



# IRONTREE

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## WEALTH MANAGEMENT

**Part 2a Of Form ADV – Firm Brochure**

## **Irontree Wealth Management**

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THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF IRONTREE WEALTH MANAGEMENT. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT 815.348.7802 OR [WWW.IRONTREEINDEX.COM](http://WWW.IRONTREEINDEX.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.

REGISTRATION OF AN INVESTMENT ADVISOR DOES NOT IMPLY ANY LEVEL OF SKILL OR TRAINING. THE ORAL AND WRITTEN COMMUNICATIONS OF AN ADVISOR PROVIDE YOU WITH INFORMATION ABOUT WHICH YOU DETERMINE TO HIRE OR RETAIN AN ADVISOR. ADDITIONAL INFORMATION ABOUT IRONTREE WEALTH MANAGEMENT IS ALSO AVAILABLE ON THE SEC'S WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV).

## **Item 2: Material Changes**

This Brochure dated 04/17/2023, is our tenth amendment to the original disclosure after formation of Irontree Wealth Management. After the initial filing of this Brochure, Item 2 will be used to provide you with a summary of any material changes that have been made to this Brochure since the last annual update. The previous version of this Brochure was dated 04/29/2022. We encourage all our prospective and existing clients to review the Brochure and discuss any questions that may arise.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the December 31 close of our firm's fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

Additional information about Irontree Wealth Management is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Irontree Wealth Management who are registered, or are required to be registered, as investment advisory representatives of Irontree Wealth Management.

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#### **Item 4: Advisory Business**

Irontree Wealth Management is a state-registered investment adviser with its principal place of business located in Illinois, founded in 2013.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Nickolas J. Simoneau, Chief Executive Officer, Chief Compliance Officer

Irontree Wealth Management offers the following advisory services to our clients:

#### **Portfolio Management Services**

Irontree provides investment advice to clients regarding the investment of their funds based on the individual client needs and in strict accordance to their risk tolerance and goals. Through collaborative personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop the client's personal investment policy and create and manage a portfolio based on that policy. During this client collaboration process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss the client's prior investment history, as well as family composition and background.

We manage client advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth and/or income, etc.), as well as tax considerations. As required by the needs of each individual client, our Firm's investment advisory services include custom designed investment policies and restrictions, ongoing portfolio management, and periodic reviews.

Our investment recommendations are not limited to any specific product or service and will generally include advice regarding the following types of securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities

- Options contracts on securities
- Futures contracts on tangibles
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Other

Some types of investments involve certain additional degrees of risk, they will only be recommended and implemented when consistent with the client's stated investment objectives, policies, restrictions, tolerance for risk, liquidity and suitability. Each client will utilize an Investment Policy Statement (IPS) that will dictate the type of securities held in their portfolio. It may also provide restrictions to the portfolio. This IPS is to be tailored to the specific needs of the client. For example, two clients from different backgrounds and income/asset levels will have different goals and different risk aversions. Our portfolios will be customized to their needs and according to the IPS.

### **Wealth Planning Services**

At Irontree, we believe the best way to achieve positive results in a client's portfolio is to have a thorough financial plan. The Comprehensive Planning process can address any of a number of areas but may include personal family budgeting, debt analysis and debt repayment strategies, asset allocation, retirement goals, insurance reviews, death, inheritance planning and estate planning, business planning and cash flow analysis. Comprehensive financial planning will consist of all of the items listed above and is included within the annual portfolio management charges, we provide these services alongside traditional portfolio management services at no additional charge to the client. For clients who do not use our portfolio management services, we may provide financial planning services separately on a fee-for-service basis. Clients may choose a comprehensive financial plan or select these services a la carte. A Comprehensive Financial plan may include some or all of the following services: personal family budgeting, debt analysis and debt repayment strategies, asset allocation, retirement goals, insurance reviews, death, inheritance planning and estate planning, business planning and cash flow analysis. A typical comprehensive plan may take between 8-15 hours to complete. For stand-alone comprehensive plans, we charge an hourly rate for service of \$125.00 per hour, which is negotiable depending on the circumstances of the client. For services selected a la-carte, the time needed to complete any of the services below ranges from 2-8 hours, depending on the circumstances of the client and is to be billed at the same rate listed above. Please review each offering...

- **Personal Family Budgeting** – This consists of reviewing all of a clients outstanding debts, income and living expenses and developing a strategy to allow them to live comfortably while achieving their financial goals. The time needed to complete this service ranges from 3-6 hours. For this service we charge \$125.00 per hour.
- **Debt Analysis and Debt Repayment Strategies** – This service consists of reviewing all of a clients outstanding obligations as well as performing an income analysis to determine the most efficient manner for repayment of their debts, saving the client money and time. This typically requires 2-8 hours of time to complete. For this service we charge \$125.00 per hour.
- **Asset Allocation** – For clients who do not use our portfolio management services, we may occasionally provide asset allocation services for an hourly charge of \$125 per hour. This analysis is done to ensure their assets are positioned within their risk tolerance and in a manner that will provide the greatest chance of realizing their financial goals. This may take between 2-8 hours.

- **Retirement Goal Analysis** - We also provide a review or analysis of a client's retirement goals. This is done to ensure the client will be able to live comfortably in retirement. For this service we will review the client's current assets and liabilities as well as evaluate their expected assets upon retirement based off their current saving/spending habits. This service may take between 2-6 hours and is billed at \$125.00 per hour.
- **Insurance Reviews** - This service entails reviewing the client's current liability and life insurance policies to ensure they are both paying fair rates as well as receiving the proper coverage. This is done to protect the client from undue loss but also ensures the client is paying competitive rates for coverage. This process typically takes 2-8 hours depending on the complexity of the policies and costs \$125.00 per hour.
- **Death, Inheritance Planning and Estate Planning** - For this service, we review the clients estate and make recommendations for the efficient transfer of their assets to their heirs or charities of their choice. This is done to minimize issues involved in the loss of a loved one. For this service, we charge \$125 per hour and the process may take between 2-8 hours.
- **Business Planning and Cash Flow Analysis** - This service allows the client to better position their business toward their objectives. By reviewing a client's business plan as well as evaluating their cash flow and assets, we are able to recommend a course of action that will increase their likelihood of realizing their goals. This process may take between 2-8 hours depending on the circumstances and for a charge of \$125.00 per hour.

Payment for the fee-for-service items is expected upon completion of the service after review by the client. As with any plan, execution is critical but discretionary to the client. Periodically, we will review the plan to account for any significant changes to the client's goals, objectives or financial standing.

### **Pension Consulting Services**

We also provide pension consulting services to businesses, individuals, corporations, trusts, charitable organizations, endowments and estates. Typically, these plans are ERISA accounts such as 401(k) and profit sharing plans. Our firm provides overall plan and portfolio management to retirement and pension plan clients. Irontree recognizes that as a fiduciary under Section 3(38) of ERISA, we are held to the highest standard of care for our client, which requires transparency, honesty, skill, prudence and diligence.

**ERISA Accounts:** Irontree is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, we may only charge fees for investment advice about products for which our firm and/or our related persons do not receive

any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Irontree's advisory fees.

**General Considerations:** Irontree does not participate or offer any type of “wrap fee” programs. As of 04/04/2023, we currently manage \$8,310,376 of assets in across 25 discretionary accounts and \$0.00 of assets in non-discretionary accounts.

### **Index Fund Advisors, Inc. consulting Arrangement with Irontree**

Irontree has established a consulting and back office agreement with Index Fund Advisors, Inc. (ifa.com) an SEC registered Investment Advisory Firm. This service is non-exclusive and will not be utilized for all types of clients. Index Fund Advisors, Inc. provides back office administration and portfolio management for some clients who desire low cost, globally diversified portfolios utilizing Dimensional mutual funds. In those cases where Irontree recommends the portfolio management services of Index Fund Advisors, Inc., the client is informed of both advisory groups' role in servicing their accounts and the client is required to execute a service agreement with both Irontree and Index Fund Advisors, Inc. individually. Additionally, Index Fund Advisors and Irontree utilize a revenue sharing agreement for this service. Clients will have their accounts debited once per quarter in accordance with their service agreement, and this fee will be split between IFA.com and Irontree. In this arrangement, Irontree remains the client's point of contact for all service related issues that may arise. Additionally, Irontree continues to offer comprehensive planning services included within the service arrangement, as well as an online account portal for the client's use. The client is free to decide if the services provided by Index Fund Advisors, Inc. as a co-advisor with Irontree are needed. Irontree and Index Fund Advisors, Inc. are independent firms and have no affiliation in any manner whatsoever. For more information on Index Fund Advisors, Inc., please visit their website at [www.ifa.com](http://www.ifa.com) or at [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV)

### **Betterment servicing Arrangement with Irontree**

Irontree has established a consulting and back office agreement with Betterment Securities (MTG, LLC DBA Betterment Securities, To be known as “Betterment” or [betterment.com](http://betterment.com)) an SEC registered Investment Advisory Firm. This service is non-exclusive and will not be utilized for all types of clients. Betterment provides back office administration on an a-la carte basis if but may also provide portfolio management for some clients utilizing, but not limited to, exchange traded funds (ETF's). In those cases where Irontree recommends the portfolio management services of Betterment, the client is informed of both advisory groups role in servicing their accounts and the client is required to execute a service agreement which includes both Irontree and Betterment. Additionally, Betterment will handle deducting advisory fees directly from client accounts, which will include Irontree's service fees. The total fees paid for this service could be than fees incurred if working directly with Betterment. Clients are encouraged to perform their own due diligence as it relates to the advisory charges. The client is free to decide if the services provided by Betterment as a co-advisor with Irontree are needed. Irontree and Betterment are independent firms and have no affiliation in any manner whatsoever. For more information on Betterment, please visit their website at [www.betterment.com](http://www.betterment.com) or at [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV)

## Item 5: Fees and Compensation

Irontree offers a great degree of flexibility to our clients in our pricing structure. While we are a fee-only firm offering our services in exchange for a percentage of assets under management, we do give great consideration to the background, experience, and values of our clientele. In many cases, our clients come from varying and disparate walks of life, each client or household has particular needs and service requirements that we believe can impact our service level and client experience greatly. We strive to work with clients that share our values. We are traders, offering objective values in exchange for objective values. Given the variety in the lives and needs of our clients, we thought it only fitting that our fee model provide some discretion in setting the annual percentage rate charged for services. We believe that by focusing on prospective clients that share our values and understand our investment philosophy, we can better ensure that all of our clients receive a superior level of service.

At Irontree, we are fee-only by choice. We only receive asset management compensation directly from our clients and in accordance with a written client agreement. This means that our clients will never have to worry about their advisor receiving indirect income from the sale of an investment product. Our fee schedule for asset management or portfolio management is listed below...

### Portfolio Management Fees

The annualized fee for Investment Supervisory Services will be charged as a percentage of assets under management, according to a range listed below:

| <u>Assets Under Management</u> | <u>Annual Fee</u> |
|--------------------------------|-------------------|
| \$0 – 2,000,000                | .50 - 1.25%       |
| \$2,000,001 – above            | .50-90%%          |

Irontree, at our discretion, may offer fees to certain clients below the above listed range, or we may also offer an annual retainer fee for service depending on the needs and desires of the client.

The minimum charge for service with Irontree is \$450.00 per quarter, which we may waive at our discretion. This minimum charge may represent an annual percentage charge that is higher than what is listed above. We encourage all clients to perform their own due diligence when determining the proper service level and fee structure for their needs. One guiding tenet of our work at Irontree is that individuals, pursuing their own self-interests in a productive manner, can bring about the greatest positive changes and innovations to a society. Our firm is dedicated to individualism. We may make exceptions to our fee structure or account size to individuals, families, and businesses that we believe share our outlook. We will also combine or “household” certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee. Essentially, this results in a blended or tiered account fee applied to the aggregate value of all accounts under advisory.

**Irontree does not participate or offer any type of “wrap fee” programs.**

**We may at our discretion lower our fees for a particular client due to pressures from a competitor.**



### **Pension Consulting Fees**

We also provide several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts, estates and charitable organizations

The annualized costs for Pension Consulting utilize the same tiered rate structure as above, with the exception of a minimum annual charge of \$750.00. The \$750.00 minimum is not an hourly fee but is the minimum charge a client can expect for advisory services for management of ERISA retirement accounts such as 401(k)'s. This minimum fee may be a deterrent for smaller or new accounts, however Irontree will consider exceptions under certain circumstances. These charges, as with the individual rates above may be adjusted for special circumstances and at the discretion of the firm. Pension and retirement account services are not available on a fee-for-service or hourly charge basis.

### **Financial Planning Fees**

The Financial Planning process can vary greatly from one client to another. For this reason, any financial planning or consulting engagements are negotiable between the Firm and client. Typically, a discovery meeting between the Firm and client will be had to discuss the scope and depth of the client's financial affairs. Upon review of this information, the client will receive an estimate of the total cost to complete the plan as well as a detailed report of the areas to be covered in the plan. All fees will be agreed upon before the client incurs any expense. Payment is expected upon presentation of the plan. The hourly charge for these services is \$125.00 per hour with the average time frame for completion ranging from 8-15 hours for a comprehensive plan, depending on the circumstances of the client. Charges for a la carte services are to be billed at the same hourly rate of \$125.00/hr. For a description of these services as well as the approximate time frame for completion, please see Item 4 – Financial Planning Services heading.

### **Irontree CD Management Services**

For some of our clients who find the security and liquidity of Certificates of Deposit (CD) investments desirable, we may provide ongoing or one-time advice, portfolio design, implementation and management of CD investments. This service may be provided alongside our core service of portfolio management utilizing portfolios of mutual funds, ETF's and/or individual securities. Or, this service may be utilized as a stand-alone service, separate and distinct from our portfolio construction and on going management services. In either case, the charges for our CD management services are billed separately from our core portfolio management service. Irontree will present to clients a recommended portfolio of CD's taking into account the client's liquidity, time-frame, and risk appetite for the construction of their CD investments. Clients will be given the option to "place" their money with the banks directly, or hire Irontree to open accounts with the respective banks in their name. The potential charges for Irontree's CD Management services depend greatly upon whether or not we are assisting with opening CD accounts for the clients directly or simply providing recommendations for the clients to implement. The range of charges amount to 10 basis points (.10%) for recommendations only to 50 basis points (.50%) for recommendations and implementation of a portfolio of CD's as well as ongoing assistance and advice. Clients may be billed one time at the initiation of service or may choose to make quarterly payments in arrears. While there is no Federal or State licensing requirement for "brokered" CD's, this service is offered in a fiduciary manner by Irontree and in compliance of all rules governing Investment Advisors in the State of Illinois. We consider this work to be part of our broader investment management services although we will perform these services a la carte for an agreed upon fee. For a la carte services with portfolio implementation, we do require a minimum of \$2,000,000 in funds specifically allocated toward Certificates of Deposits.

### **General Considerations:**

All Fees are subject to negotiation. **At any time, Irontree may reduce a current client's fees to accommodate competitive pressure from other firms.** The specific manner in which fees are charged by Irontree Wealth Management is established in a client's written agreement with the Firm. Clients who have chosen to work with Irontree are generally billed on a quarterly basis. Clients are to be billed directly on a quarterly basis in arrears via a direct debit from their accounts according to their written agreement. These withdrawals are to be made by the custodian and reported on the client's account statements on a quarterly or monthly basis. For clients who are utilizing a co-advisory service arrangement with AssetDedication, Fund Advisors, Inc., or Betterment, they may be billed quarterly in advance for services. The billing arrangements for both AssetDedication, Index Funds Advisors, Inc. and Betterment will be discussed on a case-by-case basis with those who are considering a co-advisory service arrangement. Clients will be given a copy of the respective firm's Form ADV Part 2A which details the billing arrangements. Asset management fees are prorated for each capital contribution and withdrawal is made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. Irontree management fees are separate from transaction fees, and other related costs and expenses which are incurred by the client. **Apart from annual portfolio management charges and hourly charges for comprehensive or a la carte financial planning services, clients will receive no other charges from Irontree Wealth Management.** Clients may incur certain charges imposed by custodians, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Irontree's fee, and we do not receive any portion of these commissions, fees, and costs. Additionally, no advisor of Irontree receives any compensation from the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds. Should any situation arise where an investment product pays a fee to any Irontree advisor at consecration of a sale, this fee will be credited towards the clients portfolio management charges for the quarter in which the sale occurred. This compensation policy is enforced with all current advisors and will be applied to any new advisors to the firm in the future.

In Illinois, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees. **Under no circumstances do we, Irontree Wealth Management, require, solicit or accept fees in excess of \$500.00 per client more than six (6) months in advance of services rendered.**

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

Irontree Wealth Management does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7: Types of Clients**

Irontree provides integrated financial planning services and portfolio management services to individuals, corporate pension and profit-sharing plans, charitable institutions, private investment funds, endowments, trust programs, corporations and other business entities.

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

At Irontree, we follow a school of investment philosophy called passive asset class investing. Asset class investing has its roots founded in Modern Portfolio Theory, the theory that overall markets are efficient at pricing securities and that uncorrelated asset classes held in a portfolio can simultaneously reduce volatility as well as increase returns.

A number of decades ago, Harry Markowitz developed Modern Portfolio Theory (MPT) while attending the Booth School of Business at the University of Chicago. He went on to win a Nobel prize in economics. Years later, two individuals named Eugene Fama and Kenneth French also made some ground breaking discoveries while attending the same school in Chicago. Fama and French developed what has become known as the Three Factor Model. This model explains close to 95% of all investment returns. It breaks down the “dimensions” of returns using market risk, size, and book-to-market (value vs. growth stocks) to explain the majority of a securities' returns over time. Fama/French's research provided the framework for what later would become asset class investing.

While there are decades worth of empirical research on security investment returns which exhibit market returns are available and achievable, there are also years of research on the types of investing that the majority of investment firms and investors choose to use, which is “active investment management” within the securities markets. It is well known in life as in investments that past experience is not a predictor of future results, and yet fund managers and individuals continue to invest based on short-term trends in the marketplace. At Irontree, we do not invest in the short-term nor do we utilize any trading techniques or market timing strategies. Our portfolios are constructed in a manner that corresponds first to a client's level of risk aversion. We seek to diversify our portfolios across a variety of disparate and uncorrelated asset classes in the most efficient manner possible.

In addition to years of evidence as to the positive investment attributes of asset class or index investing, we believe our method of portfolio construction is superior from an investor's psychological point of view as well. Passive investing relieves the client of the pressures of market timing and constant trading. Clients are free to focus their efforts toward being sure of their financial goals. We are simply here to increase the likelihood that they achieve those goals and do so in the most productive and efficient manner possible.

Being an independent firm, we are free from the conflicts that are known to exist at many larger investment firms today. We have no proprietary products to offer or sales quotas to meet. We are bound by a fiduciary oath to inform our customers of all material facts and information when making an investment decision. We are guided by the constant pursuit of moral values within our profession, we do not pursue the unearned. We chose independence because it provides the fewest obstacles or barriers between the advisor/client relationship. We seek to offer only *objective* values to our clients, exchanged under mutually agreeable terms. Our firm and practices are not only unique within the investment industry, but unique to much of the business world today.

**Risk of Loss.** All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. These risks include market risk, interest rate risk, issuer risk, and general economic risk. Securities investments are not guaranteed and you may lose money on your investments. Annual discussions about your investment policy will help us understand your tolerance for risk.

### **Item 9: Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Nickolas J. Simoneau currently retains an Illinois insurance producers license with multiple lines of service. This license is held with a local, independent insurance agency. Insurance reviews are performed as a complement to Irontree's advisory services to ensure individuals, families and businesses have proper liability coverage and are not subject to undue risk of loss. Typical types of insurance include property/casualty insurance, business liability insurance as well as a variety of life insurance products. Commissions from insurance transactions are the usual and customary form of compensation. This arrangement is fully disclosed to clients.

### **Item 11: Code of Ethics**

Here at Irontree, we are guided in our work as we are in our lives by a constant pursuit of moral values. In accordance with our philosophy, there can be no value derived from that which is unearned. In practice, this means that in order to live in a productive, moral fashion we must *earn* what we receive. Everything performed by our office is oriented toward preserving and achieving this precept.

Irontree Wealth Management has adopted a Code of Ethics for all supervised persons in our firm and it describes our high standard of business conduct and fiduciary duty our clients. The Code of Ethics includes provisions about confidentiality of client information, no insider trading, no rumor mongering, no acceptance of significant gifts and the reporting of certain gifts and business entertainment items and personal securities trading procedures, among other things. All supervised persons at Irontree Wealth Management acknowledge the terms of the Code of Ethics annually, or as amended. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of the Firm will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Clients or prospective clients may request a copy of the firm's Code of Ethics by contacting us at their convenience.

### **Item 12: Brokerage Practices**

As an independent registered investment advisory firm, Irontree Wealth Management is not affiliated with or controlled by any broker dealer and accordingly does not receive research or other products or services from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits").

Retail clients will generally select to execute securities transactions through one of several different custodians. They are, in no particular order, could choose Interactive Brokers, Charles Schwab, Altruist, Betterment or through our partnerships with other advisory firms, TD Ameritrade or Fidelity. We believe that these custodians provide execution services at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In exchange for the level of quality each of these companies provides, you may pay higher or lower commissions and/or trading costs than those that may be available elsewhere. We do not open the account for you with a custodian, but we may assist in doing so.

**For Clients who choose to use Betterment, please note the disclosures below:**

**YOUR BROKERAGE AND CUSTODY COSTS**

For our clients' accounts that Betterment Securities maintains, Betterment Securities does not charge you separately for custody/brokerage services, but is compensated as part of the Betterment for Advisors (defined below) platform fee, which is charged for a suite of platform services, including custody, brokerage, and sub-advisory services provided by Betterment and access to the Betterment for Advisors platform. The platform fee is an asset-based fee charged as a percentage of assets in your Betterment account. Clients utilizing the Betterment for Advisors platform may pay a higher aggregate fee than if the investment management, brokerage and other platform services are purchased separately. Nonetheless, for those Clients participating in the Betterment for Advisors platform, we have determined that having Betterment Securities execute trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians").

**SERVICES AVAILABLE TO US VIA BETTERMENT FOR ADVISORS**

Betterment Securities serves as broker-dealer to Betterment for Advisors, an investment and advice platform serving independent investment advisory firms like us ("Betterment for Advisors"). Betterment for Advisors also makes available various support services which may not be available to Betterment's retail customers. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Betterment for Advisors' support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Betterment for Advisors' support services:

1. **SERVICES THAT BENEFIT YOU.** Betterment for Advisors includes access to a globally diversified, low-cost portfolio of ETFs, execution of securities transactions, and custody of client assets through Betterment Securities. In addition, a series of model portfolios created by third-party providers are also available on the platform. Betterment Securities' services described in this paragraph generally benefit you and your account.
2. **SERVICES THAT MAY NOT DIRECTLY BENEFIT YOU.** Betterment for Advisors also makes available to us other products and services that benefit us, but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts, such as software and technology that may: – Assist with back-office functions, recordkeeping, and client reporting of our clients' accounts. – Provide access to client account data (such as duplicate trade confirmations and account statements). – Provide pricing and other market data. This language is merely provided as an example, and should not be construed as (and does not constitute) legal advice. The Advisor's own qualified legal counsel and compliance personnel should review and customize any disclosure language to determine if it is appropriate.
3. **SERVICES THAT GENERALLY BENEFIT ONLY US.** By using Betterment for Advisors, we

4. may be offered other services intended to help us manage and further develop our business enterprise. These services include: – Consulting (including through webinars) on technology and business needs. – Access to publications and conferences on practice management and business succession.

#### OUR INTEREST IN BETTERMENT SECURITIES' SERVICES

The availability of these services from Betterment for Advisors benefits us because we do not have to produce or purchase them. In addition, we do not have to pay for Betterment Securities' services. [These services may be contingent upon us committing a certain amount of business to Betterment Securities in assets in custody.] We may have an incentive to recommend that you maintain your account with Betterment Securities, based on our interest in receiving Betterment for Advisors and Betterment Securities' services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Betterment Securities as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Betterment Securities' services (see "How we select brokers/custodians") and not Betterment for Advisors and Betterment Securities' services that benefit only us or that may not directly benefit you.

#### BETTERMENT FOR ADVISORS' TRADING POLICY

When using the Betterment for Advisors platform, we and you are subject to the trading policies and procedures established by Betterment. These policies and procedures limit our ability to control, among other things, the timing of the execution of certain trades (including in response to withdrawals, deposits, or asset allocation changes) within your account. You should not expect that trading on Betterment is instant, and, accordingly, you should be aware that Betterment does not permit you or us to control the specific time during a day that securities are bought or sold in your account (i.e., to "time the market"). Betterment describes its trading policies in Betterment LLC's Form ADV Part 2A. As detailed in that document, Betterment generally trades on the same business day as it receives instructions from you or us. However, transactions will be subject to processing delays in certain circumstances. In particular, orders initiated on non-business days and after markets close generally will not transact until the next business day. Betterment also maintains a general approach of not placing securities orders during approximately the first thirty minutes after the opening of any market session. Betterment also generally stops placing orders arising from allocation changes in existing portfolios approximately thirty minutes before the close of any market session. Betterment continues placing orders associated with deposit and withdrawal requests until market close. Betterment maintains a general approach of not placing orders around the time of scheduled Federal Reserve interest rate announcements. Furthermore, Betterment may delay or manage trading in response to market instability. For further information, please consult Betterment LLC Form ADV Part 2A. This language is merely provided as an example, and should not be construed as (and does not constitute) legal advice.

#### **Item 13: Reviews of Accounts**

While the underlying securities within individual client accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. We may also review a client's account at their request or whenever we are notified of a change in their financial status or long-term goals. The reviews of all client accounts are performed by Nickolas James Simoneau. Clients will receive quarterly or possibly monthly statements from their custodian.

In addition, Irontree provides all their clients with an online client portal through which they may view their account holdings, review client invoices, analyze account performance as well as manage important client documents. This service is provided at no extra expense to the client.

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

It is Irontree 's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm. It is our Firm's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Irontree does allow Nickolas Simoneau to receive commissions for insurance related products as placed during the regular course of business; this arrangement is fully disclosed to clients prior to and at the time of sale.

#### **Item 15: Custody**

**Pursuant to Rule 206(4)-2 of the Advisers Act, we are deemed to have custody of client funds because we have the authority and ability to debit our fees directly from our clients' accounts. To mitigate any potential conflicts of interests, all of our client account assets will be maintained with an independent qualified custodian.**

Your independent custodian will directly debit your account(s) for the payment of our advisory fees as stated in your Client Agreement. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

Irontree Wealth Management uses Interactive Brokers LLC, or, through our co-advisory arrangements, Charles Schwab, TD Ameritrade, Fidelity or Betterment Securities as custodian for client assets. Clients with assets in custody elsewhere should receive at least quarterly statements from their broker dealer, bank or other qualified custodian that holds and maintains other client investment assets not managed by Irontree Wealth Management. As mentioned in Item 5, Irontree may have our management fees directly debited from clients accounts on a quarterly or monthly basis and, as such, we urge clients to carefully review such statements and compare such official custodial records to the account statements that Irontree may provide to client. Statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16: Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

In all cases, however, such discretion is to be exercised in a manner consistent with the goals, procedures, and specific asset allocated portfolio percentages stated in the client's signed Investment Policy Statement (IPS). Irontree is not authorized to change these instructions without a new signed Investment Policy Statement from the client.

### **Item 17: Assets Under Management/Advisement**

As of 04/04/23, the following represents the amount of client assets under management/advisement by Irontree on a discretionary basis:

| <b>Type of Account</b> | <b>Assets Under Management ("AUM")</b> |
|------------------------|--|
| Discretionary          | \$ 8,310,376                           |
| Non-Discretionary      | 0                                      |
| Total:                 | \$ 8,310,376                           |

### **Item 18: Voting Client Securities**

As a matter of firm policy and practice, Irontree Wealth Management does not have any authority to and do not vote proxies on behalf of advisory clients.

Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in their portfolios.

### **Item 19: Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$500.00 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement with this Brochure. As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Irontree has no such financial circumstances to report. Irontree has not been the subject of a bankruptcy petition at any time during the past ten years.

### **Item 20: Requirements for State-Registered Advisers**

My name is Nickolas J. Simoneau, Chief Executive Officer and sole owner of Irontree Wealth Management, a fee-only, independent advisory firm I founded after a number of years in the financial services industry. My decision to form this firm was made many years ago, although many iterations of service offerings and business models have passed before arriving on a structure and service level that I believe works best for the client. Having graduated with a Finance Degree from Southern Illinois University, my passion for finance developed at a relatively young age. Since that time, I have earned over 15 years of experience in a broad variety of positions within the Banking and Finance fields. With a wide range of experience including positions in financial advisory, an Assistant Vice President role of a



local banking institution as well as real estate experience, I am uniquely qualified to provide tailored advice to clients in a number of areas. While there are many reasons why I chose asset management for my medium, one in particular stands out as nearly the most important: improving and enhancing the quality of life of my clients. My goal within this industry is to provide the greatest level of service that can be achieved for a given level of cost. The tally I am keeping is not monetary in form though, I am seeking to improve clients' investment returns and experience while simultaneously reducing the number of days, weeks and years spent working. At Irontree, we are pursuing time for our clients. As mentioned above, it is our belief that over the course of history, the greatest changes and improvements to man's life on earth have resulted from the efforts of an individual or small group of individuals. Individuals pursuing their own self-interests in a productive manner have always and will always provide an improved standard of living for all of society. We hope our efforts within the field of finance will not only improve our clients' lives, but in turn, improve the lives of the people most important to them.

As a complement to our financial services at Irontree, we provide insurance services through a local independent agency. Nickolas J. Simoneau currently retains an Illinois insurance producers license with multiple lines of service. Additionally, while Nickolas J. Simoneau spends the majority of his time assisting clients through Irontree, he may perform work outside Irontree related to the following areas: construction management and concrete projects. This amounts to no more than 10-15% of the work year and does not interfere with the work performed through Irontree WM. For more information, please see Part 10 of this brochure or Form ADV Part 1, Schedule D, Section 7.A.

As mentioned in Section 9 above, we are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose. No owners or managing members of Irontree Wealth Management have any relationships or arrangements with any issuers of securities.

No supervised person associated with Irontree receives any type of special compensation or any form of economic benefit from any non-client. No forms of compensation are received by supervised persons outside of the fees earned by Irontree for the financial services provided and described in Items 4 & 5. Additionally, no supervised person accepts or provides incentives for referrals. For more information on referrals and other compensation, please see Item 14 of this brochure.