



Valley Forge Investment Consultants, Inc.

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This Brochure provides information about the qualifications and business practices of Valley Forge Investment Consultants, Inc. If you have any questions about the contents of this Brochure, please contact us at 610-783-6650 or at TLentini@vffg.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Additional information about Valley Forge Investment Consultants, Inc. is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for VFIC is 123898.

Item 2. Material Changes

This Firm Brochure is our disclosure document prepared according to the United States Securities and Exchange Commission's (SEC) current requirements and rules. This is our initial filing of the Firm's Brochure for SEC investment adviser registration. VFIC has been registered with the State of Pennsylvania as a registered investment adviser since 1994.

The Brochure provides you with a summary of VFIC services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. Item 2 is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows:

- **Annual Update:** We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of the changes in this Item.
- **Material Changes:** Should a material change in our operations occur, depending on its nature, we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control, location, disciplinary proceedings, significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us and how we do business.

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Item 4. Advisory Business

Firm Description:

Valley Forge Investment Consultants, Inc. (VFIC) is a corporation formed under the laws of the Commonwealth of Pennsylvania. We have been registered with the State of Pennsylvania since 05/23/94. VFIC is applying to become a SEC registered investment adviser.

VFIC primarily provides non-discretionary investment advice to plan sponsors of 401(k) retirement plans. VFIC also provides non-discretionary investment advice to high net worth individuals and institutional investors including trusts, estates, charitable organizations, corporations or other business entities.

Firm Ownership:

VFIC is a privately held corporation. Valley Forge Companies Trust (QTIP1 Trust) is the principal and sole owner of VFIC. SEC registration itself does not require and should not be interpreted to imply any particular level of skill or training. Our principal place of business is located in King of Prussia, Pennsylvania.

Firm Management:

Michael J. Maher, Jr., CIMA, is the Chairman, Chief Executive Officer, and President of VFIC. Frederick M. Rackovan is the Chief Operating Officer of VFIC. Troi Lentini is the Chief Compliance Officer and Vice President of Operations of VFIC.

Types of Advisory Services:

VFIC primarily acts as an investment consultant by assisting clients with structuring a portfolio of investments and recommending, on an as needed and non-discretionary basis, the engagement and/or termination of one or more third-party investment managers (Third-Party Advisers).

Retirement Plan Management Consulting Services

VFIC primarily provides retirement plan management consulting services to employee benefit plans and their fiduciaries. VFIC acts as an investment management consultant by assisting clients with structuring a portfolio of investments. VFIC provides non-discretionary investment advice to plan sponsor clients about asset classes and investment alternatives available for the plan in accordance with the plan's investment policies and objectives. The client shall have the final decision-making authority regarding the initial selection, retention, removal and addition of investment options. VFIC assists with investment options consistent with the Employee Retirement Income Securities Act of 1974 (ERISA) section 404(c), development of an investment policy statement (IPS), monitoring investment options and preparing periodic investment reports that document investment performance and conformance to IPS guidelines, assistance with qualified default investment alternatives (QDIA) for participants automatically enrolled that fail to make an investment selection, educating participants in the plan about general investment principles and alternatives under the plan and providing group enrollment meetings.

The fees and fee-paying arrangements may vary depending on the services provided. The amount of the fee is negotiated on a case-by-case basis with the client and is determined based upon a number of factors. The final fee and fee-paying arrangements will be clearly stated in the advisory agreement signed by VFIC and the client.

All qualified plan client accounts are regulated under ERISA. VFIC will provide management consulting services to the plan fiduciaries as described above. Typically, the named plan fiduciary must make the ultimate decision as to retaining the services of such investment advisers as VFIC recommends. VFIC also provides management consulting

services to non-qualified plan client accounts that are not subject to ERISA. The plan fiduciary is free to seek independent advice about the appropriateness of any recommended services for the plan.

Investment Consultant Services (Third-Party Advisers)

VFIC provides investment consultant services by assisting clients with structuring a portfolio of investments and recommending the hiring and/or termination of one or more unaffiliated Third-Party Advisers on a non-discretionary basis with the client's prior consent. VFIC will assist the client in defining investment objectives and overall investment strategies by collecting relevant information such as client objectives, assets, risk tolerance, income needs, investment time horizon and investment experience. VFIC will monitor the performance of the Third-Party Advisers and, unless otherwise requested, generally will provide clients with quarterly performance reports. Third-Party Advisers will manage the client's investments on a fully discretionary basis.

VFIC may also recommend investments in privately offered pooled investment vehicles such as hedge funds or private equity funds offered by VFIC affiliates. VFIC does not collect any fees for client assets that are placed in privately offered pooled investment vehicles.

Services Limited to Specific Types of Investments

VFIC will primarily offer advice on open-end mutual funds and ETFs. VFIC also provides advice on certificates of deposit, municipal securities (e.g., 529 plans), variable annuities, mutual fund shares and interests in privately-offered pooled investment vehicles, such as limited partnerships investing in real estate, private equity, commodities, managed futures and other alternative investments. Each client may also direct VFIC to purchase other securities and not to purchase certain securities or types of securities. Additionally, VFIC reserves the right to advise clients on any other type of investment that it deems appropriate based on the client's stated goals and objectives. VFIC may also provide advice on any type of investment held in a client's portfolio at the inception of the advisory relationship or on any investment on which the client requests advice. Clients may impose restrictions on VFIC with respect to investing in certain types of securities offerings.

We regularly and continuously monitor the performance of selected manager(s). If we determine that a given investment manager is not meeting our agreed upon management expectations, or if we believe that a different manager may be more suitable for a client's particular needs, then we may recommend that the client contract with another manager. Under this scenario, we will assist the client in selecting a new manager and then monitor that manager's performance; however, any change to a new manager is solely at the discretion of the client.

As referenced above, VFIC will recommend Third-Party Advisers who will manage clients' assets on a separate account basis. Our independent Third-Party Adviser search and selection process is the result of extensive internal research and due diligence. The process encompasses a comprehensive review of macro factors, historical performance data and underlying quantitative analytics. Qualitative measures include such things as ownership, investment philosophy, staffing, compliance, code of ethics, risk management, policy and procedures and trading efficiencies. VFIC may at times utilize the research and due diligence of other independent consultants for the purpose of obtaining their proprietary review of prospective Third-Party Advisers.

Regulatory Assets Under Management

As of 12/31/2015 we were actively managing approximately \$790 million of clients' assets on a non-discretionary basis and \$0 on a discretionary basis.

Item 5. Fees and Compensation

VFIC's fees are negotiable and can be an asset based fee based on the schedule below. Fees may also be a flat dollar fee:

<u>Assets</u>	<u>Annual Fee</u>
Up to \$250,000	1.00%
\$250,000 up to \$1,000,000	0.75%
\$1,000,000 up to \$4,000,000	0.50%
Above \$4,000,000	0.25%

Investment advisory fees are calculated and due quarterly and may be payable in advance or arrears. Fees are calculated based on the total market value of the assets under management, pro-rated for additions and withdrawals, on the last business day of each calendar quarter. Only Retirement Plan Sponsor clients are eligible for flat dollar fees that generally range from \$7,500 to \$55,000 annually and are not pro-rated for additions or withdrawals. Clients will be entitled to refunds of any paid but unearned fees upon termination. In any partial calendar quarter, the fee will be pro-rated based on the number of days in which the account was open during the quarter. Fees and related terms of payment of such fees for all VFIC advisory services are governed by the terms of the applicable agreement(s).

VFIC may recommend investments in privately offered pooled investment vehicles (e.g., hedge funds and private equity funds) and mutual funds (together, "Funds"). Fees paid to VFIC do not include any fees and charges imposed directly by the Funds or Third-Party Advisers. These fees and expenses are described in each asset manager's disclosure documents and/or any fund's prospectus or offering documents. These fees will generally include a management fee, other fund expenses and possible performance fees. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

All Third-Party Adviser fees are in addition to our advisory fees and are the responsibility of the client. Clients may also be responsible for their pro rata share of transaction, brokerage, trade-away and custodial fees incurred by the Third-Party Advisers that we recommend. Once selected, Third-Party Advisers will actively manage a client's assets and assume investment discretionary and trading authority. VFIC will monitor the Third-Party Advisers to ensure alignment with the client's investment goals and objectives. The client should review all fees charged by Third-Party Advisers, VFIC and others to fully understand the total amount of fees to be paid by the client.

VFIC will not be compensated separately by the Funds (or the sponsors thereof) or any Third-Party Adviser, except for its services as a solicitor of the Valley Forge Funds (as defined below) and other direct private placements.

Client will bear any transaction costs charged by the custodian/brokerage firm, if applicable. VFIC works exclusively on the basis of a percentage of assets under management and does not receive commissions from any source. Please see Item 12 of this Brochure for important disclosures regarding our brokerage practices.

Generally, upon a client's written authorization, the custodian for the client's account directly debits advisory fees from the client's account. VFIC will send the custodian and the client at the same time an invoice showing the amount of the management fee due, the account value on which the fee is based and how the fee was calculated. The client shall instruct the custodian to deliver an account statement directly to the client at least quarterly. This statement shall reflect all fees deducted from the account. The client is urged to review their custodial account statements for accuracy, compare them to VFIC's account statements and contact VFIC and the custodian if the client suspects any errors. VFIC will receive duplicate copies of the account statements delivered to the client by the custodian.

A client will have a period of five business days from the date of signing its client agreement to unconditionally terminate the agreement and receive a full refund of all fees by providing written notice. Thereafter, either party may terminate the agreement by providing a (30) day prior written notice and providing a copy of that written notice to the Custodian.

Upon termination of any account, any prepaid but unearned fees will be promptly refunded and any earned but unpaid fees will be due and payable with each case on a pro rata basis for that portion of the period during which

the agreement was in effect; however, a client who invested in certain unaffiliated private funds selected by our firm (including alternative investments) will continue to pay us a fee on such investments from the date of termination to the date that the client's interest in each private fund is liquidated. The timing of such liquidation will be governed by the applicable private fund documents and not the client agreement.

Advisory Fees in General

A client may invest in any Funds or alternatives directly without our services. In that case, the client would not receive the services provided by VFIC which are designed, among other things, to assist the client in determining which outside asset manager(s), private funds, mutual funds and/or ETFs are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the outside Third-Party Adviser and/or Funds as well as our fees in order to fully understand the total amount of fees to be paid by the client and thereby evaluate the advisory services being provided.

Limited Prepayment of Fees

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than (6) six months in advance of services rendered.

Item 6. Performance-Based Fees and Side-By-Side Management

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

As disclosed in Item 10, VFIC's supervised persons are General Partners of each of the VFPE Valley Forge Funds that charge performance fees based on capital gains or capital appreciation of client assets. VFIC may recommend to clients that they invest a portion of their investable assets in the Valley Forge Private Equity Funds. Clients should be aware that a performance-based fee arrangement may create an incentive for VFIC to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

Side-by-side management refers to multiple client relationships where an adviser manages advisory client relationships on a simultaneous basis for individuals, businesses and institutions among others. In such circumstances, potential conflicts of interest may arise by and between clients (e.g., performance fee arrangements). VFIC does have side-by-side potential or actual conflicts of interest to the extent that VFIC supervised persons may receive a profit allocation from certain investment opportunities that may be available and allocated among VFIC clients. As a fiduciary to our clients, VFIC has adopted brokerage policies for the fair and equitable treatment of all clients as more fully described in Item 12 below.

Performance-based compensation will only be charged in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable state regulations. VFIC does not represent, warrant, or imply that the services or methods of analysis employed by VFIC can or will predict future results, successfully identify market tops or bottoms or insulate clients from losses due to market corrections or declines.

Item 7. Types of Clients

Types of Clients

VFIC provides investment advice to both high net worth individuals and other individuals (other than high net worth individuals). We also provide investment advice to pension and profit sharing plans, charitable organizations, corporations, trusts, estates and other business entities.

VFIC has established certain minimum annual fees of \$1,500 for the Investment Consultant Services and \$6,000 for Retirement Plan Management Consulting Services.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

VFIC primarily acts as an investment consultant by assisting clients with structuring a portfolio of investments and recommending, on an as-needed and non-discretionary basis, the engagement and/or termination of one or more Third-Party Advisers. Once selected, Third-Party Advisers will actively manage a client's assets and assume investment discretionary and trading authority. VFIC will monitor the Funds and the Third-Party Advisers to ensure alignment with the client's investment goals and objectives. We are objective in our recommendations and have no conflicts of interest.

Our approach is a 5-step process:

1. We gather information from the client to assess risk tolerance.
2. From this information we develop an asset allocation strategy.
3. We select the Third-Party Advisers.
4. We monitor and review the asset allocation and the managers.
5. We rebalance the portfolio as necessary.

We use long-term strategies in which securities are held at least one year and typically have holding periods of four to six years. Occasionally we use short-term purchases where securities may be sold within a year. We generally do not employ day trading, short sales or margin.

Mutual fund and/or ETF analysis: We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

Asset Allocation: Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income and cash suitable to the client's investment goals and risk tolerance.

Our firm primarily selects and recommends third party investment managers. These managers have full discretion over the securities they purchase. As such, traditional fundamental, technical or other securities analysis is not possible when formulating recommendations. Instead, we rely on robust due diligence of these investment managers in determining which managers to recommend to our clients.

We examine factors such as the experience, expertise, investment philosophies, past performance, ownership structure, business stability and business risk of the investment managers. We monitor the manager's underlying holdings, strategies, concentrations and portfolio turnover rate as part of our overall periodic risk assessment. Additionally, as part of our due diligence, we survey the manager's compliance and internal control processes. We may use consultants to assist us in this analysis.

The principal driver of portfolio selection is the relative skill set of the underlying managers in research, risk management and organization building with the integrity of the individual(s) managing the investments being a paramount consideration.

Primary sources of information used to identify potential managers for investment include personal references, qualitative reviews of fund portfolio managers, consultant recommendations, on-site meetings and review of the fund's offering memorandum, limited partnership agreement, subscription agreement, performance records and other documents by our firm and our client's counsel.

A risk of investing with a third-party manager who has been successful in the past is that the manager may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in any third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, it is possible that a manager's internal controls may not be sufficient to prevent business, regulatory or reputational deficiencies in certain circumstances.

Risk of Loss

All investment programs have certain risks that are borne by the investor. VFIC's approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **General:** Investors should carefully consider their risk tolerance before investing. As with all investments, loss of money including both income and principal is a risk of investing that clients should be prepared to bear.
- **Market Risk:** Market risk involves the possibility that the investments in equity securities will decline because of falls in the stock market, reducing the value of individual companies' stocks regardless of the success or failure of an individual company's operations.
- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.
- **Management Risk:** The strategies employed by the portfolio managers of the underlying investments may fail to produce the intended results.
- **Company Risk:** The value of a portfolio may decrease in response to the activities and financial prospects of an individual company in the portfolio. The value of an individual company can be more volatile than the market as a whole.
- **Foreign Securities Risk:** Foreign securities can be more volatile than domestic securities. Securities markets of other countries are generally smaller than the U.S. securities markets. Many foreign securities may also be less liquid than the U.S. securities which could affect the portfolio's investments.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or an ETF, managers of different funds held by the client may purchase the same security, increasing the risk for the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF which could make the holding(s) less suitable for the client's portfolio.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Risks for all forms of analysis: Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information. Information used in these analyses include economic conditions, historical data, industry outlook, inflation, interest rates, income tax regulations as well as fiscal and monetary policies of the United States and foreign countries.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of VFIC or the integrity of VFIC's management. VFIC and our employees

have not been involved in legal or disciplinary events. As such, we have no further information applicable to this item.

Item 10. Other Financial Industry Activities and Affiliations

Valley Forge Financial Group

VFIC is affiliated with other entities engaged in the financial services business, commonly referred to as the Valley Forge Financial Group. VFIC, the Valley Forge Financial Group, and all affiliated entities disclosed below are owned and controlled by the Valley Forge Companies Trust (QTIP1 Trust).

Valley Forge Financial Group, Inc.

Valley Forge Financial Group, Inc. (VFFG) is a licensed insurance agency. VFFG provides services related to estate planning, insurance and insurance brokerage. VFFG individuals may purchase insurance for any VFIC client for separate and typical compensation. Receipt of commissions and other types of compensation creates a conflict of interest and may affect the judgment of VFIC individuals when making recommendations. Any clients that are recommended insurance products through VFFG will be notified in writing of the ongoing relationship and affiliations that VFIC has with VFFG. No client is obligated to use these individuals to purchase insurance. From time to time, VFIC Investment Advisor Representative (IAR) will recommend clients to VFFG. Similarly, VFFG will, from time to time, suggest clients meet IARs of VFIC. VFIC will pay VFFG for client referrals and vice versa. See Item 14. Client Referrals and Other Compensation for additional important disclosures regarding client referrals.

Valley Forge Pension Management, Inc.

Valley Forge Pension Management, Inc. (VFPM) helps design and administer qualified retirement plans to fit corporate needs pertaining to employer contributions, legal limitations, employee turnover, record keeping and cost constraints. For certain VFPM clients, VFIC will provide investment advisory services. From time to time, VFIC Investment Advisor Representative (IAR) will recommend clients to VFPM. Similarly, VFPM will, from time to time, suggest clients meet IARs of VFIC. VFIC will pay VFPM for client referrals and vice versa. See Item 14. Client Referrals and Other Compensation for additional important disclosures regarding client referrals.

Valley Forge Family Office, Inc.

Valley Forge Family Office (VFFO) provides services related to family communication meetings, family trust and fiduciary services, net worth aggregate reporting and organization, tax compliance support and family business shareholder services. No compensation is provided to VFFO or VFIC as a result of client referrals.

Valley Forge Private Equity Inc.

VFIC is affiliated with Valley Forge Private Equity Inc. (VFPE) as VFIC supervised persons are General Partners (GPs) of each of the VFPE Valley Forge Funds. Michael J. Maher, President of VFIC, and Sean Maher are the Managing Members of the GPs of each of the VFPE Valley Forge Funds. As such, VFIC, its supervised persons and related persons have and may invest directly in any one of the Valley Forge Funds. VFIC supervised and related person investments in the Valley Forge Funds are not subject to management fees or incentive fees.

The VFPE relationship may cause VFIC, VFIC supervised persons or certain of its affiliates' interests to diverge from the interests of a client account or the investors in a Fund. Should conflicts of interest arise in the future in the context of these relationships, the CCO and senior management of VFIC will address them in accordance with the Code of Ethics described in further detail in Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading below.

VFIC may recommend to clients that they invest a portion of their investable assets in the Valley Forge Private Equity Funds: Valley Forge Fund I, LP, Valley Forge Fund II, LP, Valley Forge Fund III, LP, Valley Forge Fund IV, LP, Valley Forge Fund V, LP, Valley Forge Fund VI, LP, Valley Forge Fund VII, LP, Valley Forge Fund VIII, LP, Valley Forge Fund IX, LP, Valley Forge Fund X, LP, Valley Forge Real Estate Fund, LP and Valley Forge Real Estate Fund II, LP (collectively, the Valley Forge Funds). The Valley Forge Funds are generally funds of funds, except for Valley Forge

Fund IV, LP which is a co-investor in a private company. All of the above mentioned Valley Forge Funds are closed to new investors.

VFIC supervised persons act as GPs for the Valley Forge Funds and receive performance-based compensation from certain VFIC advisory clients and not others. The possibility of a conflict of interest exists in that VFIC may have a financial incentive to allocate the more profitable investments to advisory clients with VFPE that pay performance-based fees to the GPs. In addition, the possibility of a conflict of interest exists in that VFIC's officers, employees and related persons may also invest directly in one or more of the Valley Forge Funds and may have an incentive to allocate more profitable investments to advisory clients in which they have investments.

Registered Representatives of a Broker

VFIC is a registered investment adviser and investment consulting activities are conducted through this entity. The principal executive officer and individuals associated with VFIC are also separately licensed to M Holdings Securities, Inc. as registered representatives of a broker-dealer. Any investment consulting or advice furnished by VFIC and any fee or charge made for such service is not in any way connected to M Financial Group, M Holdings Securities, Inc. or any of their affiliates.

Investment Opportunities

VFIC is responsible for recommending investments for clients. There are no restrictions on the ability of VFIC and its affiliates (including VFPE) to manage accounts for multiple clients, including accounts for affiliates of VFIC or their directors, officers or employees, or to follow the same, similar or different investment objectives, philosophies and strategies as those used for clients. In these situations, VFIC and its affiliates may have conflicts of interest in allocating investment opportunities between the client accounts and/or investors and any other account managed by such persons. Such conflicts of interest would be expected to be heightened to the extent that VFIC manages an account for an affiliate or its directors, officers or employees.

To mitigate the conflicts discussed in Item 10, VFIC's policies and procedures provide that VFIC will seek to make investment decisions in accordance with the fiduciary duties owed to the client accounts and without consideration of VFIC's, its affiliates' or Management Persons' pecuniary investment or other financial interests.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's 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 of Ethics provides for oversight, enforcement and recordkeeping. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request to the CCO at the firm's principal office address.

Our firm or individuals associated with our firm may buy or sell fund shares identical to those recommended to customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain fund(s) which may also be recommended to a client.

No supervised person shall purchase or sell, directly or indirectly, any security in which he or she has, or by reason of such transaction acquires, any direct or indirect beneficial interest within a determined amount of calendar days after any client trades in that security unless all of the transactions contemplated by the client in that security have been completed prior to such a transaction. If a securities transaction is executed by a client within the prohibited time period after an access person executed a transaction in the same security, the CCO shall review the supervised person's and the client's transactions to determine whether the supervised person did not meet his or her fiduciary duties to the client in violation of the Code of Ethics.

Each professional investment management consultant shall:

- Serve the financial interests of our clients. Each professional shall always place the financial interests of the client first. All recommendations to clients and decisions on behalf of clients shall be solely in the interest of providing the highest value and benefit to the client.
- Maintain records of securities transactions and holdings for anyone associated with our business with access to advisory recommendations. Holdings are reviewed on a regular basis by the CCO.
- Emphasize the unrestricted right of the client to decline to implement any advice rendered.
- Disclose fully to clients the services provided and the compensation received. All financial relationships, direct or indirect, between consultants and investment managers, plan officials, beneficiaries, sponsors or any other potential conflicts of interest shall be fully disclosed on a timely basis.
- Provide to clients all information related to the investment decision making process as well as other information they may need in order to make informed decisions based on realistic expectations. All client inquiries shall be answered promptly, completely and truthfully.
- Maintain the confidentiality of all information entrusted by the client to the fullest extent permitted by law.
- Comply fully with all statutory and regulatory requirements affecting the delivery of consulting services to clients. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- Endeavor to establish and maintain personal excellence in all aspects of investment management consulting and in all aspects of financial services to clients.
- Maintain the highest standard of personal and professional conduct.

Any individual not in observance of the above may be subject to disciplinary action or termination.

Participation or Interest in Client Transactions

In the capacity of acting as a registered representative, this individual may receive separate and typical compensation for implementing client transactions.

While these individuals endeavor at all times to put the interest of the clients first as part of VFIC's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

The associated persons of VFIC are separately registered as representatives of M Holdings Securities, Inc., a FINRA registered broker-dealer. In general, VFIC will recommend the use of M Holdings Securities and these individuals to clients for implementation of recommendations, provided that this recommendation is consistent with VFIC's fiduciary duty to the client. Any commissions or other compensation received from the implementation of recommendations is separate and distinct from VFIC's advisory fee. No investment consulting client is required to use M Holdings Securities, Inc. to implement any recommended transactions.

As stated above, VFIC may recommend to clients that they invest in the Valley Forge Funds. As an owner of the GP of the Valley Forge Funds, Michael J. Maher, President of VFIC, will benefit financially from a client's investment in the Valley Forge Funds.

Item 12. Brokerage Practices

Selecting Brokerage Firms

As our firm does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients must direct VFIC as to the broker-dealer to be used. Not all advisers require clients to direct the use of a particular broker for all trades. In directing the use of any broker, it should be understood that we do not have the authority to negotiate commissions or to necessarily obtain volume discounts. Also, we may be unable to achieve “best execution” (defined as an optimal combination of price and service) and this may cost the client more money. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients.

VFIC makes specific custodian recommendations to clients based on their need for such services. VFIC recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

Aggregation of Orders

As a matter of policy and practice, VFIC does not generally block client trades and, therefore, implements client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

VFIC may recommend Third-Party Advisers that aggregate orders with respect to a security if such an aggregation is consistent with achieving best execution for the various client accounts. A Third-Party Adviser’s aggregation policies and procedures should be disclosed in the Third-Party Adviser’s disclosure statement.

Soft Dollars

We do not have any formal or informal soft-dollar arrangements and do not receive any soft-dollar benefits.

The Third-Party Advisers selected by our firm and/or the client for managing client portfolio(s) generally have discretionary brokerage authority and use different broker-dealers for client accounts. Clients should refer to the disclosure document(s) of the selected managers for information regarding their brokerage policies and practices, including soft dollar benefits.

Principal/Agency-Cross/Cross Transactions

As part of our fiduciary duty to clients, during our initial and periodic due diligence reviews of recommended Third-Party Advisers, we, VFIC, will request and evaluate their brokerage practices in order to form a reasonable belief that such practices are in the best interest of our clients. As a matter of firm policy and practice, VFIC does not engage in either principal trading, agency cross or cross transactions.

Brokerage for Client Referrals

We do not consider in recommending broker-dealers whether VFIC or a related person receives client referrals from a broker-dealer or a third party.

Directed Brokerage

We do not request or require that a client direct VFIC to execute transactions through a specified broker-dealer.

Trade Errors

It is VFIC’s policy to make the client whole with respect to any trade error losses incurred by the client as a result of a trade error caused by our firm. Furthermore, VFIC does not retain any client trade error gains. It is our firm’s policy that any benefits realized as a result of a trade error caused by VFIC will accrue to the benefit of such client.

Item 13. Review of Accounts

Review of Accounts

On an ongoing basis, the performance of accounts will be monitored to ensure that the assets are performing in line with their expectations and are meeting the individual needs of the client. On a quarterly basis, the assets in these accounts will be valued and the asset allocation of the portfolio will be compared to the target allocation and any material adjustments will be recommended to the client at that time. At least annually, VFIC will meet with the client and conduct a thorough review of the client's objectives and risk tolerance and make any necessary changes to the asset allocation. VFIC personnel also review the performance of each account and its adherence to clients' objectives and investment guidelines.

VFIC's CCO supervises all reviews.

FACTORS PROMPTING A NON-PERIODIC REVIEW OF ACCOUNTS

From time to time, circumstances and events necessitate VFIC's review of client accounts in between regular reviews. These include significant market events, extraordinary change in the price of a security held by one or more clients and highly irregular account activity.

CONTENT AND FREQUENCY OF REGULAR ACCOUNT REPORTS

Clients will receive regular reports from their broker-dealers and/or custodians. In addition, asset management clients will receive periodic and, at a minimum, annual performance reports while their assets are managed by VFIC. VFIC may deliver such reports electronically in accordance with the investment advisory agreement between VFIC and the client.

Item 14. Client Referrals and Other Compensation

VFIC may receive client referrals from current clients, estate planning attorneys and friends of employees. VFIC does not compensate any of the above referring parties for these referrals.

VFIC does pay referral fees to independent persons or firms (Solicitors) for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- a notice that the fee paid to us by the client will not be increased above our normal fees in order to compensate the Solicitor.

As mentioned in Item 10., VFIC does pay referral fees to related persons for introducing clients. VFIC will disclose the nature of their relationship with the related person at the time of the solicitation.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

It is VFIC's policy not to accept or allow our employees and related persons to accept any form of compensation including cash, sales awards or other prizes from a non-client in conjunction with the advisory services we provide to our clients.

Item 15. Custody

Custody is defined as any legal, actual or constructive ability by our firm to access client funds or securities. VFIC does not take possession of client's assets and does not have custody of any client funds or securities. Client assets are housed in nationally recognized banks or brokerage firms, otherwise known as custodians. VFIC does not receive fees or commissions from any of these custodial arrangements.

As disclosed previously in Item 10., Michael J. Maher, President of VFIC, is deemed to have custody as he is a Managing Member of the GP of each of the Valley Forge Funds. An independent public accountant conducts an annual surprise examination of the client funds and securities that VFIC's related person is deemed to have custody over. As also disclosed previously, VFIC may recommend that clients invest in the Valley Forge Funds. As an owner of the GP, Mr. Maher will benefit financially from a client's investments in the Valley Forge Funds.

Account Statements

VFIC disclosed in the Fees and Compensation section (Item 5.) of this Brochure that, when authorized by clients, our firm directly debits advisory fees from client accounts. Unless we are instructed otherwise, a quarterly invoice is delivered to the client detailing the calculation of the fee amount. This is also submitted to each client's custodian showing the amount to be deducted from that client's account. On at least a quarterly basis, the custodian is required to provide to the client an account statement showing all transactions, including the fee debit, within the account for the reporting period.

It is important for clients to carefully review their custodial statements in order to verify the accuracy of the amount debited for our fee, among other things. Clients should contact us directly if they believe that there is an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account reports directly to our clients on a periodic basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Item 16. Investment Discretion

VFIC provides non-discretionary investment advice. VFIC acts as an investment consultant by assisting clients with structuring a portfolio of investments and recommending, on an as needed, non-discretionary basis the engagement and/or termination of one or more third-party investment manager(s). Once selected, third-party advisers will actively manage a client's assets and assume investment discretionary and trading authority.

Accordingly, VFIC will monitor and rebalance client accounts periodically to mutually agreed upon allocations set forth in the client's IPS. If, however, VFIC believes that a particular investment in an account is performing inadequately, or if VFIC believes that a different investment is more suitable for a client's goals, VFIC will replace that investment with one that has a similar objective in accordance with the clients' IPS with the client's consent.

Item 17. Voting Client Securities

As a matter of firm policy, our firm does not vote proxies on behalf of client accounts. Clients will receive their proxies and other solicitations directly from their custodian or transfer agent and retain sole responsibility for voting. Typically, it should be noted that many client approved Third-Party Advisers do vote proxies on behalf of their clients. As such, we encourage all clients to review the proxy voting provisions of each Third-Party Adviser prior to engagement.

At the client's request, VFIC may offer clients advice regarding corporate actions and the exercise of proxy voting rights. VFIC will neither advise nor act on behalf of the client in legal proceedings involving companies whose

securities are held in the client's account(s), including, but not limited to, the filing of Proofs of Claim in class action settlements.

VFIC clients may obtain a copy of our complete proxy voting policies and procedures by contacting VFIC administration directly.

Item 18. Financial Information

Under no circumstances will we collect fees in excess of \$1,200 more than six months in advance of services rendered.

As a registered investment management firm, we are required in this Item to provide you with information about any financial condition or financial commitment likely to impair our ability to meet our contractual and fiduciary commitments to our clients. Our firm and its principals have no financial events or proceedings to disclose.