

Valeo Financial Advisors, LLC

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This brochure provides information about the qualifications and business practices of Valeo Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at adv@valeofinancial.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.

Valeo is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an advisor provide you with information which you may use to determine to hire or retain your advisor.

Additional information about Valeo is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

This Firm Brochure, dated September 30, 2016, provides you with a summary of Valeo advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform our clients 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**. If our firm has made revisions that would affect a client's decision making when doing business with us, we will provide our clients with either a summary of any materially revised information with an offer to deliver the fully revised Firm Disclosure Brochure within 120 days of our FYE or we will provide you with our revised Firm Disclosure Brochure that will include a summary of those changes in this Item. Non-material revisions are not delivered to clients, but can be viewed on the SEC investment adviser info site, as noted on the cover sheet of this brochure.

Valeo's Chief Compliance Officer is Gregory A. Fulk. He is available to address any questions from clients, prospective clients, or any other interested party regarding this ADV Part 2a.

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.

The following summarizes new or revised disclosures based on information previously provided in our Firm Brochure dated March 31, 2016:

Subsequent to this year's prior Annual Amendment filing on March 31, 2016. Valeo has made disclosure additions and enhancements below at Item 4, 5 and 12, including enhanced disclosure regarding financial planning, retirement rollovers, private investment funds, tradeaways, non-discretionary service limitations, and non-soft dollar economic assistance.

ANY QUESTIONS: Valeo's Chief Compliance Officer remains available to address any questions regarding this Part 2A, including the disclosure additions and enhancements below.

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Item 4 - Advisory Business

Firm Description

Valeo Financial Advisors, LLC ("Valeo") is a limited liability company organized in Indiana. We were founded in 2003 and have been registered with the SEC since March 2006. Our office is located in Indianapolis, Indiana. Valeo is owned and managed by our members: John C. Trott, John T. Wortman, P. Richard Evans and Timothy A. Ginn.

As of December 31, 2015, Valeo managed \$2,005,471,543 in assets. Approximately \$63,588,181 is managed on a discretionary basis, and \$1,941,883,362 is managed on a non-discretionary basis.

Advisory Services

Personal Advisory Services

Valeo provides individuals and their families with independent, comprehensive financial planning and investment advice. This generally includes advice related to a client's business, cash flow, charitable giving, education funding, estate planning, liabilities, insurance, investments, retirement and taxes. Recommendations are tailored to each client's individual circumstances and, as a result, vary significantly from client to client. As part of the planning relationship, clients have the option to impose restrictions related to certain securities or classes of securities.

Meetings with clients are typically agenda driven and focused on client goals, implementation, action items and other proactive recommendations. While investments are important, we help clients manage both sides of their personal balance sheet—assets and liabilities. We work with our client's existing advisors and may recommend new advisors to fill any voids on their team when appropriate.

Institutional Advisory Services

Valeo provides 401(k) plans, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities with institutional advisory services. These services are primarily related to investment management consulting. We assist our institutional clients with the management of their investment decisions and selection of specific investment managers or other service providers.

We provide 401(k) plan sponsors with a solution to help fulfill their fiduciary obligations to plan participants. Our services may include: 1) obtaining information to help the sponsor identify and understand all plan fees and expenses; 2) drafting a written Investment Policy Statement to document investment objectives and guidelines; 3) providing investment oversight, monitoring performance and making specific recommendations to change investment managers as needed; 4) conducting educational sessions for plan participants and; 5) coordinating a plan service and fee review as needed.

Other Services

From time to time Valeo advisors may provide pro-bono planning and investment advice services to local and regional non-profits and their clients.

Valeo acts as the Manager for several pooled investment vehicles as noted in Item 8. Valeo does not receive any compensation for the management of these funds.

Miscellaneous

Limitations of Financial Planning and Non-Investment Consulting / Implementation Services. Valeo **does not** serve as an attorney, accountant, or insurance agency, and no portion of our services should be construed as such. Accordingly, Valeo **does not** prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc). You are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation that we make. **Please Note:** If the client engages any unaffiliated recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify Valeo if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Valeo's previous recommendations and/or services.

Non-Discretionary Service Limitations. Clients that engage Valeo on a non-discretionary investment advisory basis **must be willing to accept** that Valeo cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that Valeo would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, Valeo will be unable to effect the account transaction(s) **without first obtaining the client's consent.**

Retirement Rollovers - No Obligation/Conflict of Interest. A client leaving an employer typically has four options (and may engage in a combination of these options): i) leave the money in his former employer's plan, if permitted, ii) roll over the assets to his/her new employer's plan, if one is available and rollovers are permitted, iii) rollover to an IRA, or iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Valeo may recommend an investor roll over plan assets to an Individual Retirement Account (IRA) advised by Valeo. As a result, Valeo and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave his or her plan assets with his or her old employer or roll over the assets to a plan sponsored by a new employer will generally result in no compensation to Valeo (unless you engage Valeo to monitor and/or advise on the account while maintained with the client's employer). Valeo has an economic incentive to encourage an investor to roll plan assets into an IRA that Valeo will advise on or to engage Valeo to monitor and/or advise on the account while maintained with the client's employer. There are various factors that Valeo may consider before recommending a rollover, including but not limited to: i) the investment options available in the plan versus the investment options available in an IRA, ii) fees and expenses in the plan versus the fees and expenses in an IRA, iii) the services and responsiveness of the plan's investment professionals versus those of Valeo, iv) protection of assets from creditors and legal judgments, v) required minimum distributions and age considerations, and vi) employer stock tax consequences, if any. **No client is under any obligation to roll over plan assets to an IRA advised by Valeo or to engage Valeo**

to monitor and/or advise on the account while maintained with the client's employer. **Valeo's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above and the corresponding conflict of interest presented by such engagement.**

Affiliated Private Investment Funds. Valeo is affiliated with various private investment funds (the "Fund[s]"), the complete description of which (the terms, conditions, risks, conflicts and fees) is set forth in the Fund's offering documents. Valeo, on a non-discretionary basis, may recommend that qualified clients consider allocating a portion of their investment assets to the Fund. If a client determines to become a Fund investor, the amount of assets invested in the fund(s) shall be included as part of the client's net worth for purposes of Valeo calculating its investment advisory fee. Valeo's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Unaffiliated Private Investment Funds. Valeo may also provide investment advice regarding unaffiliated private investment funds. Valeo, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in unaffiliated private investment funds. Valeo's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a Fund investor, the amount of assets invested in the fund(s) shall be included as part of the client's net worth for purposes of Valeo calculating its investment advisory fee. Valeo's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Please Note: Both Affiliated and Unaffiliated private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Please Also Note: Valuation. In the event that Valeo references private investment funds owned by the client on any supplemental account reports prepared by Valeo, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If no subsequent valuation post-purchase is provided by the Fund Sponsor, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date), or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). If the valuation reflects initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be **significantly more or less** than original purchase price.

Conflict of Interest: Valeo may introduce clients to private funds that are affiliated with Valeo clients, thereby creating a **conflict of interest** relative to Valeo's introduction of the fund. Valeo has an **economic incentive** to introduce the fund to the client (i.e., as result of the introduction, Valeo will assist an existing client from whom it currently earns, and anticipates it will continue to earn, investment advisory fees). Given the **conflict of interest**, Valeo has advises that clients consider seeking

advice from independent professionals (i.e., attorney, CPA, etc.) of their choosing prior to becoming a Fund investor. **No client is ever under any obligation to become a fund investor.**

Tradeaway/Prime Broker Fees. Relative to its discretionary investment management services, when beneficial to the client, individual fixed income transactions may be effected through broker-dealers other than the account custodian, in which event, the client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate “tradeaway” and/or prime broker fee charged by the account custodian (Fidelity or Schwab). **Please Note: Conflict of Interest.** Valeo may use brokers who are Valeo clients, thereby creating a **conflict of interest** (i.e., by using the broker client, the broker client will receive compensation for the transaction. By so doing, Valeo will be assisting the existing broker client from whom it currently earns, and anticipates it will continue to earn, investment advisory fees). **A client, in writing, can prohibit the use of any such broker clients.**

Use of Mutual Funds: Most mutual funds are available directly to the public. Thus, a prospective client can obtain many of the mutual funds that may be recommended and/or utilized by Valeo independent of engaging Valeo as an investment advisor. However, if a prospective client determines to do so, he/she will not receive Valeo’s initial and ongoing investment advisory services

Client Obligations. In performing our services, Valeo shall not be required to verify any information received from the client or from the client’s other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify us if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Valeo) will be profitable or equal any specific performance level(s).

Item 5 - Fees and Compensation

Valeo Fees

Valeo is compensated only through fees paid directly by our clients. Fees are calculated once a year then billed in quarterly installments in advance. With clients’ consent, we typically deduct fees from an account of their choosing. Clients may also pay by check.

All fees are negotiable, including minimum fees, when unique circumstances are present. We may discount the below fee scheduled when a large portion of a client’s net worth comes from a privately-held business, concentrated position, or due to their personal relationship with a firm employee. As a result, client relationships may exist in which fees are higher or lower than the fee schedules below. As a service to certain charitable and non-profit organizations and their clients, Valeo may provide services at discounted or no cost.

Personal Advisory Services

Fees are calculated by applying the schedule below to each client's net worth at the onset of our relationship and annually thereafter, using mutually agreed upon year-end values. A one-time setup fee equal to one full quarterly fee is billed at the inception of the relationship. The minimum annual fee is \$5,000.

Net Worth	Annual Fee
First \$5,000,000	0.40%
Next \$5,000,000	0.20%
Above \$10,000,000	0.10%

We may offer an "Emerging Client" program to clients who have a manageable investment portfolio of less than \$350,000 or other unique financial situation. These clients pay a one-time project fee. Until the client's manageable investment portfolio exceeds \$350,000 or unique circumstances change, Valeo will not charge an ongoing quarterly fee. Instead, we provide ongoing reactive advice and services, and ask these clients to make an optional annual charitable contribution to The Valeo Foundation, a 501(c)(3) charity (further explained in item 10).

Valeo, in its sole discretion, may charge a lesser advisory fee and/or reduce or waive its minimum fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). Please Note: If you have a net worth of less than \$1.25 million, and are subject to the \$5,000 annual minimum fee, you will pay a higher percentage quarterly fee than the 0.40% referenced in the above fee schedule.

Institutional Advisory Services

Fees are based on a percentage of the investment portfolio. A one-time setup fee equal to one full quarterly fee is billed at the inception of the relationship. The minimum annual fee is \$5,000.

Portfolio	Annual Fee
First \$5,000,000	0.40%
Next \$5,000,000	0.20%
Above \$10,000,000	0.10%

Billing

Clients have the option of having fees automatically deducted from their accounts, billed to them directly, or a combination of the two options. Clients may change their method of payment at any time.

Expenses / Other Fees

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers and other third parties, such as custodial fees, deferred sales charges, or wire transfer or electronic transfer fees. Custodians may charge transaction fees on purchases or sales of certain no-load mutual funds and

exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. Mutual funds generally charge an internal management fee (expense ratio), which is disclosed in the fund's prospectus. Valeo does not receive any portion of these commissions, fees and costs.

Clients may also incur additional fees while working with their other professional advisors (e.g., attorneys, accountants, etc.).

Termination of Agreement

Either a client or Valeo may terminate our relationship at any time. Any prepaid, unearned fees will be promptly refunded and prorated as of the date we were notified of the termination. Refunds will generally be of the same method as payment.

Any earned, unpaid fees will be immediately due.

We reserve the right to terminate any engagement where a client has willfully concealed or has refused to provide pertinent information about his/her financial situation when necessary and appropriate, in Valeo's judgment, to providing proper advice.

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

We do not charge any performance-based fees.

Item 7 - Types of Clients

We offer our services to individuals, 401(k) plans, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. Client relationships vary in scope and length of service.

We do not have account minimums but may charge a minimum annual fee, as disclosed in Item 5, above.

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

Methods of Analysis

The primary sources of information for Valeo's investment research is derived from third-parties including, but not limited to, Litman/Gregory, Fidelity, Morningstar, and Schwab. Other sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases. Methods of security analysis may include charting, fundamental, technical and cyclical.

Investment Strategies

The primary investment strategy used for client portfolios is a strategic asset allocation utilizing a core and satellite approach. This means Valeo uses passively managed index

and exchange-traded funds as the core investments and actively managed funds where there are believed to be opportunities for increased returns.

We may recommend a tactical asset allocation when we believe there is an opportunity to overweight or underweight particular asset classes.

The strategic asset allocation for a specific client is based on the client's stated objectives and answers to questions asked during consultations. As a result, usually no two client portfolios are identical.

Although Valeo establishes investment guidelines as a firm (e.g., which no-load mutual funds the firm will recommend), clients may experience different investment results because of how each Valeo advisor implements portfolio guidelines.

Other strategies may include commodities, hedge funds, hedge fund of funds, managed futures, margin transactions, master limited partnerships, pooled investment vehicles, short sales, timber and other real estate partnerships, timber, and options purchasing and writing (including covered options, uncovered options or spread strategies).

Pooled Investment Vehicles:

Valeo established the following three investments to allow clients to access specific investment opportunities. We have no ownership in and receive no additional compensation, direct or indirect, for establishing and maintaining these pooled investment vehicles on behalf of our clients. Each pooled investment vehicle may incur operating costs such as bookkeeping and reconciliation, preparing and filing tax returns, and undergoing audits. We may pay these costs on a reimbursable basis, but ultimately do not share in any of the revenue.

Valeo-TP05 Fund, LLC is an Indiana Limited Liability Company formed to invest in the Strategic Partners Value Enhancement Fund, L.P., which invests in a diversified portfolio of investment real estate properties. Additional disclosures are provided in the offering memorandum for this investment, which was only offered and recommended to "accredited investors" as defined by Rule 501(a) under the Securities Act of 1933.

Valeo-NB07 Fund, LLC is an Indiana Limited Liability Company formed to invest in the New Boston Investor Fund, L.P. VII, which invests in a diversified portfolio of investment real estate properties. Additional disclosures are provided in the offering memorandum for this investment which was only offered and recommended to "accredited investors" as defined by Rule 501(a) under the Securities Act of 1933.

Valeo Hedge Fund Partners I, LLC is an Indiana Limited Liability Company formed to invest in a portfolio of hedge fund of funds. Additional disclosures are provided in the offering memorandum for this investment, which was only offered and recommended to a limited number of qualified "accredited investors" as defined in Rule 501(a) under the Securities Act of 1933. Each purchaser must also be a "qualified purchaser" as defined in Section 2(a)(51) of the Investment Company Act.

Valeo established the following three investments to allow clients to access specific investment opportunities. Valeo has no ownership of these investments, but some of our employees have chosen to invest alongside our clients at identical terms. Valeo receives no additional compensation, direct or indirect, for establishing and maintaining these pooled investment vehicles on behalf of our clients. Each pooled investment

vehicle may incur operational costs such as preparing and filing tax returns and undergoing audits. We may pay these costs on a reimbursable basis, but ultimately do not share in any of the revenue.

Valeo-FT13, LLC is an Indiana Limited Liability Company formed to invest in a private equity opportunity. Additional disclosures are provided in the offering memorandum for this investment, which was only offered and recommended to “accredited investors” as defined by Rule 501(a) under the Securities Act of 1933.

Valeo-FT14, LLC is an Indiana Limited Liability Company formed to invest in a private equity opportunity. Additional disclosures are provided in the offering memorandum for this investment, which was only offered and recommended to “accredited investors” as defined by Rule 501(a) under the Securities Act of 1933.

Valeo-HD14, LLC is an Indiana Limited Liability Company formed to invest in a private equity opportunity. Additional disclosures are provided in the offering memorandum for this investment, which was only offered and recommended to “accredited investors” as defined by Rule 501(a) under the Securities Act of 1933.

Risk of Loss

All investment programs have certain risks that are born by the investor. Our investment approach seeks to minimize risks, but investors face the following investment risks or losses.

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.

Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security’s particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

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.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it—a lengthy process—before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Financial Risk: Excessive borrowing to finance a business’s operations increases the risk of profitability because the company must meet the terms of its obligations in

good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or declining market value.

Short Selling Risk: Short selling transactions expose investors to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit.

Options Trading Risk: There may be an imperfect correlation between the change in market value of a security and the prices of the options.

These strategies and investments involve risk of loss to clients, and clients must be prepared to bear the loss of their entire investment. More information about risks may be found in mutual fund prospectuses and other pooled investment vehicle offering documents.

Item 9 - Disciplinary Information

Neither Valeo nor its employees have been involved in legal or disciplinary events related to past or present investment clients.

Item 10 - Other Financial Industry Activities and Affiliations

Investor Facilitation, LLC is an Indiana Limited Liability Company and a wholly owned subsidiary of Valeo. Investor Facilitation was established to be the managing member of the pooled investment vehicles listed in Item 8. It receives no compensation from any source and passes no expenses forward to any pooled investment vehicle.

As disclosed in Item 8, Valeo has no ownership in any of our pooled investment vehicles, but in the case of under-subscription, some of our employees have chosen to invest alongside our clients at identical terms. Valeo receives no additional compensation, direct or indirect, for establishing and maintaining these pooled investment vehicles on behalf of our clients. These funds were established to help clients access investments they otherwise may not have been able to access.

Valeo may be subject to various actual or perceived conflicts of interest arising out of our relationship with the manager, sponsor, or underwriter of alternative investments we occasionally recommend to our clients.

SPONSOR RELATIONSHIPS: It is possible that one or more individuals employed by a Sponsor is or will become a Valeo client. Valeo may face conflicts of interest with respect to the choice of activities recommended to or performed for the fund, on the one hand, and services it provides to its clients, on the other hand. Valeo is a registered investment adviser and receives fees for managing its clients' assets, including those invested in the fund. Valeo will not receive any fees or other compensation from any Sponsor in connection with any Alternative.

CLIENT RELATIONSHIPS: Because of the similarity between Valeo clients, it is likely that Alternatives will appeal to and be suitable for multiple clients. If investment opportunities are limited within a specific Alternative, it is possible that some clients will be able to make an investment while others may not. Valeo may base investment availability on the client's relationship with the sponsor, timeliness of client decision making, and overall suitability between clients.

FileThis, Inc., is a California-based technology company that provides web-based automated document collection for a few dollars a month (\$0-\$5, depending on features). Through two of our Pooled Investment Vehicles (Valeo-FT13 & Valeo-FT14), some of our employees own shares of FileThis, Inc. We routinely recommend the services of FileThis to many of our clients. While there is no compensation for this recommendation, investor value may increase with the success of FileThis, presenting employees with a conflict of interest in recommending FileThis's services. Due to the low cost nature of FileThis's service, we believe this conflict is minimal.

The Valeo Foundation is a 501(c)(3) charitable organization started by our owners in 2004 to benefit our community. For our clients paying only a project fee (discussed in section 5), we generally ask them annually to make a donation to the foundation. This donation is tax deductible, completely optional, and does not affect the services they receive. While there is no monetary compensation from the foundation to Valeo, the foundation makes limited grants both to our employee's charitable gift funds, and to other charitable organizations in our employee's names.

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

Code of Ethics

We have adopted a Code of Ethics for all Valeo employees which describes our high standard for business conduct and fiduciary duty to our clients. Among other things, our Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition of insider trading, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment, and personal securities trading procedures. All employees are trained on and must acknowledge the terms of the Code of Ethics annually.

Participation or Interest in Client Transactions

Employees may buy or sell securities for their personal accounts identical to or different from those recommended to clients. It is the expressed policy that no person employed by Valeo shall prefer his/her own interest to that of a client or make personal investment decisions based on the investment decisions of clients.

Personal Trading

The trading activities of Valeo employees are reviewed at least quarterly to ensure they do not affect the markets and to ensure clients receive preferential treatment. Because most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

To supervise compliance with its Code of Ethics, we require that all employees provide annual securities holdings disclosures and quarterly transaction disclosures to our Chief Compliance Officer. Valeo also requires all employees receive approval from the Chief Compliance Officer prior to investing in any private placements (limited offerings) and before trading in any securities on our Restricted Securities List.

We require all individuals to act in accordance with all applicable federal and state regulations governing registered investment advisory practices. Our Code of Ethics

further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline.

We will provide a complete copy of our Code of Ethics to any client or prospective client upon request.

Item 12 - Brokerage Practices

Brokerage Practices

In the event that the client requests that Valeo recommend a broker-dealer/custodian for execution and/or custodial services, Valeo generally recommends that investment advisory accounts be maintained at Fidelity and/or Charles Schwab & Co., Inc. ("*Schwab*"). The client will be required to enter into a formal *Investment Advisory Agreement* with Valeo setting forth the terms and conditions under which Valeo shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Valeo considers in recommending *Fidelity* or *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with Valeo, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Valeo's clients shall comply with Valeo's duty to obtain best execution, a client may pay a commission or transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Valeo will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Valeo's investment advisory fee. In addition, the internal fees charged by mutual funds and exchanged traded funds (i.e., fund expenses, including fund management fee), are separate, and in addition to, Valeo's investment advisory fee.

Non-Soft Dollar Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Valeo may receive from *Fidelity* and/or *Schwab* (or another broker-dealer/custodian, investment manager, platform or fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist Valeo to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Valeo may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support-including client events, computer hardware and/or software and/or other products used by Valeo in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Valeo in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Valeo to manage and further develop its business enterprise.

Valeo's clients do not pay more for investment transactions effected and/or assets maintained at *Fidelity* and/or *Schwab* as a result of this arrangement. There is no corresponding commitment made by the Valeo to *Fidelity* or *Schwab* or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

Valeo's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding perceived conflict of interest such arrangements may create.

Directed Brokerage

Valeo recommends that its clients utilize the brokerage and custodial services provided by *Fidelity* and/or *Schwab*. Valeo does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Valeo will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Valeo. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. **Please Note:** In the event that the client directs Valeo to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Valeo. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

Order Aggregation

Transactions for each client account generally will be effected independently, unless Valeo decides to purchase or sell the same securities for several clients at approximately the same time. Valeo may (but is not obligated to) combine or "bunch" such orders to obtain better price execution, to negotiate more favorable commission rates, or to allocate equitably among the Valeo's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Valeo shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 - Review of Accounts

Reviews

Portfolio and financial plan reviews are typically conducted multiple times each year by the lead Valeo advisor in each client relationship. Reviews may be performed more frequently when certain market conditions, economic conditions, tax laws or a client's specific situation changes.

Reports

Clients receive periodic communications from their advisor at least annually. Reports may include, but are not limited to, performance reports, investment allocation summaries and net worth statements.

Performance reports are used as a scorecard of individual security, account and total portfolio performance. Oftentimes, performance is compared to indexes and/or benchmarks determined to be appropriate for each client. Investment allocation summaries compare the client's entire portfolio allocation to the current recommended tactical allocation. Proposed trades are typically illustrated on this report. Net worth statements reflect client assets, liabilities and related holdings (e.g. children's assets, charitable funds, trusts, etc.) and may contain estimates of bank account balances provided by the client, as well as the value of hard-to-price real estate or other illiquid investments.

Investors in the pooled investment vehicles (Item 8) receive at least annual statements and K-1s.

Item 14 - Client Referrals and Other Compensation

As referenced in Item 12 above, Valeo may receive from *Fidelity* and/or *p*, without cost (and/or at a discount), support services and/or products. Valeo's clients do not pay more for investment transactions effected and/or assets maintained at *Fidelity* and/or Schwab as result of this arrangement. There is no corresponding commitment made by Valeo to *Fidelity* and/or Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangements. **Valeo's Chief Compliance Officer is available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangements may create.**

Valeo does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

Item 15 - Custody

With the exception of certain private investment partnerships, client assets are held with a qualified custodian. By prior written agreement with clients, Valeo directly debits client's account(s) for fees directly with the custodian. This arrangement is also deemed as a form of custody.

Custodians provide account statements directly to clients at their address of record at least quarterly.

Because Investor Facilitation is the managing member of the six pooled investment vehicles in which clients have invested (Item 8), Valeo is deemed to have custody of client assets. As required by the SEC, these funds are subject to either an annual surprise audit (TP05, NB07, VHFP-I) or a full audit (FT13, FT14, HD14) by a PCAOB Registered Public Accounting Firm. Audits were last conducted at the conclusion of 2015.

Clients are urged to compare the account statements received directly from their custodians to the reports provided by Valeo.

Item 16 - Investment Discretion

In certain situations, clients may direct Valeo to accept discretionary authority to manage securities accounts. In these situations, Valeo has the authority to determine, without obtaining specific client consent, the securities to be bought or sold and the amount of the securities to be bought or sold. Discretionary trading authority facilitates placing trades in client accounts on their behalf so that we may promptly implement the investment policy that clients have approved.

Item 17 - Voting Client Securities

As a matter of firm policy, Valeo does not vote proxies on behalf of advisory clients. Client advisory agreements, or other client documents, state clients expressly retain the authority and responsibility for voting proxies of portfolio securities. Valeo may provide advisory clients with administrative assistance regarding proxy voting or issues; however, clients have the responsibility to receive and vote any proxies.

Item 18 - Financial Information

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.

Valeo does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Valeo's Chief Compliance Officer remains available to address any questions regarding this Part 2A.