

**Form ADV Part 2A: Disclosure Brochure**

**VF Investment Services Corp.**

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Date: December 7, 2012

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**This brochure provides information about the qualifications and business practices of VF Investment Services Corp. If you have any questions about the contents of this brochure, please contact us at (484) 367-4444. 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.**

**Additional information about VF Investment Services Corp. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**VF Investment Services Corp. 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   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.

Generally, VF Investment Services Corp. will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

### **Item 3 Table of Contents**

<b>Item 2</b>	<b>Material Changes .....</b>	<b>ii</b>
<b>Item 3</b>	<b>Table of Contents .....</b>	<b>iii</b>
<b>Item 4</b>	<b>Advisory Business .....</b>	<b>1</b>
<b>Item 5</b>	<b>Fees and Compensation .....</b>	<b>3</b>
<b>Item 6</b>	<b>Performance-Based Fees and Side-By-Side Management .....</b>	<b>5</b>
<b>Item 7</b>	<b>Types of Clients .....</b>	<b>5</b>
<b>Item 8</b>	<b>Methods of Analysis, Investment Strategies and Risk of Loss.....</b>	<b>5</b>
<b>Item 9</b>	<b>Disciplinary Information.....</b>	<b>6</b>
<b>Item 10</b>	<b>Other Financial Industry Activities and Affiliations .....</b>	<b>6</b>
<b>Item 11</b>	<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b>	<b>8</b>
<b>Item 12</b>	<b>Brokerage Practices .....</b>	<b>9</b>
<b>Item 13</b>	<b>Review of Accounts .....</b>	<b>9</b>
<b>Item 14</b>	<b>Client Referrals and Other Compensation .....</b>	<b>10</b>
<b>Item 15</b>	<b>Custody .....</b>	<b>10</b>
<b>Item 16</b>	<b>Investment Discretion .....</b>	<b>11</b>
<b>Item 17</b>	<b>Voting Client Securities .....</b>	<b>11</b>
<b>Item 18</b>	<b>Financial Information .....</b>	<b>11</b>
<b>Item 19</b>	<b>Requirements for State-Registered Advisers .....</b>	<b>11</b>
<b>Item 20</b>	<b>Additional Information .....</b>	<b>11</b>

## Item 4 Advisory Business

### Description of Services and Fees

VF Investment Services Corp. is a registered investment adviser based in Wayne, Pennsylvania. We are organized as a corporation under the laws of the Commonwealth of Pennsylvania, and we have been providing investment advisory services since 1985. Our firm is wholly owned by Valley Forge Enterprises, Ltd., which is owned by United Retirement Plan Consultants, Inc. United Retirement Plan Consultants, Inc. is majority owned by a private equity firm, Stonehenge Opportunity Fund III, LP. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- **Portfolio Management Services**
- **Advisory Consulting Services**
- **Selection of Other Advisors**
- **401(k) Plans Consulting Services**

As used in this brochure, the words “we”, “our” and “us” refer to VF Investment Services Corp. and the words “you”, “your” and “client” refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm’s officers, employees, and all individuals providing investment advice on behalf of our firm.

### Portfolio Management Services

We provide investment advice with regard to maintenance of an investment management program and implement the program through SEI Investment Company or other investment companies. We will discuss with you your financial situation and offer suggestions for one or more asset allocation portfolios consistent with your investment objectives and risk tolerance. We will periodically, but no less than annually, analyze your portfolio in light of your current financial situation and implement any changes as authorized by you. You are responsible for advising us of any significant changes in your financial or personal circumstances.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

You will retain full control of investment decisions with respect to all matters relating to your portfolio(s) and we will not take any action with respect to your portfolio without your direction or approval. We shall not have discretionary authority with respect to the rebalancing of your portfolio.

In addition to the SEI family of funds, and where appropriate and suitable for you, the portfolio may also include other mutual funds outside of the SEI family of funds. SEI is not an investment adviser in this instance and does not have the investment adviser relationship with you.

The Program is designed as follows:

1. We will determine your risk profile and investment objectives. We will help you set appropriate investment objectives, as well as determine your investment time horizon and risk profile.
2. With your assistance, we will set an asset allocation policy for you. This policy will either be a standard SEI model available through the Program or one that is customized for your portfolio(s).
3. To achieve diversity among asset classes and styles. SEI selects the investment managers of the underlying mutual funds. SEI utilizes institutional investment management firms. The managers are monitored by SEI to ensure that their investment styles and performance remain consistent with the objectives of the mutual funds.
4. We will supervise the account and take action in the account where appropriate, but only with your approval. Such action may be based upon recommendations provided by SEI that are based

on the asset allocation model of your portfolio(s); or it may be based on our own strategies and evaluations of what is appropriate for your portfolio(s).

5. SEI Trust Company (a subsidiary of SEI Investments Company) acts as the transfer agent and custodian for your account. SEI Trust Company provides reporting services including consolidated monthly or quarterly statements (as selected by you), quarterly performance reports, and year-end tax reports.

You sign an advisory contract with us and account opening documentation with SEI. We provide a copy of our disclosure brochure to you and SEI provides a prospectus for the mutual funds utilized in the fee-based account. As custodian, SEI Private Trust Company provides all reporting functions for the account, and supplies you with either a monthly or quarterly statement; but no less frequent than on at least a quarterly basis. SEI does not act in the capacity of an investment adviser to you and therefore does not provide any separate disclosure brochures. The fee schedule that we charge for our advisory services in connection with the SEI Asset Management Program is included herein and in the VFISC Advisory Agreement for client disclosure.

### **Advisory Consulting Services**

We offer consulting services which primarily involves advising clients on specific financial-related topics. The topics we address may include, but are not limited to, risk assessment/management, investment planning, financial organization, or financial decision making/negotiation. We charge an hourly fee for advisory consulting services of \$250 per hour which is negotiable depending on the scope and complexity of services to be rendered. Our consulting fee is payable upon completion of the agreed upon consulting services.

### **Selection of Other Advisers**

As part of our investment advisory services, we may recommend that you use the services of a third party money manager ("MM") to manage your entire, or a portion of your, investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific MM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the MM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the MM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

We do not charge you a separate fee for the selection of other advisers. We will share in the advisory fee you pay directly to the MM. The advisory fee you pay to the MM is established and payable in accordance with the brochure provided by each MM to whom you are referred. These fees may or may not be negotiable. Our compensation may differ depending upon the individual agreement we have with each MM. As such, a conflict of interest may arise where our firm or our Associated Persons may have an incentive to recommend one MM over another MM with whom we have more favorable compensation arrangements or other advisory programs offered by MM's with whom we have less or no compensation arrangements.

You will be required to sign an agreement directly with the recommended MM(s). You may terminate your advisory relationship with the MM according to the terms of your agreement with the MM. You should review each MM's this brochure for specific information on how you may terminate your advisory relationship with the MM and how you may receive a refund, if applicable. You should contact the MM directly for questions regarding your advisory agreement with the MM.

### **401(k) Plans Consulting Services**

We offer consulting services to 401(k) plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These consulting services will be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification
- Asset allocation
- Risk tolerance
- Time horizon

Our educational seminars may include other investment-related topics specific to the particular plan.

The compensation arrangement for these services will typically be based on a percentage of assets under management however the scope of the services provided and the fees charged will be determined on a case by case basis.

We may also provide additional types of consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents. Our advisory fees for these customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis.

Either party to the pension consulting agreement may terminate the agreement upon 30-days' written notice to the other party. The pension consulting fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to the client.

#### **Accuracy of Client Information**

In providing the contracted services, we are not required to verify information we receive from you or from your other professionals (e.g. attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. You must promptly notify our firm if your financial situation, goals, objectives, or needs change for the purpose of reviewing, evaluating, and/or revising our previous recommendations and/or services.

#### **Types of Investments**

We primarily offer advice on mutual funds; however, we may also offer advice on equity securities, corporate debt securities, certificates of deposit, municipal securities, investment company securities, U.S. Government securities and alternative investments such as hedge funds, futures, and interests in partnerships investing in real estate, energy and others. Additionally, we may recommend other types of investments since each client has different needs and different tolerances for risk. We may also advise you on any type of investment held in your portfolio at the inception of our advisory relationship, or on specific types of investments at your request. You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

#### **Assets Under Management**

As of September 30, 2011, we manage \$ 100,956,795 in client assets on a non-discretionary basis. We do not manage client assets on a discretionary basis.

### **Item 5 Fees and Compensation**

#### **Portfolio Management Fees**

We charge an investment advisory fee as stated below. SEI and other mutual fund families charge expense ratios to the funds; all expense ratios are disclosed in the prospectuses of the funds. SEI Private Trust Co., a subsidiary of SEI Investments Co. acts as the transfer agent and custodian for your account. SEI Private Trust Company, on our behalf and only with your prior written approval, debits the advisory fee directly from your account; or if requested by account-owner we can direct bill for our advisory fees. SEI does not participate in the advisory fee. SEI Private Trust Company then forwards the fee to us.

<b>Assets Under Management</b>	<b>Annual Fee</b>
0 - \$250,000	1.50%
Next \$250,000	1.25%
Next \$500,000	1.00%
Next \$1,500,000	0.85%
Over \$2,500,000	0.75%
Minimum Fee - \$1,500	

SEI Trust Co. will debit your account on a quarterly basis for the above-mentioned fees and charges. The charges to the account will be on an arrears basis and will be remitted quarterly net of any applicable account and performance reporting charges not charged to you. Upon written notification, either you or our firm may terminate the agreement. Prorated fees will be charged based on market value on the date account is closed.

### **Additional Fees and Expenses**

Our advisory fees, as described above, are exclusive of, and in addition to, other fees that you may incur, including, but not limited to, the following types of fees: custody and transaction, legal, accounting, and mutual funds' internal investment expenses.

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You may 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 your 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 you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the *Brokerage Practices* section of this brochure.

Associated Persons may receive benefits such as assistance with conferences and educational meetings from product sponsors. Additionally, Associated Persons receive various support, educational, and research services through their broker/dealer. Such services and support are used to benefit all clients regardless of the services obtained by clients.

On occasion, although not a material consideration when determining whether to recommend any particular investment to our clients, other third party service providers and/or insurance companies may also provide non-cash benefits to our firm and/or our Associated Persons. These benefits may include but are not limited to waivers or reductions of conference registration fees; meals; entertainment; and promotional premium items that have nominal value. The receipt of all such benefits must be preapproved by our Chief Compliance Officer.

### **Compensation for the Sale of Securities or Other Investment Products**

Certain persons providing investment advice on behalf of our firm are registered representatives with Investors Capital Corporation, ("Investors Capital"). Investors Capital is registered as a securities broker-dealer and is a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their separate capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacity as a registered representative is separate and in addition to our advisory fees. This practice may present a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives may have an incentive to effect securities transactions for the purpose of generating commissions. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

Investors Capital Advisory Services, is a registered as an investment adviser with the United States Securities and Exchange Commission. As required by Investors Capital, certain persons providing advice on behalf of our firm may also be separately licensed as an investment adviser representative with Investors Capital Advisory Services. These individuals may provide advisory services through Investors Capital Advisory Services and receive fees from Investors Capital Advisory Services for advisory services.

Certain persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Our primary source of income is derived from fee-based compensation from the delivery of investment advisory services to our clients.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

We charge a minimum fee of \$1,500 in connection with utilizing the investment management program of SEI Investments Corp. This fee may be reduced at our discretion.

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

### **Our Methods of Analysis and Investment Strategies**

Our firm's investment strategy is focused on the long-term purchase of securities, with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Nonetheless, our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine financial planning recommendations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

We will not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or third party investment advisers. We primarily rely on investment model portfolios and strategies developed by SEI Investments Company ("SEI") and their portfolio managers. We may recommend replacing SEI if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.



**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. You understand that our investment recommendations for your account are subject to various markets, currency, economic, political and business risks, and that those investment decisions will not always be profitable. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

**Tax Disclosures**

As a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Moreover, our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

**Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we primarily recommend mutual funds; however, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds.

**Item 9 Disciplinary Information**

VF Investment Services Corp. has been registered and providing investment advisory services since 1985. Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

**Item 10 Other Financial Industry Activities and Affiliations****Registrations with Broker-Dealer**

Persons providing investment advice on behalf of our firm are registered representatives with Investors Capital Corporation, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

**Registrations with Other Investment Advisers**

Persons providing investment advice on behalf of our firm are also investment adviser representatives with Investors Capital Advisory Services, a federally registered investment adviser. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

**Arrangements with Affiliated Entities**

Our firm is 100% owned by Valley Forge Enterprises, Ltd. Valley Forge Enterprises, Ltd. is 100% owned by United Retirement Plan Consultants, Inc. United Retirement Plan Consultants, Inc. is 88% owned by Stonehenge Opportunity Fund III, LP, and 6% owned by Triangle Mezzanine Fund, LP. The remaining approximately 6% is owned individually by investors, with no one individual or entity owning more than 5%.

Our firm is affiliated with the following other firms through common ownership:

1. V.F. Associates, Inc. – Insurance Agency. Investment Adviser Representatives of our firm are also licensed insurance agents with V.F. Associates, Inc. V.F. Associates, Inc. is licensed for the sale of life, health and disability insurance; and sells insurance to some employers and employees who participate in retirement plans that are advised by our firm. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees.
2. Valley Forge Consulting Corporation – Investment Adviser Representatives of our firm are also employed by Valley Forge Consulting Corporation, which is a consulting firm that provides third-party administration services to qualified plans. We will recommend that you use the services of Valley Forge Consulting Corporation if appropriate and suitable for your needs. Our advisory services are separate and distinct from the fees paid to Valley Forge Consulting Corporation for its services.
3. Valley Forge Enterprises, Ltd. – Holding Company. Steven Zimmerman, President of our firm is also President of Valley Forge Enterprises, Ltd. In general, clients of our firm will not be solicited to use the services of Valley Forge Enterprises, Ltd.
4. Complete Investment Management, Inc. – Branch Office of Broker/Dealer. Steven Zimmerman, President of our firm has responsibilities of Complete Investment Management, Inc. that include financial oversight, human resources, and sales & marketing. In general, clients of our firm will not be solicited to use the services of Complete Investment Management, Inc.
5. Pentec Capital Management, Inc. – Branch Office of Broker/Dealer. Steven Zimmerman, President of our firm is also President of Pentec Capital Management, Inc. and has responsibilities that include financial oversight, human resources, and sales & marketing. In general, clients of our firm will not be solicited to use the services of Pentec Capital Management, Inc.
6. California Investment Annuity Sales, Inc. – Variable Annuity Sales – Steven Zimmerman, President of our firm is also Vice President of Sales for California Investment Annuity Sales, Inc. In general, clients of our firm will not be solicited to use the services of California Investment Annuity Sales, Inc.

Our firm is also affiliated indirectly with the following firms. While under common ownership and control, in general, clients of our firm will not be solicited to use the services of any of these companies. We may recommend clients use The Pension Alliance and/or Stephen H. Rosen & Associates, if appropriate, depending upon the complexity of the plan design for the plan.

- The Pension Alliance Inc. (Steven Zimmerman – Vice President Sales)
- Stephen H. Rosen & Associates, Inc. (Steven Zimmerman – Vice President Sales)
- Benefit Dynamics, Inc., (Steven Zimmerman – Vice President)

The referral arrangements we have with our affiliated entities present a conflict of interest because we may have a financial incentive to recommend our affiliates' services. While we believe that compensation charged by our affiliates are competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use our affiliates' services and may obtain comparable services and/or lower fees through other firms.

#### **Recommendation of Other Advisers**

We may recommend that you use a third party money managers ("MM") based on your needs and suitability. We will receive compensation from the MM for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third party adviser. You are not obligated, contractually or otherwise, to use the services of any MM we recommend.

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

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

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

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

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

#### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities. We have also adopted a written Code of Ethics designed to prevent and detect personal trading activities that may interfere or be in conflict with client interests, as discussed above in this section.

It is our policy that our client's interest takes precedence over our interests, and the interest of our affiliates, employees and representatives. Accordingly, our personnel will disclose any material relationships that they may have with respect to any investment recommended to an advisory client. In addition, we will make recommendations based upon client suitability and investment objectives without regard to personal benefit. Our personnel will not purchase or sell securities for their own account if the transaction will knowingly disadvantage clients.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

## Item 12 Brokerage Practices

We may recommend the brokerage and custodial services of Investors Capital Corporation (“Investors Capital”), a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe that Investors Capital provides quality execution services for you 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 by Investors Capital, including the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of brokerage products and services Investors Capital provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere, although we believe that Investors Capital's commissions and/or trading costs are no higher than those obtainable from many other full service brokers.

In connection with the investment management program developed and managed by SEI Investments Company, our choice of custodian will be limited to SEI Private Trust Company, a subsidiary of SEI Investments Company.

### Soft Dollar Benefits

We do not have any soft dollar arrangements.

### Brokerage for Client Referrals

We do not receive client referrals from Investors Capital or any other broker-dealer in exchange for cash or other compensation, such as brokerage services or research.

### Directed Brokerage

Persons providing investment advice on behalf of our firm who are registered representatives of Investors Capital may recommend Investors Capital to you for brokerage services. These individuals are subject to applicable rules that may restrict them from conducting securities transactions away from Investors Capital unless Investors Capital provides the representative with written authorization to do so. Currently, Investors Capital has provided advisory representatives of our firm with written authorization to place securities transactions with other broker-dealers. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

At our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

### Block Trades

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as “block trading”). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.

## Item 13 Review of Accounts

The advisory representatives of our firm review their respective client accounts generally monthly, but no less than quarterly. The advisory representatives meet informally but frequently to discuss various aspects of the investment advice being rendered to client accounts by third party advisers. Decisions are made as a group as to the review of accounts and any appropriate changes in third party advisers.

We will not provide you with additional investment reports in conjunction with account reviews unless specifically requested by you. If you are a participant in the investment program sponsored by SEI Investments Company ("SEI"), you will receive written reports from SEI describing your account assets and account performance. You will also receive trade confirmations and monthly or quarterly statements from your account custodian(s).

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

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and/or are registered representatives with Investors Capital Corporation, a securities broker-dealer.

Certain investment advisory representatives of our firm are members of the Select Adviser Council sponsored by SEI Investments Company ("SEI"). As members of the Select Adviser Council, these advisory representatives may be compensated with awards or prizes such as hotel stays, dinners or event tickets by SEI for providing investment advisory services to clients who are participating in the SEI investment program.

We may refer retirement plan accounts and others to unaffiliated investment advisers under fully disclosed arrangements, under which we will receive compensation for the referral. Such fees are a percentage of the unaffiliated investment adviser's fee and represent no additional cost to you.

We directly compensate certain independent registered investment representatives (the "Solicitors") for client referrals to our firm, under solicitor agreements that we have entered into with them. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires or a one-time, flat referral fee upon your signing an advisory agreement with our firm. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. These fees may be paid should a prospective client who is introduced to us by the Solicitor become a client of our firm at any time within a twelve month period immediately following the initial introduction of the prospective client to us by the Solicitor. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms. Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements.

#### **Item 15      Custody**

We do not take custody of your funds or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. We may have the authority to deduct our advisory fees from your account, but only if you previously consented to such deduction in writing.

As paying agent for our firm, your independent custodian may directly debit your account(s) for the payment of our advisory fees, but only if you previously consented to such deduction in writing. This authority 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. 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(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

## **Item 16 Investment Discretion**

We do not accept discretionary authority to manage your securities accounts. As disclosed under the *Advisory Business* section above, the investment advisory services we provide are strictly on a non-discretionary basis, which means we will obtain your approval prior to the reallocation of any of your assets. You have an unrestricted right to decline to implement any advice provided by our firm.

## **Item 17 Voting Client Securities**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## **Item 18 Financial Information**

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

## **Item 19 Requirements for State-Registered Advisers**

This section is not required because we are an SEC registered investment adviser.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

**Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

**Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.