



## CLIENT RELATIONSHIP SUMMARY – ADV Part 3

### Item 1. Introduction

Chicago Investment Advisory Council, Inc. (“CIAC,” “we,” “us,” and “our”) is an Illinois corporation registered as an investment advisor with the United States Securities and Exchange Commission. Brokerage and investment advisory services and fees differ and it is important that you understand the differences. Please note that free and simple tools are available to research advisory and brokerage firms and their associated financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS). This site also provides educational materials about broker-dealers, investment advisors, and investing.

### Item 2. Relationships and Services

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

We offer the following services to retail investors: (i) ongoing and continuous portfolio management services under our Active Asset Management Program (“AAMP Program”); (ii) initial consultation/portfolio review services; (iii) financial planning services; and (iv) educational workshops. Financial planning and consulting services can be combined with our AAMP Program services at the client’s discretion.

Our AAMP Program includes a review of your unique financial circumstances, investment strategy/model selection and implementation, and ongoing supervision of your investment accounts. We will directly invest the assets deposited to your account at the custodian in an investment strategy and portfolio that is designed to comport with your investment objectives and suitability. We typically implement the recommended investment strategy through the use of proprietary model investment portfolios that have been designed by our firm to meet with specific investment objectives and risk tolerances, ranging from a more aggressively allocated portfolio to a more conservative approach. We will monitor your account regularly, making changes to your holdings as we believe to be appropriate and in your best interests, acting in accordance with our fiduciary duty to you. You will typically be required to grant us discretionary authority to buy and sell investments for your account without obtaining your consent prior to each transaction. On occasion, we may agree to a non-discretionary arrangement, where we must obtain your prior consent for specific transactions within your account. You may impose reasonable restrictions on our ability to invest in certain securities or types of securities within your account. We will review your account at least annually to ensure that your portfolio holdings and the selected investment model comport with your investment profile and needs.

Initial consultations/portfolio review services include a one-time review of your financial circumstances, investment needs and goals, risk tolerance, time horizon for investments, and current portfolio holdings. We may also discuss estate planning matters and any questions you may have about our other services. Following an initial consultation, we will provide you with our portfolio recommendations and an action plan containing certain discrete financial steps you can take that we believe will help you to achieve your short and long-term financial goals. You will make all ultimate investment decisions and shall be responsible for their implementation and the monitoring of all of your investments. We will only review and update our recommendations upon your specific request.

We offer financial planning and consulting as a *stand-alone* service which is tailored to your unique financial circumstances and affairs. We will review your financial situation and assets, risk profile, investment time horizon, and investment goals and provide you with our recommendations regarding the financial topics or transactions for which we are engaged. Our recommendations will take the form of either a written financial plan or a shorter written report or checklist, as appropriate for the scope of the engagement. The written financial plan, report or checklist we deliver to you is not updated or reviewed following its initial delivery, unless otherwise specifically agreed. Additional fees will apply to all such reviews and updates. You will make all ultimate investment decisions and shall be responsible for their implementation and the monitoring of all of your investments.

We also offer educational workshops regarding investment and personal finance. Topics covered may include, without limitation, retirement strategies, risk management, investments, and estate planning. Our workshops are educational in nature and do not include personalized investment advice or the promotion of any specific financial products.

We primarily advise our clients regarding investments in stocks, bonds, options, money market funds, mutual funds, exchange traded funds (“ETFs”), and other securities, insurance products, cash and cash equivalents. We do not have any minimum account opening size or fee requirements.

*More detailed information about our advisory services and account minimums is contained in our Form ADV Part 2A “Firm Brochure.”*

**Conversation Starter.** Ask us:

1. (i) *Given my financial situation, should I choose an investment advisory service? Why or why not?*
2. (ii) *How will you choose investments to recommend to me?*
3. (iii) *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

### **Item 3. Fees, Costs, Conflicts, and Standard of Conduct**

#### ***What fees will I pay?***

We charge annual asset-based fees for our AAMP Program services which are calculated as a percentage of the value of the client’s assets under our management. For discretionary accounts, these annual fees typically range from 1.00% - 2.00% per year and for non-discretionary accounts, these annual fees typically range between 0.50% and 1.00% per year. The specific annual fee rate to be applied to your engagement will be described in the written investment advisory agreement and will typically be applied across the entire value of your account, including any cash balances. The annual fee is prorated for partial billing periods and charged quarterly, in arrears, based on the market value of your account at the end of the previous quarter (as such market value is determined by the custodian of your account). These fees may also be prorated for mid-period capital inflows or outflows based on the date of deposit or withdrawal to or from your account. AAMP Program fees are typically deducted directly from the client’s account at the custodian with the client’s written authorization for the same.

Where asset-based fees apply, you should consider that the more assets you have in your account, the more you will pay us, thus creating an incentive for us to encourage you to increase and/or maintain the level of assets in your account.

We may charge you hourly fees that typically range between \$150 - \$250 per hour or fixed fees that typically range between \$100 - \$2,500 for initial consultation/portfolio review services, financial planning services, and/or educational workshops. The specific hourly or fixed fee rates to be applied to your engagement are determined by us based on the services selected, the complexity of your financial circumstances and investment advisory needs, the experience level and expertise of the personnel who will perform services, and/or our estimate of the time required to perform the requested services. These fees are typically charged in arrears by delivery of a written invoice to the client, however payment in advance may be required in some cases. Full payment of any earned but unpaid fees is typically due upon our delivery of our recommendations to the client.

Our advisory fees above do not cover customary brokerage fees and transaction charges (*e.g.*, trade commissions and fees, mark-ups, spreads, etc.), custodial fees, reporting and administration fees, wire transfer/EFT fees, taxes, internal mutual fund and ETF fees and charges, and other costs and expenses incurred in connection with transactions and holdings of your brokerage account. They also do not cover the costs of third-party money managers or other third-party professionals retained by the client. You will separately bear these costs.

**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.**

*More detailed information about our advisory fees is contained in our Firm Brochure at Item 5.*

**Conversation Starter:** Ask us: *“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?***

*When we act as your investment advisor, 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 this means:*

Example 1: The value of your asset-based advisory fee account goes up, and while the annual percentage we charge may stay the same, the total compensation you pay us goes up proportionately.

Example 2: Your account value goes down, but you still must pay us an asset-based advisory fee proportional to your assets under management.

Some of our financial professionals are dually registered representatives of J.W. Cole Financial, Inc. (“J.W. Cole”), an independent SEC registered broker-dealer which is not affiliated with our firm. Clients can enter into a separate commission-based arrangement with such individuals (but not CIAC directly) and J.W. Cole for securities brokerage services (a “Brokerage Arrangement”). Under this arrangement, these financial professionals, acting in their capacity as registered representatives of J.W. Cole, may receive commissions, ongoing distribution fees (*i.e.*, trails), and other compensation based on sales of securities to clients. Investments made through a Brokerage Relationship may be separate from the advisory services we provide to you, and therefore, our firm does not have a fiduciary duty over such Brokerage Relationship recommendations. Certain of our financial professionals are also independently licensed to sell insurance in one or more states acting as a direct agent representative of a specific insurance company or companies. Insurance related business is transacted with advisory clients and licensed individuals may receive commissions or fees from insurance products sold to clients. Fees paid to us for investment advisory services are separate and distinct from insurance or brokerage commissions or fees earned by any of our professionals. The receipt of insurance or brokerage related commissions or fees by our professionals presents a conflict of interest insofar as it creates a financial incentive to sell insurance products and/or securities to clients. We will only transact securities and insurance business with clients when fully disclosed, suitable, and appropriate. You may use any insurance or brokerage firm, agent, or registered representative you choose for the purchase of any securities or insurance products.

*More detailed information related to conflicts of interest is contained in our Firm Brochure at Items 5, 12, and 14.*

**Conversation Starter:** Ask us: “*How might your conflicts of interest affect me, and how will you address them?*”

#### ***How do your financial professionals make money?***

Our financial professionals are compensated with annual salaries and/or discretionary bonuses. Insurance and securities licensed individual may receive additional compensation as set forth above. *More detailed information about our conflicts of interest is contained in our Firm Brochure at Item 5.*

#### **Item 4. Disciplinary History**

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

Yes. We encourage you to visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research any of our financial professionals.

**Conversation Starter:** Ask us: “*As a financial professional, do you have any disciplinary history? For what type of conduct?*”

#### **Item 5. Additional Information**

You can find additional information regarding our firm, including our Firm Brochure and this client relationship summary by visiting the following link: <https://adviserinfo.sec.gov/firm/summary/123243>. You can also obtain a copy of this relationship summary by visiting our website at <https://www.ciacinc.com/> or by contacting us by telephone at (630) 444- 1410. We will be pleased to answer any of your questions.

**Conversation Starter:** Ask us: “*Who is my primary contact person? Is he or she a representative of an investment advisor or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*”