

# **IMA Wealth, Inc.**

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July 31, 2023

## **RETIREMENT PLAN ADVISORY SERVICES BROCHURE**

This Brochure provides information about the qualifications and business practices of IMA Wealth, Inc. ["IMA Wealth"]. If you have any questions about the content of this brochure, contact us at 316-266-6574. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

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

IMA Wealth, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated March 31, 2022, we have the following material changes to report:

Item 4 Advisory Business – we have added the following language regarding a new service offering: Retirement Plan Due Diligence Services - We provide retirement plan due diligence services to organizations as part of their mergers and acquisitions activity. This due diligence includes, however, is not limited to review of plan documents, examination of required filings, review of Fiduciary Governance, review of investment portfolio construction and over plan health.

Item 5 Fees and Compensation – we have added the following language regarding the fee for a new service offering: Retirement Plan Due Diligence Services - Our due diligence fee is negotiated with the organization. The decision is based upon the scope of services provided and is established in our written agreement with the organization. The fee for this service is due and payable upon completion of the due diligence report.

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## Item 4 Advisory Business

### Description of Firm

IMA Wealth, Inc. ("IMA Wealth", "we", or "us") is dually registered with the Securities and Exchange Commission ("SEC") as an investment adviser and securities broker-dealer and a member of the Financial Industry Regulatory Authority ("FINRA") headquartered in Wichita, Kansas. We are organized as a corporation under the laws of the State of Kansas and have been providing investment advisory services since 2001. We are wholly owned by IMA Financial Group, Inc.

This disclosure brochure describes our retirement plan services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your plan's specific needs.

### Services Described In This Brochure

We have two brochures that describe our services. This brochure focuses on our fee-based Qualified and Non-Qualified Employee-Directed Retirement Plan Consulting Services. Our Investment Supervisory Services are described in a separate brochure. If you are interested in receiving the brochure that describes our Investment Supervisory Services, please contact our office at 316-266-6574.

### Retirement Plan Advisory Services - Qualified and Non-Qualified Retirement Plans

We provide investment advisory, consulting services, and educational seminars/workshops to qualified and non-qualified retirement plans (the "Plans") and their Plan participants. Any investment advice provided will be tailored to the investment policies of the plans. We may assist a plan in developing, modifying, and managing an investment policy statement ("IPS") for our clients.

#### A. Continuous Advisory Arrangement

We agree to provide investment advice on either a non-discretionary or discretionary basis. The written Advisory Agreement that we enter into with the Plan sponsor specifies the capacity in which we have been engaged:

- If a Plan sponsor selects non-discretionary investment advice, we would serve by providing investment advice within the meaning of section §3(21)(A)(ii) of the Employee Retirement Income Security Act of 1974 ("ERISA") with respect to the specific investments we recommend to you in connection with our services to the Plan, and only to the extent that our investment recommendations are actually implemented by the Plan sponsor.
- If the Plan sponsor selects discretionary investment advice, we serve as an investment manager for the Plan within the meaning of ERISA § 3(38). Our fiduciary investment responsibilities are limited to those of an investment manager.

#### B. Limited Consulting Engagement

We occasionally provide consulting services on either a one-time or periodic basis, depending on the Plan sponsor's needs and the nature of the work requested. These services range from a one-time engagement to comprehensive services provided on an as needed basis. This may include one or more of the consulting services listed above.

### Retirement Plan Due Diligence Services

We provide retirement plan due diligence services to organizations as part of their mergers and acquisitions activity. This due diligence includes, however, is not limited to review of plan documents, examination of required filings, review of Fiduciary Governance, review of investment portfolio construction and over plan health.

## **Assets Under Management**

As of December 31, 2022, we managed \$721,277,792 on a discretionary basis.

## **Item 5 Fees and Compensation**

Factors we consider in negotiating fees with a Plan sponsor include:

- scope of services to be provided
- frequency of the services
- number of investment menu choices and Plan investment universe
- frequency and complexity of reports
- Plan assets

Plan sponsors may choose one of two ways to pay our advisory fee:

- pay directly
- if the Plan document permits, the Plan sponsor can make arrangements with the Platform Provider to pay our advisory from the Plan assets

### **Continuous Advisor Arrangement Fees**

Our continuous advisory service fees are negotiated with the Plan sponsor. The minimum annual fee arrangement we typically enter with new continuous service clients is \$5,000, payable quarterly in advance.

The specific way we bill for fees is established in our written agreement with the Plan sponsor. We calculate our fee one of two ways, as a percentage of Plan assets or as a fixed fee.

### **Limited Consulting Engagement Fees**

Our limited consulting engagement fees are negotiated with the Plan sponsor. This decision is based upon the nature of the services provided. We typically negotiate these fees using either:

- A fixed fee for a particular consulting project based on the nature of the project and the amount of time needed to complete the project. We request half of the fee to be paid upon accepting the consulting project with the balance due and payable upon completion.
- A minimum hourly rate of \$250, based on the nature and complexity of the work requested. We will present an hourly rate to the Plan sponsor prior to beginning any work and, if possible, an estimated number of hours for completion of the job will be given. Hourly fees are due and payable as earned.

Limited consulting engagement fees and compensation may include a provision for travel expenses depending on, among other things, the nature of the project. We also typically negotiate separate fees if a Plan sponsor asks us to provide additional services outside the scope of our written agreement.

We typically negotiate separate fees if the Plan sponsor asks us to provide additional services outside the scope of our written agreement. For example, we request an additional fee, plus out of pocket travel expenses, to conduct employee education events in excess of a certain number of days per year.

Upon termination of our advisory agreement, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable to us. We will provide the Plan sponsor with a statement showing how the final invoice or refund is calculated. Upon termination, we will have no obligation to recommend or take any further action regarding the Plan.

### **Retirement Plan Due Diligence Fees**

Our due diligence fee is negotiated with the organization. The decision is based upon the scope of services provided and is established in our written agreement with the organization. The fee for this service is due and payable upon completion of the due diligence report.

### **Additional Fees and Expenses**

As part of our investment advisory services, we will recommend that Plan participants invest in mutual funds. The fees that a Plan pays to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders, which are described in their prospectus. These fees will generally include a management fee and other fund expenses. The Plan will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom Plan account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost the Plan and its participants will incur, the Plan sponsor and the responsible Plan fiduciaries should review all the fees charged by mutual funds, exchange traded funds, our firm, and others.

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

Our fees are calculated as described in the *Fees and Compensation* section above and are not charged on the basis of a share of capital gains or capital appreciation of invested funds.

## **Item 7 Types of Clients**

We provide retirement plan advisory services to qualified and non-qualified deferred compensation Plans established for employees of non-profit organizations, corporations and other businesses.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate an engagement if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

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

We use one or more of the following methods of analysis or investment strategies when providing investment advice to a Plan: quantitative analysis, qualitative analysis and modern portfolio theory.

### **Quantitative and Qualitative Analysis**

We use a quantitative system and qualitative methodology to analyze, rank and review investment performance utilizing information from both fund management companies and from various outside, independent sources to obtain fund information inputs and analysis. Quantitative fund information is accumulated each quarter-end and weighted according to its significance to the management and evaluation of an investment fund.

### **Modern Portfolio Theory**

Modern portfolio theory is a portfolio theory that determines the minimum level of risk for an expected return. It assumes that investors will favor a portfolio with a lower risk level over a higher risk level for the same level of return. A central part of modern portfolio theory is how an individual security impacts the risk and return profile of an entire portfolio. In providing this advice, we use various sources of data from research materials provided by investment data providers, financial publications, fund information, and other public information sources.

We advise clients to invest for the long term and take risks they are comfortable with to achieve their objectives.

For Plan sponsors, we advise them to provide an array of investment choices to allow any of their employees the opportunity to develop a well-diversified portfolio that meets their individual investment needs, in keeping with modern portfolio theory. We usually advise against providing more speculative investment options within the retirement plan.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that a Plan participants financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

We usually recommend well-known mutual funds.

### **Mutual Funds**

Mutual funds provide additional disclosures specific to each individual fund. These disclosures can be found in the fund's prospectus. Clients should read each fund's prospectus to obtain additional information prior to choosing the funds to be included in the investment menu of their retirement plan. The fund's prospectus is generally available to the Plan sponsor and to participants through the Platform Provider either on-line or by telephone request.

### **Stable Value Funds**

Stable value funds are designed to preserve capital while providing steady, positive returns. They are often made available as an investment elective in retirement savings plans. While stable value funds are considered one of the lowest risk investments offered in retirement savings plans, it is important to be aware of certain risks. Clients should read each fund's prospectus to obtain additional information prior to choosing the funds to be included in the investment menu of their retirement plan. The fund's prospectus is generally available to the Plan sponsor and to participants through the Platform Provider either on-line or by telephone request.

### **Life-Cycle Funds**

Life-cycle funds (also referred to as "aged-based funds" or "target-date funds") have two broad categories: "target date" and "target risk".

1. Target-date funds operate under an asset allocation formula that assumes retirement in a certain year and adjusts its asset allocation model as it gets closer to that year.
2. Target-risk funds are based on risk tolerance, and generally provide several risk levels from which to choose (for example, conservative, moderate or aggressive). Life-cycle funds (both target-date and target risk) may provide performance results that vary considerably from their stated investment objectives. Portfolio allocation ranges can vary greatly from one life-cycle fund to another. Performance results may also vary considerably when compared to a peer group of life-cycle funds managed according to a similar objective.

## **Item 9 Disciplinary Information**

Not applicable.

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

IMA Wealth is registered with the SEC as a broker-dealer and is a member of FINRA. We are also an insurance agency. Some of our principal executive officers are also engaged in the management of broker-dealer and insurance agency business. These individuals spend as much as 10% of their time involved in broker-dealer and insurance agency business. Our associated persons are typically registered both as an investment advisor representative and as a FINRA registered representative and licensed in one or more states as an insurance agent.

We and our representatives make available products for qualified and non-qualified employer-sponsored retirement plans (such as 401(k) plans) as the Plan's broker of record. Life health, disability, and long-term care insurance are also made available to our clients.

We do not buy or sell securities as principal or as agent for investment supervisory and consulting services clients. All securities transactions for a Plan's account are executed through and held in an account established by the Plan with a custodian. However, if you wish to purchase life, health, long-term care or disability insurance, or wish to hire a broker for an employer-sponsored retirement plan, we will offer these products to you as an agent of IMA Wealth's insurance agency or as a registered representative of IMA Wealth. If you purchase these products through IMA Wealth's insurance agency or broker-dealer, our associated persons are eligible to receive a percentage of the commissions generated by these sales. You are under no obligation to purchase any products from us.

IMA Financial Group, Inc. ("IMA") is the parent company of IMA Wealth. IMA has numerous subsidiary corporations which are engaged in retail and wholesale insurance operations. If you need professional insurance services for yourself or your business, we will refer you to IMA and its subsidiaries. Should insurance products be purchased as a result of this referral, IMA Wealth's associated persons could be eligible to receive a percentage of the commissions generated by these sales. You are not obligated in any way to use IMA and its subsidiaries to purchase insurance products.

IMA is also the parent company to Syntrinsic LLC, an SEC registered investment advisor. Syntrinsic develops customized investment portfolios for nonprofit organizations and civically engaged private clients. If you wish to engage these services, we will refer you to Syntrinsic LLC. You are not obligated in any way to use Syntrinsic LLC or the services they offer.

Individuals employed by IMA may receive compensation for referrals to IMA Wealth. These referrals and payments are made pursuant to agreements between IMA Wealth and such individuals. As stated above, you are not obligated to use IMA and its subsidiaries to purchase insurance products if you are a client of IMA Wealth as a result of such referral.

Please see Item 14 ("Client Referrals and Other Compensation") for information about other referral arrangements between IMA Wealth and its affiliates.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Description of Our Code of Ethics**

We have adopted a Code of Ethics expressing our commitment to ethical conduct. Our Code of Ethics describes our fiduciary responsibilities to our clients, and our procedures in supervising the personal securities transactions of our supervised persons who have access to information regarding client recommendations or transactions ("access persons").



A copy of our Code of Ethics is available to our clients and prospective clients. You may request our Code of Ethics by contacting us at the number listed on the cover page of this brochure.

We owe a duty of loyalty, fairness, and good faith towards our clients and have an obligation to adhere not only to the specific provisions of the Code of Ethics however also to the general principles that guide the Code. Our Code of Ethics includes policies and procedures for the review of our access persons' quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by our access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering.

Our Code also provides for oversight, enforcement, and recordkeeping provisions. Our Chief Compliance Officer may grant exceptions to certain provisions contained in the Code where we reasonably believe the interests of our Clients will not be materially adversely affected or compromised. Doubts arising in connection with personal securities trading should be resolved in favor of the client even at the personal expense of our employees.

Our Code of Ethics prohibits the misuse of material non-public information. While we do not believe that we have any access to material non-public information regarding publicly traded companies that would be subject to misuse, all employees are reminded that any such information may not be used in a personal or professional capacity. IMA Wealth and its principals, officers, affiliates, employees, and advisors may act as investment adviser for others, may manage funds or capital for others, may have, make, and maintain investments in its or their own names, or may serve as an officer, director, consultant, partner, or stockholder of one or more investment partnerships or other businesses, subject to compliance with our Code of Ethics. In doing so, IMA Wealth or such persons may give advice, take action, and refrain from taking action, any of which may differ from advice given, action taken or not, or the timing of any action, for any particular client.

Protecting the confidentiality of our customers' nonpublic information is important to IMA Wealth. We have instituted policies and procedures to ensure that nonpublic customer information is kept confidential. We do not disclose nonpublic personal information about our clients or former clients to any non-affiliated third parties, except as provided pursuant to our privacy policies or as required by or permitted by law. In the course of servicing a client's account, we may share client information with service providers, such as custodians, transfer agents, accountants, and attorneys.

#### **Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Item 12 Brokerage Practices**

We do not accept authority to select broker-dealers or negotiate commission rates for Retirement Plan Advisory Services clients.

### **Item 13 Review of Accounts**

Account reviews will be conducted for advisory clients who enter into an agreement with us to provide this service. Reviews are conducted according to the schedule and frequency in our agreement with the Plan sponsor.

Unless otherwise agreed with the Plan sponsor, the Investment Committee will conduct a review and analysis of investments held by the Plans on a quarterly basis.

Funds may be added to a watch or replacement list governed by the Investment Policy of the Plan and the prudent judgement of the Investment Committee review.

Other factors may also be taken into consideration, including whether the entire category suffered a period of underperformance, availability of viable replacements within the menu, restrictions that would limit the ability to make a change, or other mitigating circumstances specific to the Plan.

### **Client Reports**

Written reports for continuous advisory services are provided to the Plan on a mutually agreed upon schedule. Limited consulting engagement reports are provided to the Plan sponsor within a reasonable time frame following the receipt of all requested information related to the Plan. The schedule and time frame are specified in our written advisory agreement with the Plan sponsor. You are responsible for ensuring that we receive copies of all information related to the Plan necessary to perform our services. This may include a listing of current investment selections and the current dollar value of assets within each investment selection. Continuous advisory services clients typically receive a comprehensive report package illustrating absolute and relative performance of the retirement plan investment choices. These reports are in addition to those prepared by the Platform Provider.

### **Client Meetings**

The meeting schedule for continuous advisory services clients is typically determined with the Plan sponsor based on factors such as plan size and relative complexity of its investment portfolio however will be scheduled no less than an annual basis for all Plan clients.

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

### **Client Referrals**

Some of our affiliated individuals will earn compensation based on (1) acquisition and retention of investment advisory client assets under management and (2) advisory fees paid to IMA Wealth. Should referred clients decide to hire IMA Wealth, these individuals will receive compensation. This is a conflict of interest because these affiliated individuals have an economic incentive to recommend our advisory services.

### **Other Compensation**

We from time to time receive services from retirement plan service providers, including Platform Providers, which are intended to help us manage and further develop our business enterprise. These services may include:

- educational conferences and events
- publications, conferences and presentations on practice management, compliance and marketing

Retirement plan service providers may also:

- make available, arrange and/or pay for these types of services to our firm by independent third parties
- discount or waive fees it would otherwise charge for some of these services
- pay all or a part of the fees of a third-party providing these services to our firm

We may also receive other benefits from retirement plan service providers, such as occasional business entertainment of our personnel.

## Item 15 Custody

We do not have custody of assets held in qualified and/or non-qualified deferred compensation Plans. We are not able to directly deduct our fee for advisory services provided to a Plan (as described in this Brochure) directly from the Plan assets.

The Plan custodian maintains actual custody of Plan assets. Plan sponsors have direct access to Plan information and balances through their arrangement with the Plan custodian.

## Item 16 Investment Discretion

IMA Wealth typically agrees to provide investment advice on either a non-discretionary or discretionary basis. The written Advisory Agreement we enter with the Plan sponsor specifies the capacity in which we have been engaged.

### **Non-Discretionary Investment Advice**

We will accept a non-discretionary arrangement under ERISA §3(21)(A)(ii). We provide investment advice with respect to the specific investments we recommended to you and only to the extent that our investment recommendations are actually implemented by the Plan sponsor.

The Plan fiduciary, under this arrangement, retains sole responsibility for determining whether to implement any recommendations from us. The Plan sponsor is not required to implement any of the recommendations or otherwise conduct business through us and we have no responsibility for decisions made by the Plan sponsor that are inconsistent with our advice.

### **Discretionary Investment Advice**

We may also serve as an investment manager for a Plan within the meaning of ERISA § 3(38). Under the investment advisory agreement, our fiduciary responsibilities are limited to those of an investment manager and do not include any other trustee responsibility as that term is defined under ERISA § 405(c)(3). We maintain a fidelity ERISA bond that covers our services as an investment manager to the extent required by ERISA.

The Plan's investment guidelines and restrictions must be provided to us in writing. When we provide investment advice to a Plan on either a discretionary or non-discretionary basis, we observe written investment policies, limitations and restrictions established for the Plan. Plan sponsors may change or amend these investment policies, limitations and restrictions as required. Amendments must also be provided to us in writing.

## Item 17 Voting Client Securities

Not applicable.

## Item 18 Financial Information

Not applicable.