



Independent Wealth Network

## ADV PART 2A – Appendix 1, Wrap-Fee Brochure

IARD# 286262

2350 NW 128<sup>th</sup> Street

Urbandale, IA 50323

Phone: 515-461-5123

[www.indwealth.net](http://www.indwealth.net)

October 12<sup>st</sup>, 2021

This wrap fee program brochure provides information about the qualifications and business practices of Independent Wealth Network, Inc. If you have any questions about the contents of this brochure, please contact Art Dinkin. 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. SEC registration does not imply a certain level of skill or training.

Additional information about Independent Wealth Network, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Material Changes

The Material Changes section of this Wrap Fee Brochure (“Brochure”) will be updated annually or when material changes occur since the previous release of this brochure. This Item discusses only specific material changes made to this brochure and provides our clients with a summary of such changes.

### Material Changes since the Last Update on March 31, 2021:

Item 1: The principal location of Independent Wealth Network, Inc.’s home office changed to 2350 NW 128<sup>th</sup> St, Urbandale, IA

Item 1: Our primary phone number changed to (515) 461-5123

Item 4: Included principal owner information

## Item 3: Table of Contents

### Table of Contents

Item 1: Cover Page .....	i
Item 2: Material Changes .....	ii
Item 3: Table of Contents.....	iii
Item 4: Services, Fees, and Compensation .....	1
Item 5: Account Requirements / Types of Clients.....	3
Item 6: Portfolio Manager Selection and Evaluation .....	3
Item 7: Client Information Provided to Portfolio Managers .....	6
Item 8: Client Contact with Portfolio Managers .....	6
Item 9: Additional Information .....	7

## Item 4: Services, Fees, and Compensation

### Firm Information

Independent Wealth Network, Inc. (“IWN,” “we,” “us,” “our”), formed in August 2017, is a registered investment advisory firm located in Urbandale, IA. We have been a registered investment advisory firm since 2017.

### Principal Owners

IWN is owned and controlled by Jeffrey Zupancic (Chief Executive Officer), Art Dinkin, (President and Chief Compliance Officer), and Andrew Endelman (Director of Operations).

### Wrap-Fee Program

Independent Wealth Network, Inc. Wrap-Fee Program is designed to help clients meet their investment objectives and goals. The Wrap-Fee Program (“Program”) is a discretionary program, meaning that the investment selection and trading is completed with discretion of the Investment Advisor Representative (“IAR”) under agreement with client. This portion of this disclosure document is being provided pursuant to Section 204 of the Investment Advisers Act of 1940. Our Wrap Fee Program is designed to provide ongoing asset management services and investment execution for one all-inclusive fee. This program enables clients to pursue their investment objectives with us as a manager of an all-in-one consolidated model portfolio. As part of this service, a portfolio is created, consisting of individual stocks, bonds, exchange-traded funds (“ETFs”), options, mutual funds, and other public securities or investments. Portfolios will be designed to meet a particular investment goal determined to be suitable for the client’s circumstances. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored, and if necessary, rebalanced based upon the client’s individual needs, stated goals, and objectives. Clients’ accounts may be managed on a discretionary basis.

IARs provide investment advisory services to clients on a discretionary basis. As a minimum for providing advisory services, IWN requires IARs to possess satisfactory past business experience plus any required industry examinations and registrations. Based on a client’s investment objectives and individual needs, IAR will have discretion to manage the client’s assets to an appropriate investment strategy consistent with the client’s Investment Policy Statement (“IPS”), Exhibit A of the Client Agreement.

Individual IARs develop specific investment strategies and establish quality and concentration requirements to provide overall discipline. Such strategies ordinarily include long and short-term securities purchases and, depending on the client’s objectives and the IAR’s investment philosophy, may include supplemental covered option writing. In special circumstances, the strategies may also include margin transactions, other option trading strategies, or short sale transactions.

IARs may use third-party research to assist in developing security selection models for the Program. When seeking to anticipate trends and identify undervalued securities with sound fundamentals, IARs may also use a security selection and portfolio modeling process that incorporates fundamental, technical and statistical analyses of historical data. Due to any number of factors, including timing of deposits, investment selection process or investment needs, different clients may receive different execution prices and investment results.

Most types of securities are eligible for purchase in the Program. Assets may include, but are not limited to, common and preferred stocks, exchange-traded funds, closed-end funds, advisory class unit investment trusts, corporate and government bonds, certificates of deposit, options, structured products, mutual funds whose shares can be purchased at net asset value, fee-based variable annuities, and advisory class alternative investments, such as REITs, hedge funds and managed futures funds. Collectively, these assets are referred to as “Program Assets.”

Certain assets, such as commodity futures contracts, options on such contracts, annuities, limited partnership interests, and mutual funds that cannot be purchased at net asset value are not eligible as Program assets and are referred to collectively as “Excluded Assets”. The client may purchase or sell some Excluded Assets in their account, but these transactions may incur commissions or charges and the securities will not be included in the monthly billing.

The IAR will gather important information about the client’s financial conditions, time horizon, goals, and objectives for the Program accounts on an Investment Policy Statement (“IPS”) and will update this information whenever it is provided by the client, which should be regularly reviewed. The client agrees to timely inform the IAR of any changes in their financial situation, investment objectives, or instructions as necessary. Over time, as changes occur in the financial markets or the client’s investment objectives and circumstances change, the IAR may recommend changes in a client’s portfolio. In making a recommendation, the IAR will take the updated information received in the IPS into consideration. Decisions relating to investments may have tax consequences which the client should discuss with their tax advisor.

### **Fees Schedule**

The annual fee for investment management services provided under the Client Agreement shall be based upon a percentage of the market value of the Assets Under Management (AUM) in accordance with the Schedule of Fees as stated in Exhibit B of the Client Agreement, and in accordance with the procedures described in IWN’s Form ADV Part 2A. No portion of the fee shall be based on a share of capital gains or capital appreciation of Assets. Without prior written agreement indicating otherwise, all Assets will be subject to this fee, including assets, such as cash, that are temporarily awaiting investment. If the client authorizes IAR to use margin in managing the account, the market value of the Account and the corresponding fee payable to the IAR and IWN will increase.

Client authorizes IWN to liquidate necessary positions if there is not enough liquid cash or equivalents in the Account to cover the amount of fees due. IWN may amend and/or increase the fees set forth in Exhibit B if IAR provides Client with written notice of the amendment 30 days in advance.

The Investment Advisory Fee is determined by mutual agreement between the Client and the IAR, while the Asset Based Fee and Program Fee are determined by IWN. All fees are detailed in Exhibit B of the Client Agreement. Please refer to your Investment Advisory Agreement and Item 5 of the IWN ADV Part 2A Brochure.

### **Wrap Fee Program Costs**

A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. Your fee is bundled with our costs for executing transactions in your account(s) which TD Ameritrade uses an asset based fee schedule. This may result in a higher advisory fee to you. We do not charge our clients higher advisory fees based on their trading activity. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

### **Other Types of Fees and Expenses**

You may pay custodial fees, charges imposed directly by a mutual fund, index fund, or exchange-traded fund, which shall be disclosed in the fund’s prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by our firm.

To the extent margin is used in the Client account, the Client should be aware that the margin debit balance will not reduce the market value of eligible assets and will therefore increase the fee the client is charged. The increased fee may provide an incentive for the IAR to recommend the use of margin strategies. The use of margin is not suitable for all investors since it increases leverage in the client account and therefore risk.

## Item 5: Account Requirements / Types of Clients

The Program may be offered to individuals, high net worth individuals, Pension and profit-sharing plans, and charitable organizations.

## Item 6: Portfolio Manager Selection and Evaluation

### **Portfolio Managers**

Our Wrap Fee Program is managed by IWN; however, there may be instances when we utilize a subadvisor or other third-party manager. In selecting our subadvisor, we want to ensure they bring a broad level of diversification and portfolio construction in an economical manner to accounts of various sizes.

We do not apply any uniform standard to monitor the performance of third-party managers; however, we will monitor the performance and construction of the various portfolios managed. Also, the information provided for both historical portfolio and manager performance may not be calculated on a uniform basis.

### **Advisory Business**

#### Asset Management Services:

We provide asset management services in which we manage your custodial accounts and provide you with continuous and ongoing supervision of your custodial accounts. Our services provide additional investment opportunities among stocks, bonds, mutual funds, exchange-traded funds (ETFs), Real Estate Investment Trusts (REITs), options, and additional securities.

#### Financial Planning and Consulting Services:

We provide various financial planning and consulting services that find ways to help you understand your overall financial situation and help you set financial objectives. We accomplish this by helping you review your financial goals, tax planning strategies, asset allocation, risk management, retirement planning, and other areas and objectives. Generally, such financial planning and consulting services will involve preparing a financial plan or rendering a financial consultation based on your financial goals and objectives. We will summarize our services to you in a written plan, which will typically include general recommendations for a course of action or specific actions to be taken by you. Implementation of the recommendations will be at your discretion. We provide our financial planning and consulting services on a project basis or as an ongoing, comprehensive annual plan.

#### Third-Party Money Management Services:

We may recommend third-party money managers ("TPMMs") to manage part or the client's entire portfolio. TPMMs may be recommended when the TPMMs' philosophy, investment strategy, and style meets the client's financial situation, investment objectives, and risk tolerance. The asset management services provided by the TPMMs, the compensation to be paid, and other terms of the relationship between the client and the TPMMs will be described in the TPMMs' disclosure documents and its managed account agreement. We will receive a portion of the investment advisory fee paid by the client to the TPMMs.

## **Tailoring of Advisory Services**

IWN offers the same suite of services to all our clients. However, specific client financial plans and their implementation are dependent upon the individual client's Investment Policy Statement, which outlines a client's current financial situation, such as income, net worth, and risk tolerance levels. This information is essential in the development of a client-specific plan in the selection of investments that matches restrictions, needs, and targets. On a case-by-case basis, our clients may impose restrictions on investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent us from properly servicing the client's account, or if the restrictions would require us to deviate from our standard suite of services, we reserve the right to end the relationship. We may request additional information and documentation, such as current investments, tax returns, insurance policies, and estate plan. We will discuss your investment objectives, needs, and goals, but you must inform us of any changes. Unless directed by you, we do not independently verify any information provided to us by you or your attorney, accountant, or other professionals.

## **Participation in Wrap Fee Programs**

Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. Generally, we do not manage wrap fee accounts in a different fashion than non-wrap fee accounts; however, certain client accounts may be managed differently based on the size and nature of the account and/or the client's investment objectives and risk tolerance. In our wrap fee program, your fee is bundled with our costs for executing transactions in your account(s). This may result in a higher advisory fee to you. We do not charge our clients higher advisory fees based on their trading activity. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

## **Performance-Based Fees and Side-By-Side Management**

We do not charge any performance-based fees, which are fees based on a share of capital gains on or capital appreciation of your assets.

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

IWN uses the following methods of analysis in formulating investment advice. IARs use various methods of analysis and investment strategies. Methods and strategies will vary based on the individual adviser providing advice. Models and strategies used by IAR may be different than strategies used by another IAR. Some IWN Advisers may use just one method or strategy while other Advisers may rely on multiple methods or strategies. IWN does not require or mandate a particular investment strategy be implemented by its Advisers. Further, IWN has no requirements for using a particular analysis method and our Advisers are provided flexibility (subject to IWN's supervision and compliance requirements) when developing their investment strategies. The following sections provide brief descriptions of some of the more common methods of analysis and investment strategies that are used by our IARs.

### Investment Analysis:

**Fundamental** - 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 - 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.

### Investment Styles and Strategies

IWN utilizes several strategies when managing client accounts. Below are some of those strategies:

Long term purchases - Investments held at least a year.

Short term purchases - Investments sold within a year.

Margin transactions - When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm.

Options including buying puts and calls, writing puts and calls, covered and uncovered - 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.

## Voting Client Securities

Clients must determine who is responsible for voting proxies and must indicate accordingly on account application(s).

Unless the client directs otherwise, client shall be responsible for directing the way proxies solicited by issuers of securities beneficially owned by client shall be voted and making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Assets.

If client does direct the IAR to vote proxies, then client understands IAR will generally determine how to vote proxies based on IAR's reasonable judgment of what vote is likely to produce favorable financial results for client and IAR's other clients who hold the security. IAR will generally cast proxy votes in favor of proposals that maintain or strengthen the shared interests of issuer's shareholders and management, increase shareholder value, maintain, or increase the rights of shareholders. IAR will generally cast proxy votes against proposals having the opposite effect. However, IAR will consider both sides of each proxy issue to be voted on. IAR will not consider social considerations, absent contrary instructions from client. Client acknowledges that conflicts of interest may arise between IAR and client regarding proxy issues. If IWN's Chief Compliance Officer determines that a material conflict exists, IAR will follow the following procedures:

- Disclose the existence and nature of the conflict to client and seek direction on how to vote proxies.
- Abstain from voting, particularly if there are conflicting client interests; or
- Follow the recommendations of an independent proxy voting service.

Client maintains the exclusive responsibility for all legal proceedings or other types of events relating to the Assets in the Account, including but not limited to class action lawsuits.

## Item 7: Client Information Provided to Portfolio Managers

We are required to describe the information about you that we communicate to your portfolio manager(s) and how often or under what circumstances we provide updated information. Our firm communicates with your portfolio manager(s) on a regular basis as needed (daily, weekly, monthly, etc.) to ensure your most current investment goals and objectives are understood by your portfolio manager(s). In most cases, we will communicate such information as part of our regular investment management duties. Nevertheless, we will also communicate information to your portfolio manager(s) when you ask us when the market or economic conditions make it prudent to do so.

## Item 8: Client Contact with Portfolio Managers

Clients are always free to contact us directly with any questions or concerns about their portfolios or other matters. If a subadvisor or third-party manager is utilized, clients will be provided with the disclosure brochure and may contact them accordingly.

## Item 9: Additional Information

### **Disciplinary Information**

As of the date of this brochure, we have not been subject to any disciplinary, legal, or regulatory events related to past or present investment clients. There has been no disciplinary, legal, or regulatory events related to us or any of our management persons.

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

#### Financial Industry Activities

Neither IWN nor its management persons are registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither IWN nor its management persons are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or commodity trading advisor.

#### Affiliations

Certain associates of the firm are also registered representatives, licensed to sell securities. As a registered representative of an unaffiliated broker-dealer, he or she may earn additional compensation in the form of commissions for the sale of general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and a variable annuity to investment advisory clients. As such, your IAR may suggest that you implement investment advice by purchasing securities products through a commission-based account introduced through our unaffiliated broker-dealer in addition to an investment advisory account. In the event that you elect to purchase these products through our unaffiliated broker-dealer, your investment adviser, in the capacity as a registered representative, and our unaffiliated broker-dealer will receive the standard and customary commission compensation in connection with the particular product purchased.

Certain associates of the firm are also insurance agents licensed to sell insurance products. A conflict of interest exists because these services pay a commission, which conflicts with the IAR's fiduciary duties. IWN does not require its IARs to encourage clients to implement investment advice through our insurance product recommendations. Clients have the right to implement insurance product recommendations through the insurance agency and agent of their choice. We require that all IARs disclose this conflict of interest when such recommendations are made. We also require IARs to disclose that the client has the right to purchase recommended products from individuals not affiliated with us.

#### Selection of Other Investment Advisors

We may recommend or select TPMMs for our clients and receive compensation from the third-party via a fee share; thus, a material conflict of interest exists between our interests and those of our clients in that IWN has an incentive to direct clients to TPMMs that provide us with a larger fee split. IWN will always act in the best interest of our clients when making recommendations or selecting TPMMs. The client always has the right to decide whether to act on our recommendations and whether to utilize the services of the recommended TPMM. The client always has the right to utilize the professional of his or her choice. All TPMMs will be properly licensed and registered as investment advisers in the proper jurisdictions. The fees shared will not exceed any limit imposed by any regulatory agency.

## **Code of Ethics, Participation of Interest in Client Transactions and Personal Trading**

### Code of Ethics

IWN has developed a code of ethics that will apply to all of our supervised persons. We and our IARs must act in a fiduciary capacity when providing investment advisory services to you. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. IWN has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle of our code of ethics, which also covers our insider trading and personal securities transactions policies and procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will acknowledge that they have read, understand, and agree to comply with our Code of Ethics.

Our Code of Ethics is available to clients and prospective clients upon request.

### Recommendations Involving a Material Financial Interest

Neither we nor any related person recommend to clients or buys or sells for clients' accounts securities in which we or a related person has a material financial interest.

### Participation or Interest in Client Transactions

There may be instances where an IAR will recommend to investment advisory clients or prospective clients the purchase or sale of securities in which an IAR, its affiliates, or other clients may also have a position or interest. Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis. Generally, in such circumstances, the affiliated and client accounts will share execution costs equally. Completed trade orders will be allocated according to the instructions from the initial trade order. Partially filled trade orders will be allocated on a pro-rata basis. Any exceptions will be explained in the trade order.

### Personal Trading

Employees are permitted to have personal securities accounts as long as personal investing practices are in line with fiduciary standards and regulatory requirements and do not conflict with their duty to IWN and our clients. IWN monitors personal trading. We forbid any officer or employee, either personally or on behalf of others, to trade on material, nonpublic information or to communicate such information to others in violation of the law.

## **Review of Accounts**

### Periodic Reviews

IWN conducts ongoing account reviews for Accounts where the IAR provides continuous advisory services. Financial Plans and Consulting Services Agreements are periodically reviewed as received. IWN has designated the Chief Compliance Officer, Compliance Consultant(s), and Director of Operations as those who conduct ongoing reviews and IAR Strategies. Accounts are reviewed to evaluate asset allocation, investment strategy and objectives, cash balance, and performance, as well as the general economic outlook and current investment trends.

### Review Triggers

We conduct periodic reviews to evaluate the current market, economic and political events and how these may affect client accounts. Additional reviews may be triggered by these events or by events in the client's financial or personal status.

### Regular Reports

Wrap fee program clients will receive advisory account reports from the Custodian no less than quarterly. These reports show asset value by cash balances, security, unit cost, total cost, current per share values, etc. Additional reports such performance reports and other relevant metrics are available and can be provided on request. Clients are urged to review the additional reports provided by us with those provided by their custodian and notify us of any differences. Clients are encouraged to phone or e-mail us as often as they deem necessary to receive information regarding the investment tactics and strategies being followed.

### **Client Referrals and Other Compensation**

We may occasionally pay a referral fee to third-party solicitors. However, no fee is paid unless we have a signed and executed solicitor agreement. You must sign a disclosure form that contains the details of the referral agreement. Our fiduciary duties still apply to referral relationships, and we must put the interest of our clients first and see the best execution of securities transactions on behalf of our clients.

We currently have arrangements with third party money managers which we receive compensation based on the service they provide to our clients. Any compensation arrangement is formalized in an agreement and disclosed to our clients.

### **Financial Information**

We are not required to include a balance sheet for our most recent fiscal year. We are not subject to any financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

We are currently not in, nor have been historically in a financially precarious situation or the subject of a bankruptcy petition.