

Independence Financial Advisors, LLC
402 Central Street, Franklin, New Hampshire 03235

Part 3 of Form ADV - Form CRS
December 14, 2023

Independence Financial Advisors, LLC (“IFA,” “us,” or “we”) is registered as an investment adviser with the Securities and Exchange Commission (“SEC”). Brokerage and investment advisory fees differ and it is important for the retail investor to understand the differences. Free and simple tools are available to research firms and financial professionals at www.investor.gov/crs, which also provides educational materials about broker-dealers, investment advisers and investing.

What investment services and advice can you provide me?

IFA offers retail investors general investment advisory services with respect to a broad range of securities (including equity, debt, and pooled investment vehicles). We also provide financial planning services to retail investors. IFA tailors its services to the size and specific needs of its clients and generally places client assets into one of several different pro-active asset allocation portfolios based on the client’s objectives and risk tolerance. Each portfolio (Aggressive Growth, Growth, Balanced, Income with Growth, Income Plus, and Income) is designed to achieve a different investing goal. IFA currently manages the majority of its clients’ assets on a discretionary basis; however, clients may impose restrictions on the management of their portfolios, including, without limitation, “do not sell” instructions with respect to specific securities.

The majority of our clients are individuals, but we also provide investment advisory services to a small number of pension and profit-sharing plans and charitable organizations. Client objectives and risk tolerance are determined by using compressive financial planning and risk assessment software. Given a particular client’s objectives and risk tolerance, it is possible that such client may benefit from a more actively managed account, with a special emphasis being placed on aligning each investment in the portfolio with the objectives and risk tolerance of the individual client. Different investments, as well as different investment strategies, carry different types and degrees of risk. In addition to the general risk of loss, an IFA investment strategy is subject to the risk that the addition or omission of certain criteria may result in the selection of a security for a model that may fail to perform as anticipated or may not be appropriate for the objective and risk tolerance assigned to that particular model.

Client accounts are reviewed on a regular basis for performance, diversification, alignment of portfolio structure with the client’s stated objectives and risk tolerance, and other special considerations. Periodic review of financial plans is determined on a case-by-case basis with each client. We do not have minimum account size requirements.

Conversation Starters: You may want to ask financial professionals the following questions to start a conversation about the relationships and services you will receive:

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

What fees will I pay?

IFA is compensated for its advisory services on a monthly basis pursuant to a percentage of the market value of the assets under management. IFA’s fees generally range from 0.50% to 1.0% of assets under management, depending on the amount and type of assets being managed. Because the fee calculation may be on the basis of the total market value of the portfolio in arrears, the total market value may include a component of any appreciation or gains as well as any depreciation or losses in the account during the period.

In addition, in certain situations IFA may also agree to be compensated on an hourly basis or with a one-time flat fee for providing services. IFA does not offer wrap fee programs or charge performance-based fees.

Clients will also be solely responsible for paying bank fees, custodial fees, brokerage commissions, mutual fund expenses, and other transactional costs related to the management of their portfolio. Mutual Funds incur costs and expenses and are managed by independent advisors that charge management fees to these funds that are distinct and separate from the fees

charged by IFA. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Conversation Starter: You may want to ask financial professionals the following question to start a conversation about the impact of fees and costs on your investments:

- ***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 costs and how much will be invested for me?***

What are your legal obligations to me when acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have?

IFA is a registered investment adviser and we are, therefore, held to a ‘fiduciary’ standard of putting your interests above our own. This means that when we act as your investment adviser, 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 and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what that means.

The way we make money creates some conflicts with your interests. IFA makes money by charging an investment advisory fee that is based on assets under management. Investors have the value of their investment reduced by the amount of these fees. This presents a conflict because the more assets there are in a retail investor’s advisory account, the more a retail investor will pay in fees. We therefore have an incentive to encourage a retail investor to increase the assets in his or her account.

Additionally, IFA is also licensed as an insurance producer. If an IFA principal sells a fixed-annuity contract or an insurance policy to an advisory client then IFA will receive a commission in connection with that sale. This presents a conflict of interest because the more insurance sales IFA makes, the more commissions it collects.

Conversation Starter: You may want to ask financial professionals the following question to start a conversation about conflicts of interest:

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

How do your financial professionals make money?

IFA’s investment professionals are paid a base salary and are eligible for discretionary bonuses. Bonuses are not tied to products sold by the investment professional or based on new clients retained by the investment professional.

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

No.

Conversation Starter: You may want to ask financial professionals the following questions to start a conversation about the financial professional’s disciplinary history:

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

Additional Information

For additional information, please visit our website www.ifa-nh.com/contact-us/. Investors can call IFA at (603) 934-0400 for general inquiries or to receive a copy of Form CRS.

Conversation Starters: You may want to ask financial professionals the following questions to start a conversation about your point of contact and who to talk to if they have a complaint:

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