expenses are assessed to investors who purchase or hold NTF funds. Depending upon the frequency of trading and hold periods, NTF funds may cost you more, or may cost Commonwealth or Investment Partners less, than mutual funds that assess transaction charges but have lower internal expenses. In addition, the higher internal expenses charged to clients who hold NTF funds will adversely affect the long-term performance of their accounts when compared to share classes of the same fund that assess lower internal expenses.

In addition to reading this Brochure carefully, we urge you to inquire whether lower-cost share classes are available and/or appropriate for your account in consideration of your expected investment holding periods, amounts invested, and anticipated trading frequency. Further information regarding fees and charges assessed by a mutual fund is available in the appropriate mutual fund prospectus.

In addition to receiving asset-based fees in their capacity as an investment adviser representative or solicitor, Commonwealth IARs receive reimbursements or marketing allowances for marketing expenses and business development costs incurred by them. In addition, IARs receive invitations to conferences and meetings that are sponsored by third-party firms that offer managed account or advisory programs or services to them. Portfolio strategists, investment managers, and product manufacturers typically contribute to the cost of the conferences and meetings, are identified as a sponsor of the conference or meeting, and often have the opportunity to promote their products, programs, and services directly to the IAR. Additionally, the IAR's travel-related costs and expenses, meals, and entertainment are usually paid for or subsidized by the firms. These payments to Investment Partners' IARs present a conflict of interest because they provide a financial incentive for IARs to recommend clients use or recommend a particular managed account program or advisory service that offers these payments and opportunities to the IAR over other managed account or advisory programs that do not offer such payments or opportunities to the IAR.

**For California Residents:** Subsection (j) of Rule 260.238 of the California Code of Regulations requires that all investment advisers disclose to their advisory clients that lower fees for comparable services may be available from other sources.

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

Item 6 is not applicable to Investment Partners. We do not charge or accept performance-based fees. Performance-based fees are fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

### **Item 7 – Types of Clients**

Investment Partners generally provides investment advice to the following types of clients.

- Individuals (other than high net worth individuals)
- High Net Worth Individuals
- Pension and profit-sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

All clients are required to execute an agreement for services in order to establish a client arrangement with Investment Partners. We do not require a minimum investment amount or account size for participation in its advisory service programs.

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

#### ***Methods of Analysis***

As a firm, Investment Partners does not favor any specific method of analysis over another, and therefore, would not be considered to have one approach deemed to be a "significant strategy". There are, however, a few common approaches that may be used by Investment Partners or your investment advisor representative, individually or collectively, in the course of providing advice. It is important to note that there is no investment strategy that will guarantee a profit or prevent loss. Following are some common strategies employed by Investment Partners and our IARs in the management of client accounts or in formulating investment advice:

**Charting.** This is a method used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these charting techniques believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

Fundamental. This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

Technical. This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

Cyclical. This is a method of analyzing the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some

upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Dollar-Cost Averaging (“DCA”). The technique of buying a fixed dollar amount of a particular investment on a regular schedule, regardless of the share price. More shares are purchased when prices are low, and fewer shares are bought when prices are high. DCA is believed to lessen the risk of investing a large amount in a single investment at a higher price. DCA strategies do not prevent against loss in declining markets.

Asset Allocation. An investment strategy that aims to balance risk and rewards by allocating assets among a variety of asset classes. At a high level, there are three main asset classes – equities (stocks), fixed income (bonds), and cash/cash equivalents – each of which has different risk and reward profiles/behaviors. Asset classes are often further divided into domestic and foreign investments, and equities are often divided into small, immediate, and large capitalization. The general theory behind asset allocation is that each asset class will perform differently from the others in different market conditions. By diversifying a portfolio of investments among a wide range of asset classes, IARs seek to reduce the overall volatility and risk of a portfolio through avoiding overexposure to any one asset class during various market cycles. Asset allocation does not guarantee a profit or protect against loss.

### ***Investment Strategies***

Investment Partners uses the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

Trading. Investments sold within 30 days.

Option writing including covered options, uncovered options, or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

### ***Risk of Loss***

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

**Market Risks:** The prices of, and the income generated by, the common stocks, bonds, and other securities you own may decline in response to certain events taking place around the world, including those directly involving the issuers; conditions affecting the general economy; overall market changes; local, regional, or global political, social, or economic instability; governmental or governmental agency responses to economic conditions; and currency, interest rate, and commodity price fluctuations. This is also referred to as systemic risk.

**Equity (stock) market risk:** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

**Company Risk.** When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

**Fixed Income Risk.** When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

**Options Risk.** Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

**ETF and Mutual Fund Risk:** When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.

**Management Risk:** Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

**Interest rate risks:** The prices of, and the income generated by, most debt and equity securities will most likely be affected by changing interest rates and by changes in the effective maturities and credit ratings of these securities. For example, the prices of debt securities generally decline when interest rates rise and increase when interest rates fall. In addition, falling interest rates may cause an issuer to redeem, "call," or refinance a security before its stated maturity date, which would typically result in having to reinvest the proceeds in lower-yielding securities.

**Credit risks:** Debt securities are also subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default.

**Risks of investing outside the U.S.:** Investments in securities issued by entities based outside the United States are often subject to the risks described above to a greater extent.

**Margin transactions:** Securities transactions in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan, inherently have more risk than cash purchases. If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk in accounts utilizing margin includes the amount of money invested plus the amount that was loaned to them.

**Pledging assets:** Pledging assets in an account to secure a loan involves additional risks. The bank holding the loan has the authority to liquidate all or part of the securities at any time without prior notice in order to maintain required maintenance levels, or to call the loan at any time, and this may cause you to sell assets and realize losses in a declining market. In addition, because of collateral requirements imposed by the bank, investment decisions for the account may be restricted. These restrictions, or a forced liquidation, may interfere with your long-term investment goals and/or result in adverse tax consequences.

**Tax considerations:** Our strategies and investments may have unique and significant tax implications. Unless specifically agreed otherwise, and in writing, however, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, it is strongly recommended that you consult with a tax professional regarding the investing of your assets. Custodians and broker/dealers must report the cost basis of equities acquired in client accounts. Your custodian will default to the first in, first out (“FIFO”) accounting method for calculating the cost basis of your equity investments and average-cost for mutual fund positions. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately, and Commonwealth will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

**Liquidity risk:** The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price, or it may not be possible to sell the investment at all. Certain structured products, interval funds, and alternative investments are less liquid than securities traded on an exchange, and you should be aware of the fact that you may not be able to sell these products outside of prescribed time periods. You should consult your advisor prior to purchasing products considered illiquid and in instances where changes in your financial situation and objectives may increase your need for liquidity.

**Inflation risk:** Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client’s future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

**Time horizon and longevity risk:** Time horizon risk is the risk that your investment horizon is shortened because of an unforeseen event (e.g., the loss of your job). This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired or nearing retirement.

**Liquidity risk:** The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price, or it may not be possible to sell the investment at all. Certain structured products, interval funds, and alternative investments are less liquid than securities traded on an exchange, and you should be aware of the fact that you may not be able to sell these products outside of prescribed time periods. You should consult your advisor prior to purchasing products considered illiquid and in instances where changes in your financial situation and objectives may increase your need for liquidity.

### ***Recommendation of particular types of securities***

We will recommend various types of securities and do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it, and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. In very general terms, however, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. Descriptions of the types of securities we may recommend to you and some of their inherent risks are provided below:

- **Money market funds:** A money market fund is technically a security, and, as such, there is a risk of loss of principal, although it is generally rare. In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation (“FDIC”) insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or down. If it goes up, that may result in a positive outcome. If it goes down, however, and you earn less than

you expected to, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tend to be less than long-term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

- **Municipal securities:** Municipal securities, while generally thought of as safe, can have significant risks associated with them, including, but not limited to, the creditworthiness of the governmental entity that issues the bond, the stability of the revenue stream that is used to pay the interest to the bondholders, when the bond is due to mature, and whether the bond can be “called” prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.
- **Bonds:** Also known as corporate debt securities, bonds are typically safer investments than equity securities, but their risk can also vary widely based on the financial health of the issuer, the risk that the issuer might default, when the bond is set to mature, and whether the bond can be “called” prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.
- **Stocks:** There are numerous ways of measuring the risk of equity securities (also known simply as “equities” or “stocks”). In very broad terms, the value of a stock depends on the financial health of the company issuing it. Stock prices, however, can be affected by many other factors, including, but not limited to, the class of stock (e.g., preferred or common), the health of the market sector of the issuing company, and the overall health of the economy. In general, larger, more well-established companies (i.e., large-caps) tend to be safer than smaller start-up companies (i.e., small-caps), but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.
- **Mutual funds and ETFs:** Mutual funds and ETFs are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund’s investments in accordance with the fund’s investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small-cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds in that they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are “no load,” meaning there’s no fee to buy into or sell out of the fund, other types of mutual funds do charge such fees, which can also reduce returns. Mutual funds can also be “closed-end” or “open-end.” Open-end mutual funds continue to allow new investors indefinitely, whereas closed-end funds have a fixed number of shares to sell, which can limit their availability to new investors.
- **Variable annuities:** A variable annuity is a form of insurance where the seller or issuer (typically an insurance company) makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum (single-payment annuity) or a series of regular payments (regular-payment annuity). The payment stream from the issuer to the annuitant has an unknown duration based principally upon the date of death of the annuitant. At this point, the contract will terminate, and the remainder of the funds accumulated will be forfeited unless there are other annuitants or beneficiaries in the contract. Annuities can be purchased to provide an income during retirement. Unlike fixed annuities that make payments in fixed amounts or in amounts that increase by a fixed percentage, variable annuities pay amounts that vary according to the performance of a specified set of investments, typically bond and equity mutual funds. Many variable annuities typically impose asset-based sales charges or surrender charges for withdrawals within a specified period. Variable annuities may impose a variety of fees and expenses, in addition to sales and surrender charges, such as mortality and expense risk charges, administrative fees, underlying fund expenses, and charges for special features, all of which can reduce the return.

- Real estate:** Real estate is increasingly being used as part of a long-term core strategy due to increased market efficiency and increasing concerns about the future long-term variability of stock and bond returns. In fact, real estate is known for its ability to serve as a portfolio diversifier and inflation hedge. The asset class still bears a considerable amount of market risk, however. Real estate has shown itself to be very cyclical, somewhat mirroring the ups and downs of the overall economy. In addition to employment and demographic changes, real estate is also influenced by changes in interest rates and the credit markets, which affect the demand and supply of capital and, thus, real estate values. Along with changes in market fundamentals, investors wishing to add real estate as part of their core investment portfolios need to look for property concentrations by area or by property type. Because property returns are directly affected by local market basics, real estate portfolios that are too heavily concentrated in one area or property type can lose their risk mitigation attributes and bear additional risk by being too influenced by local or sector market changes.
- Limited partnerships:** 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 is dependent on the nature of the partnership and disclosed in the offering documents if privately placed. Publicly traded limited partnerships 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.
- Options contracts:** Options are complex securities that involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. It is generally recommended that you only invest in options with risk capital. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (i.e., the expiration date). The two types of options are calls and puts. A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires. A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires. Selling options is more complicated and can be even riskier. Option trading risks are closely related to stock risks, as stock options are a derivative of stocks.
- Structured products:** A structured product is generally a prepackaged investment strategy based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuances, and/or foreign currencies, and, to a lesser extent, swaps. Structured products are usually issued by investment banks or affiliates thereof. In addition to a fixed maturity, they have two components: a note and a derivative. The derivative component is often an option. The note provides for periodic interest payments to the investor at a predetermined rate, and the derivative component provides for the payment at maturity. Some products use the derivative component as a put option written by the investor that gives the buyer of the put option the right to sell to the investor the security or securities at a predetermined price. Other products use the derivative component to provide for a call option written by the investor that gives the buyer of the call option the right to buy the security or securities from the investor at a predetermined price. A feature of some structured products is a “principal guarantee” function, which offers protection of principal if held to maturity. These products are not always FDIC insured, however; they may only be insured by the issuer and, thus, have the potential for loss of principal in the case of a liquidity crisis or other solvency problems with the issuing company. Investing in structured products involves a number of risks, including, but not limited to, fluctuations in the price, level, or yield of underlying instruments; interest rates; currency values; and credit quality. They also involve the risk of substantial loss of principal, limits on participation in any appreciation of the underlying instrument, limited liquidity, credit risk of the issuer, conflicts of interest, and other events that are difficult to predict.

- **Leveraged and Inverse ETFs, ETNs, and Mutual Funds:** Leveraged ETFs, ETNs and Mutual Funds (often referred to as “ultra” or “2x”), are designed to provide a multiple of the underlying index’s return, generally on a daily basis. Inverse products are designed to provide the opposite of the underlying index’s return, generally on a daily basis. As such, these products are generally not intended to be long term investments. Leveraged and inverse products are riskier than traditional ETFs, ETNs, and Mutual Funds. While leveraged and inverse products are designed to provide returns that correspond to the underlying index, they may not exactly replicate those returns due to fund expenses and other factors. These deviations are referred to as “tracking errors.” Continual resetting of returns within a product will generally lead to additional tracking errors and increased underlying costs. As such, holding these types of products long term makes them less likely to obtain their stated investment objective. Additionally, compounding of returns can produce a divergence from the product’s underlying index over time. In volatile markets with large positive and negative swings, this divergence may be magnified over time and may not correct itself, causing the risk of loss to increase substantially. Leveraged and inverse products may also have higher expenses and be less tax efficient than traditional products. We urge you to discuss these products with your advisor and ensure that you have a full understanding of the benefits and risks of these products before choosing to include them in your portfolio.

Investments may also be affected by currency controls; different accounting, auditing, financial reporting, disclosure, and regulatory and legal standards and practices; expropriation (occurs when governments take away a private business from its owners); changes in tax policy; greater market volatility; different securities market structures; higher transaction costs; and various administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends. These risks may be heightened in connection with investments in developing countries. Investments in securities issued by entities domiciled in the United States may also be subject to many of these risks.

Any of the common risks described above could adversely affect the value of your portfolio and account performance, and you can lose money. Even though these risks exist, Investment Partners will still earn the fees and other compensation described in this Brochure. Clients should carefully consider the risks of investing and the potential that they may lose principal while Investment Partners continues to earn fees and other forms of compensation.

Your investments are not bank deposits and are not insured or guaranteed by the FDIC or any other governmental agency, entity, or person, unless otherwise noted and explicitly disclosed as such, and as such may lose value.

### **Item 9 – Disciplinary Information**

Investment Partners is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Investment Partners or the integrity of Investment Partners’ management.

On September 30, 2019, the U.S. Securities and Exchange Commission (“SEC”) accepted an Offer of Settlement submitted by Investment Partners, LTD. (“Investment Partners”) in connection with the SEC’s Share Class Selection Disclosure Initiative (“SCSD Initiative”). In accordance with the SCSD Initiative, Investment Partners self-reported a disclosure issue relating to mutual fund share classes that paid 12b-1 fees. During the period from January 1, 2014 through July 1, 2017, Investment Partners purchased, recommended, or held in some advisory accounts mutual fund share classes that charged 12b-1 fees when a lower-cost share class of the same fund was available.

The SEC Order Instituting Administrative and Cease-and-Desist Proceedings found that Investment Partners failed to properly disclose conflicts of interest related to its receipt of 12b-1 fees and/or its selection of mutual fund share classes that paid such fees during the period January 1, 2014 through July 1, 2017.

Without admitting or denying the findings, Investment Partners consented to a cease and desist, censure, and disgorgement of \$39,418.90 and prejudgment interest of \$3,965.91. A copy of the Order is available at <https://www.sec.gov/litigation/admin/2019/ia-5394.pdf>.

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

Investment Partners is **not** and does **not** have a related company that is a (1) municipal securities dealer, government securities dealer or broker, (2) 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), (3) other investment adviser or financial planner, (4) futures commission merchant, commodity pool operator, or commodity trading advisor, (5) banking or thrift institution, (6) lawyer or law firm, (7) real estate broker or dealer, or (8) sponsor or syndicator of limited partnerships.

#### ***Other Business Activities***

Most IARs have obtained securities licenses and are Registered Representatives and Investment Advisory Representatives of Commonwealth Financial Network, an SEC investment adviser and registered Broker/Dealer, member FINRA and SIPC. As such, they spend approximately 25 % of their time offering securities products on a commission or fee basis with Commonwealth. Several of our IARs are also licensed insurance agents and offer various insurance products for which they will be paid a commission. IARs that are also insurance licensed spend no more than approximately 5% of their time offering insurance products. The remainder of the time is spent acting in the capacity of an IAR for Investment Partners.

IARs may be licensed with various insurance companies as life, health and accident insurance brokers with all the appropriate state Departments of Insurance and will receive customary commissions on insurance products sold. In such instances, there is no advisory fee associated with these insurance products.

In addition to our IARs that are also Registered Representatives of Commonwealth, some are also Investment Advisory Representatives of Commonwealth. Clients are under no obligation to purchase or sell securities through our IARs in their affiliation with Commonwealth. However, if they choose to implement the plan with an IAR in his or her separate capacity as a Commonwealth registered representative through a standard, commission-based brokerage account, commissions will be earned. Commissions are in addition to and separate from any fees paid for advisory services detailed in Item 4 of this brochure. Commissions may be higher or lower at Commonwealth than at other Broker/Dealers. IARs have a conflict of interest in having clients purchase securities and/or insurance related products through Commonwealth in that the higher their production with Commonwealth the greater potential for obtaining a higher pay-out on fees and commissions earned. Further, IARs are restricted to only offering those products and services that have been reviewed and approved for offering to the public through Commonwealth. Commonwealth is a FINRA-registered broker/dealer and is also licensed as a broker/dealer with the states in which Commonwealth's or its representatives offer securities to clients. Commonwealth's Registered Representatives will act as the advisory client's representative in the execution of securities transactions on a normal and customary basis. The applicable provisions of Section 206 of the Investment Adviser's Act of 1940 are strictly complied with in the execution of each transaction.

IARs, in their dual capacity, will offer clients the services of Commonwealth, an investment advisory firm registered with the US Securities and Exchange Commission. In return, IARs will share in a portion of the advisory fees. Clients shall receive the appropriate adviser's Form ADV Part 2A or equivalent brochure.

Further, our advisors are restricted to only offering those products and services that have been reviewed and approved for sale to the public through Commonwealth pursuant to Commonwealth policy.

#### ***Other Related Companies***

In addition to its registration as an investment adviser and as a broker dealer under the same name as Commonwealth Financial Network, Commonwealth has a related company that is licensed as an insurance agency under the name

CES Insurance Agency. Several Commonwealth management persons, and all of Investment Partners investment advisory representatives, who are licensed insurance agents are licensed insurance agents of CES Insurance Agency.

***Relationship with Rea Financial Services; Relationship with Unaffiliated Broker-Dealer***

Investment Partners, LTD has formed a strategic and financial partnership with Rea Financial Services, LTD a wholly owned subsidiary of Rea & Associates, Inc. Through this partnership, you may choose to have your Pension, Profit Sharing and other Qualified Plan accounts administered by Rea. Fees for Pension Administration are billed separately by Rea and do not impact the costs or charges of your investment management by Investment Partners, LTD. Additionally, representatives of both Rea and Investment Partners, LTD refer clients to each other on an ongoing basis. All fees are billed separately by the company providing the service. Rea Financial Services, LTD is a 100% owner of Investment Partners, LTD, and as such, shares in the net profits of Investment Partners, LTD. Under no circumstances do the professionals employed by Rea Financial Services, LTD provide investment advisory services to clients.

This creates a conflict of interest because Rea & Associates, Inc. provides third-party administrator services to their clients and recommends Investment Partners, LTD for our services. This recommendation from Rea & Associates, Inc to utilize Investment Partners, LTD's services is based, at least partially, on our affiliation with their firm. We do not receive any compensation from Rea & Associates, Inc. for recommending clients to Rea & Associates, Inc. for their services. Consistent with our fiduciary duty to clients, we attempt to control for this conflict of interest by fully informing you of our affiliation with Rea & Associates, Inc.

**Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

***Code of Ethics Summary***

Investment Partners has a fiduciary duty to you to act in your best interest and always place your interests first and foremost. We take our compliance and regulatory obligations seriously and require all staff to comply with such rules and regulations as well as our policies and procedures. Further, we strive to handle your non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provide you with Investment Partners' Privacy Policy. As such, we maintain a code of ethics for our investment advisory representatives, supervised persons and staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with applicable securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about your transactions. Further, Investment Partners' Code of Ethics establishes our expectations for business conduct. A copy of our Code of Ethics is available and will be provided to any client or prospective client upon request by contacting us at 330-308-9707 or at [invest@invp.com](mailto:invest@invp.com).

***Participation in Client Transactions and Personal Trading***

Some IARs are Registered Representatives with Commonwealth and, as such, must execute securities transactions through Commonwealth, unless the IAR obtains authorization from Commonwealth to execute securities transactions through another Broker/Dealer. In such instances, the IAR will receive normal and customary commissions for such transactions. The possible receipt of said commissions and the possibility of any conflict of interest are fully disclosed in advance.

IARs can buy or sell securities identical to those securities recommended to you. Therefore, IARs may have an interest or position in certain securities that are also recommended and bought or sold to you. Any such securities transactions are likely to be insignificant in relation to the market as a whole. As a practice the transactions, if any, are executed after related client transactions have been executed; however, Investment Partners can aggregate proprietary, affiliated or related accounts with those of clients. IARs will not put their interests before your interests and will not trade ahead of you or trade in such a way to obtain a better price for themselves than for you. However, in all cases, full disclosure is provided to you. We are required to maintain a list of all securities holdings for our associated persons. Further, IARs are prohibited from trading on non-public information or sharing such information. You have the right to decline any investment recommendation. Investment Partners and our IARs are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

## Item 12 – Brokerage Practices

As explained above in Item 10, some Investment Advisory Representatives are Registered Representatives of Commonwealth Financial Network, a registered broker/dealer, member FINRA and SIPC. They have limited access to certain product sponsors where selling agreements have been executed by Commonwealth.

IARs who are Registered Representatives of Commonwealth are subject to FINRA Conduct Rule 3040 which restricts such registered individuals from conducting securities transactions away from Commonwealth unless Commonwealth provides the IAR with written authorization. Therefore, clients are advised that the IAR is limited to conducting securities transactions through Commonwealth and its clearing firm, National Financial Services LLC.

IARs will suggest that you use Commonwealth as the Broker/Dealer for executing securities transactions. You are not obligated to use Commonwealth as the Broker/Dealer and are free to use the Broker/Dealer of their choice; however, if you wish to implement the plan or advice through an IAR of Investment Partners, then you will only use Commonwealth to do so.

Your transactions will be charged according to Commonwealth's then-current commission schedule and you may pay higher commission rates and other fees than otherwise available. You may be assessed transaction fees charged by custodians and/or product sponsors, in addition to normal and customary commissions, all of which are fully disclosed to you. These fees and expenses are separate and distinct from any fee(s) charged by the IAR of Investment Partners, LTD.

Commonwealth offers our firm and our firm's IARs one or more forms of financial benefits based on our IARs' total assets under management and administration held at Commonwealth or financial assistance for IARs transitioning from another firm to Commonwealth. The types of financial benefits that our IARs receive from Commonwealth include, but are not limited to, forgivable or unforgivable loans, enhanced payouts, and discounts or waivers on transaction, platform, and account fees; technology fees; research package fees; financial planning software fees; administrative fees; brokerage account fees; account transfer fees; and the cost of attending conferences and events. The enhanced payouts, discounts, and other forms of financial benefits that IARs receive from Commonwealth are a conflict of interest, and provide a financial incentive for IARs to select Commonwealth as broker/dealer for your accounts over other broker/dealers from which they may not receive similar financial benefits. We attempt to mitigate this conflict of interest by disclosing the conflict in this brochure and engaging in a regular review of our relationship with Commonwealth to ensure the relationship continues to be appropriate in all respects for you.

Commonwealth uses National Financial Services LLC ("NFS") as its clearing and custody firm for substantially all of Investment Partners' managed accounts. Commonwealth's business relationship with NFS provides Commonwealth considerable revenue-sharing benefits. In particular, Commonwealth receives substantial monthly revenue-sharing payments from NFS based on client assets held by Commonwealth with NFS in Fidelity Money Market Sweep Fund balances, non-Fidelity NTF funds that participate in Fidelity's NTF program, and non-Fidelity TF funds that participate in Fidelity's TF program.

Commonwealth's revenue-sharing agreement with NFS, and the existence of various fund share classes with lower internal expenses that Commonwealth may not make available for purchase in its managed account programs, present a conflict of interest between clients and Commonwealth or Investment Partners. A conflict of interest exists because Commonwealth and Investment Partners have a greater incentive to make available, recommend, or make investment decisions regarding investments that provide additional compensation to Commonwealth that cost clients more than other available share classes in the same fund that cost you less. For those advisory programs that assess transaction charges to clients or to Commonwealth or Investment Partners, a conflict of interest exists because Commonwealth and Investment Partners have a financial incentive to recommend or select NTF funds that do not assess transaction charges but cost you more in internal expenses than funds that do assess transaction charges but cost you less in internal expenses.

### ***Our Relationship with Commonwealth***

Investment Partners has chosen to partner with Commonwealth to provide certain services, including but not limited to fee billing and account performance reporting, to our firm and our clients. For the services it provides, Commonwealth charges our advisors an administrative fee at the same time clients are charged asset-based management fees. The administrative fee is charged to and paid by the advisor rather than the advisor's clients, and is calculated as a percentage of the total account assets, including cash and money market positions, held by the advisor's clients. The administrative fee is used to offset Commonwealth's maintenance costs associated with account reporting and reconciliation and can generate additional revenue for Commonwealth.

In the same manner as we offer asset management fee discounts as your account value grows, Commonwealth offers our advisors discounts on administrative fees based on their total assets under management within our asset management program. As these advisors grow their assets in our program, Commonwealth's economies of scale are shared with the advisors by reducing the percentage amount of administrative fees that would otherwise be charged to the advisors. The advisors receive discounts on the administrative fee when they reach specified asset levels, starting at \$10 million. As the amount of the advisors' client assets grow above certain levels, the advisors receive larger percentage discounts to the administrative fees than they would otherwise receive.

Additionally, advisors with AUM of at least \$25 million qualify for an increased payout percentage on their clients' management fees, starting at 90% and rising to a maximum of 99% as their AUM grows.

### ***Block Trading Policy***

Investment Partners can aggregate ("bunch") transactions in the same security on behalf of more than one client in an effort to strive for best execution and to possibly reduce the price per share. However, aggregated or bunched orders will not reduce the transaction costs to participating clients. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Investment Partners conducts aggregated transactions in a manner designed to ensure that no participating client is favored over another client. Participating clients will obtain the average share price per share for the security executed that day. To the extent the aggregated order is not filled in its entirety and when possible, securities purchased or sold in an aggregated transaction will be allocated pro-rata to the participating client accounts in proportion to the size of the orders placed for each account. The amount of securities may be increased or decreased to avoid holding odd-lot or a small number of shares for particular clients. It should be noted, Investment Partners does not receive any additional compensation or remuneration as a result of aggregation. Advisory clients purchase funds at net asset value

### ***Soft Dollars***

Investment Partners does not use commissions to pay for research and brokerage services (i.e., soft dollar transactions). Research, along with other products and services other than trade execution, are available to our firm on a cash basis from various vendors.

### ***Core Account Sweep Programs ("CASPs")***

Our relationship with Commonwealth provides us access to two core account sweep programs ("Programs"). These Programs are the core account investment vehicles used to hold your cash balances while awaiting reinvestment for eligible accounts. The two Programs, the Bank Deposit Sweep Program ("BDSP") and the Advisory Retirement Sweep Retirement ("ARSP"), are available for different types of client accounts. The BDSP is the core account investment vehicle for eligible brokerage accounts. The ARSP is the core account investment vehicle for eligible advisory individual retirement accounts. The cash balance in your eligible accounts will be deposited automatically or "swept" into interest-bearing FDIC-insurance eligible Program deposit accounts ("Deposit Accounts") at one or more FDIC-insured financial institutions (each a "Program Bank" or collectively, "Program Banks"). Specific features and account eligibility of the CASP are further explained in the Disclosure Document provided to all

Commonwealth brokerage clients. A current version of Commonwealth's CASP Disclosure Document is available at [www.commonwealth.com/clients/media/BankSweepDisclosureDocument.pdf](http://www.commonwealth.com/clients/media/BankSweepDisclosureDocument.pdf).

### **Item 13 – Review of Accounts**

#### ***Account Reviews and Reviewers***

All asset management client accounts are reviewed by an Investment Advisor Representative (IAR) of the firm on a quarterly basis, or when changes in your circumstances or market conditions warrant. Securities held in managed accounts are continuously reviewed. We do not have specific limitations on the number of accounts assigned to each Investment Advisor Representative. Financial plans are prepared for clients who have retained Investment Partners, LTD's services for this purpose. Upon completion of the plan, we will meet with you to review the plan and answer any questions about the contents of the plan. There are no different levels of review for financial plans. After this consultation at the time the plan is delivered and reviewed with you, there are no further reviews unless you request additional meetings.

#### ***Statements and Reports***

All asset management client accounts receive statements at least quarterly from the account custodian. Trade confirmations are mailed from the custodian to you as transactions occur in their account. Quarterly statements include information relating to the composition of the portfolio, market value, and may include asset allocation information, gain and loss information and performance comparisons. In addition to the statements received from the custodian, all asset management clients receive quarterly performance reports from Investment Partners, LTD. You should carefully compare reports received from Investment Partners, LTD against the statements received from the account custodian and should immediately report any discrepancies to Investment Partners, LTD and/or the custodian.

Financial planning clients receive no reports. However, the client, at his or her discretion, has the opportunity to choose to implement the financial plan through Investment Partners, LTD in the IAR's capacity of registered representative of Commonwealth Financial Network. In that event, the client will receive monthly, quarterly and/or annual statements from investment companies, product sponsors, broker/dealers and/or custodians.

Retirement plan service clients will receive statements from the qualified custodian at least quarterly.

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

Investment Partners does not have any arrangements under which it compensates any individual for client referrals.

Many of the companies that provide IARs access to their products and programs provide them with opportunities to receive additional compensation in the form of marketing and business reimbursements, compensation for client referrals, business development support, payment for travel-related costs and expenses for attending business meetings and conferences, and various forms of gifts and entertainment. Information regarding the compensation paid to IARs in relation to the products or programs you purchase or use, and their associated conflicts, is generally disclosed in the respective product prospectuses, statements of additional information, product offering documents, client agreements, advisory program brochures, and Commonwealth's Form ADV Part 2A brochure.

Commonwealth offers IARs one or more forms of financial benefits based on the IAR's gross revenue production and total assets under management held at Commonwealth as well as financial assistance for transitioning from another firm to Commonwealth. IARs have the opportunity to receive forgivable or unforgivable loans, enhanced payouts, and discounts, waivers, or credits on transaction, platform, and account fees; technology fees; research package fees, financial planning software fees; administrative fees; brokerage account fees; account transfer fees; and the costs of attending conferences and events. IARs also have the opportunity to receive awards and attend certain paid Commonwealth "top producer" trips and entertainment based upon their total gross revenue production with Commonwealth. These enhanced payouts, discounts, trips, entertainment, and other forms of compensation that IARs have the opportunity to receive from Commonwealth provide a financial incentive for them to select Commonwealth as broker/dealer for your accounts.

Please refer to *Item 5* for a complete description of compensation received by Investment Partners.

### **Item 15 – Custody**

Custody has been defined as having access or control over client funds and/or securities but does **not** include the ability to execute transactions in client accounts. Custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody for purposes of the Investment Advisers Act of 1940 and must ensure proper procedures are implemented.

Our firm does not maintain physical custody of any client fund or securities. Under the rules of the Investment Advisers Act of 1940, we are deemed to have custody of your assets despite not having physical custody in certain instances. For example, if you authorize us to instruct your custodian to deduct our advisory fees directly from your account or if you establish certain first party and/or any third-party Standing Letters of Authorization (SLOAs) to move money from your account with us to a different account, we are deemed to have custody. Our firm complies with certain safe harbor provisions and is therefore exempt from the annual surprise custody examination requirement for Advisers that have custody due to the existence of SLOAs.

You will be required to provide written authority to Commonwealth to allow Commonwealth to calculate and deduct Investment Partners' advisory service fees directly from your account.

We have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. You or an independent representative you have selected will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client or the client's independent representative at least quarterly. You should carefully review those statements. When you have questions about your account statements, you should contact us or the qualified custodian preparing the statement.

### **Item 16 – Investment Discretion**

Upon receiving written authorization from you, Investment Partners will provide investment management services on a discretionary or non-discretionary basis.

When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction. Discretionary authority, along with any limitations to such discretionary authorization, will be granted by you in our agreement.

If you decide to grant trading authorization on a non-discretionary basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares, units or dollar value
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

You have the ability to place reasonable restrictions on the types of investments that may be purchased in your account. You may also place reasonable limitations on the discretionary power granted to us so long as the limitations are specifically set forth or included as an attachment to the client agreement.

#### **Item 17 – Voting Client Securities**

Please be advised that Investment Partners does not vote proxies on your behalf or take responsibility in any way to ensure your securities are voted. You retain the responsibility for voting their own proxies.

You will receive proxies directly from the qualified custodian (i.e. National Financial Services) or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided.

#### **Item 18 – Financial Information**

This Item 18 is not applicable to Investment Partners' brochure. Investment Partners does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for its most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to you. Finally, we have not been the subject of a bankruptcy petition at any time.