

## INDEPENDENT [ FINANCIAL ] PARTNERS®

### CLIENT RELATIONSHIP SUMMARY (CRS) IFP Advisors & IFP Securities; August 17, 2022

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#### Introduction

**IFP Advisors, LLC** and **IFP Securities, LLC** are affiliated firms, both doing business as **Independent Financial Partners** ["IFP"]. IFP Securities is a member of the Financial Industry Regulatory Authority ["FINRA"], Municipal Securities Rulemaking Board ("MSRB") and the Securities Investor Protection Corporation ["SIPC"]. IFP Advisors is an investment adviser registered with the Securities and Exchange Commission ["SEC"]. Brokerage and investment advisory fees differ, and it is important for you to understand the difference. Free and simple tools are available to research firms and financial professionals ["FPs"] at [investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about investment advisers, broker-dealers, and investing.

#### What investment services and advice can you provide me?

- A **Registered Investment Adviser** ["IA"] is an entity which an Investment Adviser Representative ["IAR" or "FPs"], for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation, as part of a regular business, issues/promulgates analyses/reports about securities.
- A **Broker-Dealer** ["BD"] is an entity for which a Registered Representative ["RR"] offers services focused on the business of buying and selling securities—stocks, bonds, mutual funds, and other investment products—on behalf of its customers [as broker], for its own account [as dealer], or both.

As an IA and BD, IFP processes the investment business of the FPs who affiliate with us. These FPs are independent business owners who provide financial guidance to clients seeking assistance. IFP provides services including processing client transactions and providing the technology platform, investment planning approaches and other support services to assist FPs in serving their clients. Because the financial services industry is heavily regulated, FPs must register with an IA and/or a BD. IFP is responsible for developing policies & procedures designed to promote & supervise adherence with federal/state securities laws & regulations; account opening and maintenance standards; advisory and transactional standards; including Suitability and Regulation Best Interest; avoidance/mitigation/disclosure of Conflicts of Interest and Information Handling & Confidentiality.

IFP or one of its FPs will assist you in making an account assessment in terms of which account is most appropriate. When we make recommendations regarding your commission-based brokerage account, we are acting as a BD and your FP is acting as a RR. When we make recommendations regarding your advisory account, we are acting as an IA and your FP is acting as an IAR. When we [IFP or one of its FPs] make a recommendation to you, we will tell you which account we are discussing. Through our network of FPs, IFP offers the following investment opportunities/products: mutual funds; ETFs; UITs; Variable Annuities/Insurance; Municipal Securities, including 529 College Savings Plans; Alternative Investments, including Private Placements; Stocks; Bonds; Structured Products, Options & Individual Securities, and FPs may serve as RR, Financial Planner/Consultant, Portfolio Manager, or use 3rd Party Asset Managers ("TPAMs") or IFP's Asset Management/Models ("IFPAM").

**For additional information, please visit our website at [www.ifpartners.com](https://www.ifpartners.com).**

#### **Investment Advisory Services**

In contrast with a brokerage account, where you generally pay a commission on a transaction basis, with an advisory or "managed," account, you pay a fee that is typically based on a percentage of the value of the assets in your account. IFP's suite of investment advisory services are designed to accommodate a wide range of client investment philosophies and objectives. Our FPs may act on a [i] discretionary basis – having your written authorization to make investment decisions to buy, sell, or hold securities in your account in accordance with your financial situation, needs and investment objective(s), or [ii] non-discretionary basis – offering advice and recommendations to buy, sell, or hold securities, but where you make the final investment decisions. Except for IFPAM, such services are generally not structured at the firm-level and are put into place by agreement between you and the FP. The services are between you and the FP, but generally cover the FP being able to trade in your account without discussing such activity with you in advance. Think carefully if you want the FP to have trading discretion as you might not always

be happy with the resulting transactions, but by granting trading discretion, you forego the right to approve transactions in advance.

IFP allows FPs to offer clients several managed account investment options, including unaffiliated TPAM services. FPs and IFP monitor your advisory accounts, assess your portfolio, and make investment recommendations/decisions as may be warranted by trends in the financial markets, changes in the economy and changes in your investment objectives, risk tolerance and financial situation. Such monitoring occurs periodically taking a risk-based approach, based upon flagging transactions and account activity. Material limitations include the adequacy of any transaction supervision systems used and limited resources to be able to give thorough attention to all/many accounts or transactions when taking a risk-based review approach. IFP does not have any financial requirements for *retail investors* to open or maintain an account or establish a relationship, such as minimum account size or investment amount; various compliance requirements exist such as obtaining government-issued identification, etc. While IFP does not require a minimum account size, we suggest that you invest at least \$100,000 in an investment advisory account. TPAMs generally have account minimum requirements that will vary from manager-to-manager. A complete description of the TPAM's services, fee schedules & account minimums will be disclosed in the TPAM's ADV 2A disclosure brochure, Form CRS and/or Wrap Fee brochure that must be provided to you upon recommendation and/or account establishment.

<b>Advantages of Advisory/Management Accounts</b>	<b>Disadvantages of Advisory/Management Accounts</b>
It creates a relationship & service model that is supposed to engage in customer-centric ongoing advice & management of your investments. It provides an ongoing account service model that extends beyond transaction recommendations and focused more on the overall asset allocation, investment time horizon, financial plan, etc.	You pay a fee based upon the value of the assets in the account, regardless of whether (i) ongoing monitoring is actually occurring or (ii) you make money. Your fee might also be greater than what you would pay in a brokerage services relationship.
You may pay one fee, known as a "wrap" fee, which includes the advisory fee, trade execution charges, custody and clearing fees.	Your asset management fees may be greater than comparable transaction-based commission charges and greater than a non-wrap fee advisory account.
You can provide your FP with the authority to manage your account on an ongoing basis.	Trade discretion may result transactions you dislike. Also, product availability may differ by brokerage versus investment advisory platform.

### **Broker-Dealer Services**

Brokerage accounts and services are based upon transactional activities and compensation, wherein IFP & your FP receive a commission for buying or selling securities products. As a result, a brokerage relationship may be best for clients [i] who are seeking a buy-and-hold strategy (e.g., purchase a security with the intention of not selling it for a long time), [ii] where the anticipated volume of transactions would result in you paying lower fees, expenses & commissions, as compared with an investment advisory relationship that pays an ongoing fee based upon account value, based upon comparing our prevailing fee schedules against your anticipated account activity/needs over a specified/assumed time horizon, [iii] where you place orders based upon your own initiative, and do not desire, need or otherwise utilize investment advice, but essentially want to use our services for "order placement-only." In addition, through a brokerage relationship, your FP may provide strategic ideas, education and financial product information, but neither ongoing investment advice nor ongoing account monitoring services. FPs who are RRs provide transaction-based recommendations. The commissions you pay will depend on the type and nature of the security purchased or sold in your account. There are, for example, several different share classes of mutual funds, and each comes with different sales charges and expenses. Brokerage accounts also will incur certain account fees. For a list of fees charged by IFP for brokerage services/accounts, please ask your FP.

### **Financial Planning and Consulting Services**

Financial planning can be described as helping you determine & set your long-term financial goals through investments, tax planning, asset allocation, risk management, retirement planning, etc. We offer advisory services by comprehensive and segmented/modular-based financial plans. These services do not by themselves involve actively managing your accounts. Unless engaged IFP in a continuous and regular [ongoing] investment advisory capacity, our FPs do not monitor your account. The fees assessed for financial planning and consulting services may be hourly, flat, or ongoing monthly [subscription] fees.

Education keeps your FP abreast of relevant investment information and ideas. Through conferences, seminars & online training opportunities, we and our product providers (e.g., mutual fund, insurance companies, etc.) help keep

your FP stay abreast of the ever-changing financial industry to enhance the quality of recommendations to you. It is important to understand how your FP can provide services and/or what limitations they may have.

**Conversation Starter.** Ask your financial professional -

- **Given my financial situation, why should I choose an advisory account? Should I choose a brokerage service? Should I choose both types of services? Why or why not?**
- **How will you choose investments to recommend to me?**
- **What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?**

### **What Fees will I pay?**

Fees vary depending on the types of services provided and the capacity in which you have engaged your FP. You will pay fees/costs whether you make or lose money. Fees/costs will reduce the amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

**Brokerage Service Fees:** Such fees are transaction-based charges or commissions. For example, there are several different share classes of mutual funds and annuities, and each has different sales charges and expenses. They also charge internal costs to the investment in addition to our transaction costs/fees. This information is provided to you in various methods, including, but not limited to, prospectuses, agreements, offering documents, etc. Please ask your FP to explain fees, costs & limitations (such as investment amounts, product availability if the FP is not registered for certain products, or IFP does not have selling agreements in place) relevant to the services they are providing and the investments you are purchasing. Certain products such as private placements, REITS & variable annuities/insurance generally have higher commissions and there is a conflict of interest for FPs because they have a greater incentive to sell them to earn more money. Please ask your FP why any products are in your best interest.

**Investment Advisory Fees:** The fees for these services are generally a percentage of the value of your account. The fees vary by FP. The maximum fee allowed is 2.5% of the value of your account. In situations where there is a percentage fee that also includes the transaction and account charges (“Wrap accounts”), the fee tends to be higher, which also creates a conflict of interest to trade your account less. BD & IA accounts are also charged retirement plan fees, custodial fees, asset movement fees, account transfer fees & other fees based upon account activity & additional services you may elect.

**Conversation Starter.** Ask your financial professional -

- **Help me understand how these fees and costs might affect my investments.**
- **If I give you \$10,000 to invest, how much will go to fees and cost, and how much will be invested for me?**

**What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have? When we provide you with a recommendation as your BD or act as your IA, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand & ask us about these conflicts because they can affect the recommendations & investment advice we provide. Here are some examples of what this means.**

An example of a conflict exists when your FP, associated with both IFP Advisors and IFP Securities (which are under common ownership) each have a role in processing a transaction and providing ongoing advice, and both charge you. Your FP may suggest that you implement investment advice by purchasing securities products through a commission-based IFP Securities account. If you choose to purchase these products through IFP Securities, IFP and your FP will receive a commission based on the specific product purchased. A conflict will exist between the interests of IFP, your FP and your interests because your FP will earn compensation for each arrangement. Fees include a commission for transactions, an advisory fee for advisory/managed accounts and a fee for financial planning services when applicable. IFP should not charge both a commission and an asset-based fee for advice. You are free to implement investment advice through any BD or product sponsor you chose. However, you should understand that, if you authorize our FP to engage in securities transactions on your behalf, your FP must place all purchases and sales of securities products through IFP Securities or other IFP-approved institutions/platforms.

Other examples of conflicts of interest exists when [i] multiple layers of fees and/or commissions exist, [ii] IFP/FPs receive compensation from product providers for educational events for IFP/FPs, [iii] FPs sell certain products that

have higher commissions than other products, [iv] FPs recommend a brokerage or advisory account/platform over one another if it would result in your paying more in commissions or fees, respectively, over the expected account time horizon considering the account activity, [v] FPs recommend a bundled pricing model (“Wrap Program”) when an unbundled fee schedule would be cheaper (see IFP’s Wrap Brochure), [vi] payment by mutual funds of distribution/service-based 12b-1 fees, which is a trailing commission/fee paid to IFP, [vii] our custodians (e.g., Schwab) and securities product issuers reimburse us for expenses for our annual sales and due diligence conference, [viii] product issuers reimburse our FPs for meals/entertainment events with clients and [ix] FPs have outside business activities that provide services to you (e.g., independent insurance product sales; accountancy, consultancy services & estate administration/advisory services; participation in Board of Directors positions where FPs have a financial interest; investment transactions offered by FP, but not through IFP, etc.).

**Conversation Starter.** Ask your financial professional -

- **How might your conflicts of interest affect me, and how will you address them?**

### How do your financial professionals make money?

Not only do you want to know how much you will pay in fees, but you should also understand how your FP is incentivized. Your FP has an incentive in the fee charged to you as they receive a percentage of the fee with the remaining amount of the fee retained by IFP. An FP will either earn a commission for recommending a product if they are acting in a broker capacity, or, if they are acting in an advisory capacity, they earn a fee in the form of a one-time fee or an ongoing account value-based fee. Depending on your facts and circumstances, either may be appropriate. In addition, IFP and your FP may receive additional compensation from third-party firms. Please also review IFP’s Revenue Sharing Disclosure here or at [www.ifpartners.com/disclosures](http://www.ifpartners.com/disclosures).

#### **Our financial professionals are compensated based on:**

Amount of client assets they service; Time & complexity required to meet a client’s needs; Product sold (some have higher commissions); Money IFP/FP earns from the advisory services, including account & transaction recommendations; Wrap/Bundled Fee Accounts and Financial Planning & Consulting Services. You will pay fees/costs whether you make or lose money on your investments. Fees/costs will reduce any amount of money you make on your investments. You should understand what fees/costs you are paying.

### Do you or your financial professionals have legal or disciplinary history?

Yes. We and our financial professionals have this history.

Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Conversation Starter.** Ask your financial professional -

- **As a financial professional, do you have any disciplinary history? For what type of conduct?**

### Additional Information

For additional information about our financial professionals and our services, please visit the following sites: [IFP Website](#); [IFP Disclosures](#); [Investment Adviser Public Disclosure Site \[IAPD\]](#); [FINRA BrokerCheck and SEC Website](#). Your primary contact is your IAR or our Home Office COO (Chris Hamm) at (813) 341-0960 (or ask for Service or Supervision group); request up-to-date information by contacting us at [compliance@ifpartners.com](mailto:compliance@ifpartners.com), (813)-341- 0960 or find a current copy of our client relationship summary by visiting the disclosure section of [our website \[www.ifpartners.com\]](#). Our broker/dealer and investment advisory support staff service both entities and thus are representatives of both the IFP Securities and IFP Advisors.

**Conversation Starter.** Ask your financial professional -

- **Who is my primary contact person? Is he or she a representative on an investment adviser representative or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?**