

Item 1 - Cover Page



Registered Investment Advisor
CRD # 107203
SEC File # 801-36836

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Form ADV Part 2A
Firm Brochure
Retirement Plan Services
September 12, 2017

This brochure provides information about the qualifications and business practices of Victory Asset Management Co., Inc. Please contact Howard Verfaillie at (856) 464-3100 if you have any questions about the content of this brochure.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about Victory Asset Management Co., Inc. is available on the SEC's website at www.adviserinfo.sec.gov. Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD ("CRD") number, which is 107203.

While the firm and its associates may be registered and/or licensed within a particular jurisdiction, that registration and/or licensing in itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the firm or its associated personnel.

Item 2 - Material Changes

Victory Asset Management Co., Inc. amended its Form ADV Part 2A firm brochure dated March 30, 2017 due to the following material and technical changes:

- firm control persons (Item 4)
- referral arrangements and compensation (Items 4, 5, 10 and 14)
- reportable assets under management (Item 4)
- associated persons' industry activities and conflicts of interest (Items 10 and 11)
- custodian relationships and firm operational practices (Item 12)
- access to and management of client accounts (Items 15 and 16)
- modification to our proxy voting policy (Item 17)

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's website at www.adviserinfo.sec.gov or may contact our firm at (856) 464-3100 to request a copy at any time.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

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Important Information

Throughout this document, Victory Asset Management Co., Inc. shall also be referred to as “the firm,” “firm,” “our,” “we” or “us.” The client or prospective client may be also referred to as “you,” “your,” etc., and refers to a client engagement involving a single *person* as well as two or more *persons*, and may refer to natural persons and legal entities. The term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (e.g., internet address, etc.).

Our firm maintains a business continuity and succession plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available under separate cover upon request.

Item 4 - Advisory Business

Description of the Firm

Victory Asset Management Co., Inc. is a New Jersey corporation formed on August 21, 1995. We periodically operate under the trade name Victory Fiduciary Consulting. Our advisory firm is not a subsidiary of, nor do we control, another financial services industry entity. Item 10 of this brochure describes other business activities firm associates may be engaged.

Victory Asset Management Co., Inc. was originally registered as an SEC investment advisor in June of 1990 under a previous name. In addition, our firm and its associates may notice-file (register), become licensed or meet certain exemptions to registration and/or licensing in other jurisdictions in which we conduct investment advisory business.

Howard R. Verfaillie, Jr., CFP®, AIFA®, PPC® is the firm's Chief Executive Officer, Chief Compliance Officer and maintains controlling interest in the firm. Ashley R. Rosser, AIF® is the firm's President, Compliance Officer and she holds a minority interest in the firm. Background information about Howard Verfaillie and Ashley Rosser is found in their respective Form ADV Part 2B brochure supplements.

Our advisory firm provides a broad range of solutions to its client base. In addition to our providing retirement plan services, we are available to serve individual investors and businesses interested in financial planning and portfolio management. These individualized services are described in further detail in separate firm brochure that is available upon request.

Description of Plan Services

Victory Fiduciary Consulting provides services intended to assist plan sponsors¹ in understanding the scope of their fiduciary duties and responsibilities, develop prudent practices and procedures to enable them to effectively discharge those duties and responsibilities, and document their actions and decisions. Our firm assists plan fiduciaries in the development of committee charters, fiduciary eligibility documentation, and committee meeting documentation, investment policy and other activities that generally relate to prudent plan governance. Also included is assistance in preparing an annual report to the board of director or trustees as our client deems prudent and appropriate.

Our firm is available to provide process assessments on the practices currently in place to manage fiduciary duties and responsibilities, as well as offer recommendation to improve current plan practices. We can assist in benchmarking service providers by evaluating existing providers and their expenses incurred for their services, and we can prepare a vendor request for information and complete an analysis of the vendor responses. We provide our services as a fiduciary as defined in § 3(21) of the Employee Retirement Income Security Act of 1974 (ERISA) as well as an ERISA § 3(38). Our level of account authority is defined in further detail in Item 16 of this brochure. We do not serve as ERISA § 3(16) plan third-party administrator (TPA), but we will assist the plan sponsor in identifying a TPA if appropriate.

An initial interview is conducted with the plan sponsor to discuss their current situation, goals, and the scope of services that may be provided by our firm. Prior to or during this first meeting, the plan sponsor will be provided with this Form ADV Part 2 retirement plan services brochure that includes a statement involving our privacy policy (see Item 11), as well as a brochure supplement about the representative who will be assisting them.

¹ Throughout this brochure, the term "plan sponsor" includes any person with the authority to review and implement plan investment decisions, such as executive management, investment committees, retirement plan committees, general counsel, plan advisor, etc.

The firm will disclose any material conflicts of interest that could be reasonably expected to impair the rendering of unbiased and objective advice; such as information found in Items 5, 10 through 12 of this brochure.

If the plan sponsor wishes to engage Victory Fiduciary Consulting, parties must enter into a written agreement; thereafter, discussion and analysis will be conducted to determine plan requirements. We will then provide written recommendations and deliverables as specified within our engagement scope.

With respect to advisory services provided to a plan sponsor, we are available to conduct:

- Due diligence on existing, potential, and selected investment managers and/or service providers
- Retirement plan asset-class menu recommendations
- Investment Policy Statement (IPS) review or its development and implementation
- Trustee education
- Plan design recommendations
- Plan mid-year and year-end reviews with trustee(s), as appropriate
- Investment monitoring reports
- Substitution recommendations
- Watch list recommendations
- Model portfolio generation for participants
- Participant educational workshops
- Site visits when/where needed, upon request

Upon request, we will review an existing or prepare a new IPS or similar written plan guidelines. The purpose of the IPS is to assist plan investment committees in effectively supervising, monitoring and evaluating their company's retirement plan. Topics might include:

- Investment committee's expectations, objectives and guidelines for the plan, as well as ensuring effective communications between the investment committee and all parties involved with investment management decisions;
- Establishing formal criteria for provider selection and evaluation; and
- Complying with all ERISA, fiduciary, prudence and due diligence requirements applicable with laws, rules and regulations from various local, state or federal entities that may impact plan assets.

Victory Fiduciary Consulting is available to conduct ongoing assessments of selected providers. We may recommend replacement of some or all of plan investments, a recordkeeper, TPA and/or custodian. Our recommendations will depend on a combination of plan goals and objectives, updated due diligence information, as well as cost or other service considerations.

If the plan does not call for self-directed investing by plan participants, the plan sponsor may choose to engage our firm to assist with implementing investment strategies. For those plans that Victory Fiduciary Consulting serves as portfolio manager, we employ strategies and a range of investment vehicles as described in Item 8 of this brochure. We manage plan portfolios on a discretionary basis as defined in Item 16. Our firm does not sponsor or serve as portfolio manager in an investment program involving wrapped (bundled) fees.

We will utilize the plan's IPS, observing reasonable investment constraints as stated in the IPS. For example, the plan may choose to exclude certain securities (e.g., options, stocks, illiquid securities, etc.). Investment guidelines should be designed to be specific enough to provide future guidance while allowing flexibility to work with changing market conditions. It will remain the plan sponsor's responsibility to promptly notify us if there is any change in the sponsor's financial situation and/or investment objectives for the purpose of our reviewing, evaluating or revising previous account restrictions or firm investment recommendations.

As of August 31, 2017, our firm had over \$96.7 million under its management; approximately \$36.2 million on a discretionary basis, and \$60.5 million on a nondiscretionary basis.²

General Information

Victory Fiduciary Consulting does not provide legal or accounting services. Plan sponsors are encouraged to consult with professional advisors in these areas and we can assist with coordinating those service providers. Engagements of this type pursued by the plan sponsor are independent of our engagement and subject to separate fees from those providers. We do not accept any compensation for referrals to those other providers.

Our firm cannot warrant or guarantee the achievement of a plan goal or any particular level of account performance or that accounts will be profitable over time. Past performance is not necessarily indicative of future results. Except as may otherwise be provided by law, Victory Fiduciary Consulting will not be liable to plan participant, their heirs or assignees for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by our firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from our adherence to the plan sponsor's direction or that of their legal agent; any act or failure to act by a service provider maintaining an account. Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing contained in this document or our engagement agreement shall constitute a waiver of any rights that a person may have under federal and state securities laws.

Item 5 - Fees and Compensation

Forms of payment are based on the types of services being provided, term of service, etc., and will be stated in the engagement agreement. Victory Fiduciary Consulting fees are negotiable, with final determination to be made by an officer of our firm. We strive to offer fees that are fair and reasonable in light of the experience of our firm and the services to be provided. Similar services may be made available from other sources and potentially at a lesser fee.

Fees may be paid to our firm by check or draft from US-based financial institutions. With the plan sponsor's prior authorization, payment may also be made by credit card through a qualified, unaffiliated PCI compliant³ third-party processor, or via withdrawal from your investment account held at your custodian of record by the custodian or TPA. Our firm does not accept cash, money orders or similar forms of payment for its engagements.

² The term "assets under management" and rounding per the SEC's *General Instructions for Part 2 of Form ADV*.

³ For an explanation of the term "PCI," who the PCI Security Standards Council is, as well as its comprehensive standards to enhance payment card data security, please go to https://www.pcisecuritystandards.org/security_standards/index.php

Method of Compensation and Fee Schedule

Hourly Fees

Victory Fiduciary Consulting may be engaged for plan consultation services under an hourly fee arrangement. Our rate ranges from \$75 to \$250 per hour depending upon the level and scope of the services required and the professionals providing those services. We assess our hourly fee on 10-minute increments, and a partial increment (e.g., seven minutes) will be treated as a whole increment. Prior to entering into an agreement with our firm, the plan sponsor will receive an estimate of the overall cost based on plan requirements and the time involved. No deposit is required; payment in full is required at delivery of our invoice. An hourly engagement lasting more than one month may be billed at the end of each month for time incurred.

Fixed Fees

A plan engagement may be assessed a fixed fee ranging from \$500 to \$1,500. The rate takes into consideration factors such as the estimated amount of time dedicated to the engagement, project complexity, number of associates needed to meet program needs, among other factors that will be described in writing within the agreement. A deposit equaling one-half of the quoted fee will be due upon execution of the engagement agreement and the remaining portion upon plan delivery.

Portfolio Management Fees

At the beginning of each calendar quarter, the plan or plan participant (as determined by the engagement) will pay Victory Fiduciary Consulting an asset-based fee based on an annualized rate as indicated in the following fee table. Our fee schedule is based on a straight tier; all accounts are charged a single percentage rate that declines as asset levels increase. Our firm aggregates plan accounts for all participants in order to apply a discount to the asset-based fee.

The fee is determined by the value of account assets calculated on each quarter-end by multiplying that quotient by the applicable number of basis points set forth in the fee table (one basis point equals 1/100 of one percent). The result is then divided by 4 to determine the quarterly fee.

Formula: ((quarter-end market value) x (applicable number of basis points))/4

Assets Under Management	Annualized Asset-Based Fee
\$50,000 - \$99,999	1.50% (150 basis points)
\$100,000 - \$249,999	1.25% (125 basis points)
\$250,000 - Above	1.00% (100 basis points)

Our firm reserves the right to assess an annualized asset-based up to but not exceeding two percent (2.00%) if the aggregated account values managed by our firm are opened with or subsequently maintained at combined values less than \$50,000.

In the rare absence of a reportable market value, our firm may seek a third-party opinion from a recognized industry source (e.g., unaffiliated public accounting firm), and the plan sponsor and/or plan participant may choose to separately seek such an opinion at their own expense as to the valuation of “hard-to-price” securities if they believe it to be necessary.

The first billing cycle will begin once the engagement agreement is executed with our firm and assets have settled into the plan account(s) held by the custodian of record. Advisory fees for partial quarters will be prorated based on the remaining days in the reporting period. Fee payments will generally be assessed within the first 15 days of each billing cycle. Our firm will concurrently send TPA, recordkeeper and plan sponsor (as stated in the plan engagement agreement) as well as the custodian of record a notice each period that describes the fees to be deducted from an account. Deducted fees will be noted on statements that the plan sponsor and/or participant (per the engagement) receives from the custodian of record and/or third-party administrator on a quarterly or more frequent basis. It is important that the plan/plan participants also verify the accuracy of fee calculations; the custodian may not verify the accuracy of advisory fee assessments for each account.

By signing our firm's engagement agreement, as well as the selected custodian account opening documents and/or TPA forms, the plan sponsor/participant will be authorizing the withdrawal of both advisory and transactional fees (described below) from their account. The withdrawal of these fees will be accomplished by the selected custodian or TPA, not by our firm, and our advisory fees will be remitted directly to our firm. Alternatively, the plan sponsor may request to directly pay our advisory firm its portfolio management fee in lieu of having the advisory fee withdrawn from plan accounts. Our valuation assessment will remain the same as described above, and the plan's direct payment must be received by our firm within 15 days of our invoice. We do not accommodate requests for direct payment from plan participants.

Additional Client Fees

Any transactional or service fees (sometimes termed *brokerage fees*) assessed by a selected service provider (i.e., a custodian), individual retirement account fees, qualified retirement plan or account termination fees will be borne by the account holder as stated in current, separate fee schedules of any selected service provider. We will ensure a copy of the custodian's fee schedule is delivered at the beginning of the engagement, and plan sponsors and participants will be notified of any future changes to these fees by the custodian of record and/or TPA. Fees paid by our clients to our firm for our advisory services are separate from any of these fees or other similar charges. In addition, our advisory fees are separate from any internal fees or charges a client may pay involving mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other similar investments. Additional information about our fees in relationship to our business practices are noted in Items 10 and 12 of this document.

Per annum interest at the current statutory rate may be assessed on fee balances due more than 30 days; we may refer past due accounts to collections or legal counsel for processing. We reserve the right to suspend some or all services once an account is deemed past due.

External Compensation

Victory Fiduciary Consulting does not charge or receive a commission or a mark-up on securities transactions, nor will our firm or its associates be paid a commission on the purchase of a securities holding that is recommended to a client. We do not receive "trailer" or SEC Rule 12b-1 fees from an investment company that may be recommended to a client. Fees charged by such issuers are detailed in prospectuses or product descriptions and interested our clients are encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges.

When there is the potential for the receipt of a commission and other similar compensation via an insurance product transaction (e.g., purchase of a fixed annuity, etc.), an associate of our firm that is licensed as an insurance agent has an incentive to make such a recommendation based on the compensation they may receive rather than a client's needs. Victory Fiduciary Consulting and its associates take their responsibilities

seriously and only intend to recommend investments, insurance or advisory services we believe appropriate for each client. Please refer to Items 10 and 11 of this firm brochure, in addition to Item 4 of an associate's brochure supplement for details.

The plan sponsor retains the right to select recommended or similar investments through a service provider of their choice.

Termination of Services

Either party may terminate the plan engagement agreement at any time in writing. Victory Fiduciary Consulting does not accept verbal notifications involving retirement plans. For those plan sponsors who utilize our portfolio management services, our firm will not be responsible for future allocations, investment advice or transactional services (except closing transactions) upon receipt of termination notice. It will also be necessary that we inform the custodian of record and/or TPA serving the plan that the relationship between our firm and the plan has been terminated.

If our Form ADV Part 2A firm brochure was not delivered to the plan sponsor at least 48 hours prior to entering into the engagement contract, then the plan sponsor has the right to terminate the engagement without fee or penalty within five business days after entering into the agreement. If a plan sponsor terminates an engagement after this period, they may be assessed fees for any time or charges incurred by our firm in the preparation of their plan documents, and we may assess our asset-based fee on a prorated basis from the date of last payment to the date of termination.

Our firm will return any prepaid, unearned fees within 30 days of the firm's receipt of termination notice. Earned fees in excess of any prepaid deposit will be billed at the time of termination and will be due upon receipt of our invoice. Our return of payment to a client for planning services will be completed via check from our firm's US-based financial institution; no credits or "transaction reversals" will be issued. We will coordinate remuneration of prepaid asset-based fees to investment accounts. Return of prepaid fees will never involve a personal check, cash or money order from our firm or from an associate of our firm.

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

Our firm's advisory fees will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as performance-based fees. Our fees will also not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not.

Item 7 - Types of Clients

In addition to serving retirement plans and their participants, our firm provides its services to individuals and high net worth individuals, and businesses of various scale (via separate firm disclosure document and agreement). We require a \$50,000 minimum account size to initiate and maintain our portfolio management services (see Item 5). Our firm reserves the right to decline services to any prospective client for any nondiscriminatory reason.

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

Methods of Analysis

We generally employ fundamental analyses; evaluating economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. Our research is often drawn from sources that include:

- financial periodicals
- research reports from economists and other industry professionals
- Fi360 services and reports
- company annual reports
- regulatory filings (i.e., prospectus, financial filings, etc.)

Investment Strategies

We recognize that each client's needs and goals are different; subsequently, portfolio strategies and underlying investment vehicles may vary. Portfolios typically contain a broad range of mutual funds and ETFs. The following paragraphs describe common strategies utilized within our client's portfolios.

Modern Portfolio Theory

Our firm frequently develops and manages accounts based on the guiding principles of Modern Portfolio Theory which asserts that an investor can reduce risk through diversification, a process of spreading investments across numerous investments. We will seek to construct portfolios that deliver market equivalent performance for given levels of risk, and we will use primarily indexed mutual funds and ETFs to aid in that effort. We do not employ market timing or stock selection methods of investing but rather a long-term, buy-and-hold strategy with periodic rebalancing of accounts.

Core + Satellite Investing

We may employ a Core + Satellite investment strategy; blending passive and active investing, where passive investments are used as the basis or “core” of a portfolio and actively-managed investments are added as “satellite” positions. The portfolio core holdings are indexed to potentially more efficient passive (indexed) mutual funds/ETFs, while outlying selections are generally active mutual funds or ETFs in an attempt to outperform a particular category/sector, or a selection of particular positions to increase core diversification or improve portfolio performance.

Risk of Loss

Our firm believes its strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, there is no guarantee that a planning goal or investment objective will be achieved. Past performance is not necessarily indicative of future results. Investing in securities involves risk of loss that clients should be prepared to bear. While the following list is not exhaustive, we provide some examples of such risk in the following paragraphs, and we believe it is important that our clients review and consider each prior to investing.

Active Management

A portfolio that employs active management strategies may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or “turnover.” This may result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, thereby potentially reducing or negating certain benefits of active asset management.

Annuities

Fixed and indexed annuities are an insurance contract sold by licensed insurance agents, and variable annuities are offered through broker/dealers. The features, benefits, and various guarantees associated with an annuity are determined by the quality and solvency of its issuer -- the insurance company.

Insurance guaranty associations provide limited protection to insurance policyholders and beneficiaries of policies issued by an insurance company that has become insolvent and is no longer able to meet its obligations. All states, as well as the District of Columbia, and Puerto Rico have insurance guaranty associations. Insurance companies are required by law to be members of the guaranty association in states in which they are licensed to do business. The amount of coverage provided by the guaranty association is set by statute and differs from state to state. For example, in New Jersey the coverage for a fixed annuity cash surrender value is \$100,000 and \$500,000 in present value of annuity benefits if the contract has been annuitized. Benefits in excess of the noted limits may be eligible to be submitted as a priority claim against the failed insurer, through which the policyholder may receive additional payments as the insurer's assets are liquidated.

Company Risk

When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as *unsystematic risk* and can be reduced or mitigated through diversification.

Core + Satellite Strategies

Strategies involving Core + Satellite investing may have the potential to be affected by "active risk" (or "tracking error risk"), which might be defined as a deviation from a stated benchmark. Since the core portfolio attempts to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a satellite portfolio or position, or from a "sample" or "optimized" index fund or ETF that may not as closely align the stated benchmark.

Currency Risk

The risk of loss from fluctuating foreign exchange rates when a portfolio has exposure to foreign currency or in foreign currency traded investments is known as currency risk.

Equity (Stock) Risk

Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in and perceptions of their issuers change. If an investor held common stock or common stock equivalents of any given issuer, they may be exposed to greater risk than if they held preferred stocks and debt obligations of the issuer.

Preferred stocks can be affected by interest rate and liquidity risks (described in adjacent paragraphs). Also note that their dividend payment is not guaranteed; some are subject to a call provision, meaning the issuer can redeem its preferred shares on demand, and usually when interest rates have fallen.

ETF and Mutual Fund Risks

The risk of owning ETFs and mutual funds reflect their underlying securities (e.g., stocks, bonds, etc., described in other paragraphs of this section). These forms of securities typically carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. Certain ETFs and indexed funds have the potential to be affected by "active risk;" a deviation from its stated index.

While many ETFs and index mutual funds are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be a holding within an ETF or mutual fund), may be considered “non-qualified” under certain tax code provisions. A holding’s QDI will be considered when tax-efficiency is an important aspect of the client’s portfolio.

Leveraged and/or inverse ETFs attempt to achieve multiples of the performance of an index or benchmark through the opposite (inverse) of the performance of the tracked index or benchmark. This strategy attempts to profit from, or hedge exposures to, downward drifting markets. There is risk involving this strategy and part of the concern is based on the fact that leveraged and inverse exchange traded funds “reset” daily, which means they are designed to achieve their stated objectives on a *daily basis*. It is due to the compounding effect of daily adjustments that ETF performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of an underlying index or benchmark during the same period. This effect is potentially magnified during volatile markets. If effects contrary to the ETF strategy occur, losses may be significant; therefore, leveraged and/or inverse ETFs will be considered for portfolios either properly hedged or for clients able to sustain potentially higher risks. Leveraged and inverse ETFs should not be used in portfolios where a “buy-and-hold” philosophy is important.

Financial Risk

Excessive borrowing to finance a business operation increases profitability risk 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 a declining market value.

Fixed Income Risks

Various forms of fixed income instruments, such as bonds, money market or bond funds may be affected by various forms of risk, including:

- Credit Risk - The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.
- Interest Rate Risk - The risk that the value of the fixed income holding will decrease because of an increase in interest rates.
- Reinvestment Risk - With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

Fundamental Analysis

The challenge involving fundamental analyses is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value. If a security's price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

Inflation Risk

Also called *purchasing power risk*, is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.

Liquidity Risk

The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

Market Risk

This is also called systemic risk. In cases where markets are under extreme duress, many securities lose their ability to provide diversification benefits.

Passive Investing

A portfolio that employs a passive, efficient markets approach has the risk of generating lower-than-expected returns due to its broad diversification when compared to a portfolio narrowly focused/invested.

Political Risk

The risk of financial and market loss because of political decisions or disruptions in a particular country or region, and may also be known as "geopolitical risk."

Research Data

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While our firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

Item 9 - Disciplinary Information

Neither the firm, nor its management, have been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our offering advisory business or its integrity.

Item 10 - Other Financial Industry Activities and Affiliations

Our advisory firm and its management are not registered nor have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm or associated person of such a firm. We are not required to be registered with such entities, nor do they supervise our firm, its activities or our associates. Neither our firm nor its management is or has a material relationship with any of the following types of entities:

- another financial planning firm
- bank, credit union or thrift institution, or their separately identifiable department or division
- lawyer or law firm
- pension consultant (other than our own services)
- real estate broker, dealer or advisor
- sponsor or syndicator of limited partnerships
- trust company
- issuer of a security, to include investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)

We provide recommendations to pre-screened third-party investment managers (who are also required to be registered as investment advisors) to service some of our individual investing clients’ portfolios, in which both firms inevitably receive a portion of the advisory fee paid by the client. Further details of this arrangement are described in another Form ADV Part 2A that is available to individual investors on request.

Associates of our firm, including its management, are licensed insurance agents appointed with various unaffiliated insurance carriers and agencies. Certain firm associates are certified public accountants (CPA) and/or a partner in accounting and tax practice unaffiliated with our advisory firm, under separate engagement agreements, and are prohibited from serving in a role that allows their having physical custody of a client account (see Item 15). Further information with regard to these activities are found in each associate’s accompanying Form ADV Part 2B brochure supplement. Whether they are serving a client in one or more capacities, they are obligated to disclose in advance how they are being compensated and if there is a conflict of interest involving any advice or service provided. At no time will there be *tying* between business practices and/or services; a condition where a client or prospective client would be required to accept one product or service which is conditional upon the selection of a second, distinctive tied product or service.

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

Our firm holds itself to a *fiduciary standard*, which means the firm and its associates will act in the utmost good faith, performing in a manner believed to be in the best interest of its clients. Our firm believes that business methodologies, ethics rules, and adopted policies are designed to eliminate or at least minimize material conflicts of interest and to appropriately manage any material conflicts of interest that may remain. We will disclose to its advisory clients any material conflict of interest relating to the firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

Code of Ethics

We have adopted a Code of Ethics that establishes policies for ethical conduct for our personnel. Our firm accepts the obligation not only to comply with all applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Firm policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others. We periodically review and amend our Code of Ethics to ensure that they remain current, and we require firm personnel to annually attest to their understanding of and adherence to the firm's Code of Ethics. A copy of the firm's Code of Ethics is made available to any client or prospective client upon request.

Firm associates that are CERTIFIED FINANCIAL PLANNERTM Practitioners also adhere to the Certified Financial Planner Board of Standards, Inc.'s Code of Ethics & Professional Responsibility which you may find at www.cfp.net.

Privacy Policy Statement

Our firm respects the privacy of all clients and prospective clients (collectively termed "customers" per privacy regulations), both past and present. It is recognized that we have been entrusted with non-public information about our customers and it is important that both our access persons and customers are aware of firm policy concerning what may be done with that information.

We collect personal information about customers from the following sources:

- Information customers provide to complete their plan or investment recommendation;
- Information customers provide in client engagement agreements and other documents completed in connection with an investment management engagement;
- Information customers provide verbally; and
- Information received from service providers, such as custodians, about customer transactions.

We do not disclose non-public personal information about our customers to anyone, except in the following circumstances:

- When required to provide services our customers have requested;
- When our customers have specifically authorized us to do so; or
- When required during the course of a firm assessment (i.e., independent audit) or by law

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of customer information. Within the firm, access to customer information is restricted to personnel that need to know that information. All access persons and service providers understand that everything handled in firm offices are confidential and they are instructed not to discuss customer information with someone else that may request information about an account unless they are specifically authorized in writing by the customer to do so. This includes providing information about a family member's account.

Our firm will provide clients with our privacy policy statement at any time, in advance, if our privacy policies are expected to change.

Firm Recommendations and Conflicts of Interest

Our associates are prohibited from borrowing from or lending to a client unless that client is an approved financial lending institution.

Neither our firm nor its associates are authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a “related person” (associates, their immediate family members, etc.) has a material financial interest, such as in the capacity as an underwriter, advisor to the issuer, etc.

Our firm and its related persons may buy or sell securities that are the same as, similar to, or different from, those we recommend to clients for their accounts. A recommendation made to one client may be different in nature or in timing from a recommendation made to a different client. Clients often have different objectives and risk tolerances. At no time will our firm or any related party receive preferential treatment over our clients. In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates’ transactions in specific securities transactions. Any exceptions or trading pre-clearance must be approved by our firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records.

Under certain conditions that have been established by the United States Department of Labor (DOL), Victory Asset Management Co., Inc. may qualify as a “DOL fiduciary” to certain clients. As a DOL fiduciary, our firm must adhere to specific standards relating to the investment advice and recommendations we provide. These standards may act to limit the investment advice and recommendations we can give to clients, and may require that we provide certain additional disclosures not already contained in this Form ADV Part 2A. As a DOL fiduciary, we also incur additional liability above and beyond that we currently operate under as it relates to the investment advice and recommendations we provide.

Status as a DOL fiduciary is governed by federal law and DOL regulations. Such fiduciary status is triggered when we provide investment advice or other investment recommendations to a client who is a “retirement investor.” Retirement investors primarily consist of those individuals or organizations who are (i) participants or beneficiaries of a retirement plan that is subject to Title I of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, and who possess the authority to direct the investment of assets in his or her plan account or to take a distribution; or (ii) the beneficial owner of an individual retirement account (IRA) who is acting on behalf of the IRA. Not every client will trigger this fiduciary status, as this status is based on the source of investment funds previously listed. In addition to other standards noted in this Item, in the event that our firm qualifies as a DOL fiduciary, the following applies:

- We will provide investment advice that is, at the time of the recommendation, in the client’s best interest.
- Our recommendations will be made in the client’s “best interest” when the advice or recommendations our firm makes reflect the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the client’s investment objectives, risk tolerance, financial circumstances, and needs. Investment advice or recommendations will be made without regard to our firm’s financial interests or those of our advisors, related entities or other parties.
- Any recommended transactions will not cause us or any related entities to receive, directly or indirectly, compensation for services that is in excess of reasonable compensation.
- As used herein, the DOL defines “reasonable compensation” to mean that any compensation that is reasonably expected to be received for investment recommendations must be reasonable in relation to the value of the specific services provided to a retirement investor and not in excess of the services’ fair market value.

- Any statements made by our firm about any recommended transaction, fees and compensation, material conflicts of interest, and any other matters relevant to your investment decisions, will not be materially misleading at the time they are made.

In addition to the standards listed above, as a DOL fiduciary we may also be required to provide clients additional information or disclosures regarding the fees we charge for our services. Such additional information will disclose if we offer any proprietary products (which are products that are managed, issued, or sponsored by us) or if we receive any payment from a third party for recommending a specific investment service. Victory Fiduciary Consulting does not offer, nor limit, its investment services to proprietary products. Regarding third party payments, we may receive an economic benefit from our primary custodians in the form of the support products and services they make available to us and other independent investment advisors. Additional information regarding such economic benefits is noted in Items 10 and 12 of this brochure, and information relating to fees and compensation for our services can be found in Item 5.

Our firm is able to provide a range of advisory services to its clients. Due to our firm's ability to offer two or more services and receive a fee for each engagement, the potential for a conflict of interest exists due to the extended services provided. We therefore note that our clients are under no obligation to act on our recommendations and, if a client elects to do so, they are under no obligation to complete them through our firm or a recommended provider.

Item 12 - Brokerage Practices

Factors Used to Select Broker/Dealers for Client Transactions

Plan accounts must be separately maintained by a qualified custodian (typically a broker/dealer, trust company or national bank) that is frequently reviewed for its capabilities to serve in that capacity by their respective industry regulatory authority. Our firm is not a custodian, there is not an affiliate that is a custodian, nor does a custodian supervise our firm, its activities or our associates. We do not receive referrals from a custodian, nor are client referrals a factor in our recommendation of a custodian.

When engaged to provide plan consultation services, we may recommend the service provider where plan assets are currently maintained. If the plan prefers a new service provider, a recommendation made by our firm will be based on plan need, overall cost, and ease of use.

We prefer that our portfolio management clients use the services of Mid Atlantic Trust Company (an affiliate of Mid Atlantic Capital Group) or Schwab Advisor Services™ (a Charles Schwab & Co., Inc. affiliate) as custodian of record. Both noted custodians clear and custody client accounts through their broker/dealer affiliates that are FINRA and SIPC members.⁴ Our firm is independently owned and operated and is not legally affiliated with either custodian or any other provider that we may recommend.

While we recommend plan sponsors use a particular custodian, the plan sponsor will decide whether to do so and will open your account with them by entering into an account agreement directly with them. We do not technically open the account on your behalf, but we assist you in doing so. If the plan sponsor does not wish to place their assets with our preferred custodians, we may be able to serve as portfolio manager with another custodian of the plan's choice if the other custodian's policies allow us to do so.

⁴ Our advisory firm is not, nor required to be, a Securities Investor Protection Corporation (SIPC) member. You may learn more about the SIPC and how it serves member firms and the investing public by going to their website at <http://www.sipc.org>.

Mid Atlantic Trust Company and Schwab Advisor Services™ and their affiliates offer independent investment advisors various services which include custody of client assets, trade execution, clearance and settlement, etc. Our firm may receive other benefits from our preferred custodians through participation in their independent advisor support program. These benefits may include the following products and services (provided either without cost or at a discount):

- receipt of duplicate client statements and confirmations
- research related products and tools
- breadth of investment products made available
- access to trading desks serving our clients
- access to block trading services
- ability to have advisory fees deducted directly from a client's accounts
- resource information related to capital markets and various investments
- access to electronic communications networks for client order entry and account information
- access to mutual funds with no transaction fees
- assistance with certain back-office functions, recordkeeping and client reporting
- discounts on marketing, research, technology, and practice management products or services provided to our firm by third-party providers
- educational conferences and events

Some of the noted products and services made available to our firm by our custodians may benefit our advisory firm but may not directly benefit each of our clients' accounts, and certain research and other previously referenced services are considered by some jurisdictions as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934. The availability of these services benefits our firm because we do not have to produce or purchase them as long as clients maintain assets in accounts at our recommended custodian. There is a conflict of interest since our firm has an incentive to select or recommend a custodian based on our firm's interest in receiving these benefits rather than the client's interests in receiving favorable trade execution. It is important to mention that the benefit received by our firm through participation in any custodian's program does not depend on the amount of brokerage transactions directed to that custodian, and our selection of a custodian is primarily supported by the scope, quality, and cost of services provided as a whole, not just those services that benefit only our advisory firm.

As part of our fiduciary duty, our firm endeavors to place the interests of our clients first, without consideration to our own financial interest or the interest of a related person. Our clients should be aware, however, that the receipt of any economic benefit by our firm or its associates in and of itself creates the potential for a conflict of interest and may indirectly influence our choice of a custodian for its services. However, we strive to overcome any implicate bias these benefits might create, and we will avoid recommending services or offer investment advice that is not in your best interest.

Best Execution

"Best execution" means the most favorable terms for a transaction based on all relevant factors, including those listed in the paragraph titled *Factors Used to Select Broker/Dealers for Client Transactions*. We recognize our obligation in seeking best execution for our clients; however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected custodian's transactions represent the best "qualitative execution" while taking into consideration the full range of services provided.

Our firm will seek services involving competitive rates but it may not necessarily correlate into the lowest possible rate for each transaction. We have determined having our portfolio management clients' accounts trades completed through our preferred custodians is consistent with our obligation to seek best execution for our clients. A review is regularly conducted with regard to recommending a custodian to our clients in light of our duty to seek best execution.

While our firm has access to a broad range of securities through our custodians, it is a finite number. Not all investment managers, share classes, etc., are represented at each custodian. Due to these normal and customary limitations, portfolio holdings are not all readily available, least expensive, best performing, etc. It is an unrealistic expectation for an investor to maintain such a premise.

Directed Brokerage

Our internal policy and operational relationships with our custodians require client accounts held by them to have trades executed per their order routing requirements. We do not direct which executing broker should be selected for client account trades; whether that is an affiliate of a preferred custodian or another executing broker of that custodian's choice. As a result, a client may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices on transactions than might otherwise be the case. In addition, since we routinely recommend a custodian to our clients, and that particular custodian may choose to use the execution services of its broker affiliate for some or all of client account transactions, there is an inherent conflict of interest involving our recommendation since our advisory firm receives various products or services described earlier in this section from that custodian. Note that we are not compensated for trade routing/order flow, nor are we paid commissions on such trades. We do not receive interest on our client accounts' cash balances.

Our portfolio management services clients are unable to engage in directed brokerage via our custodians. As a result, they may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case if they had the opportunity to direct brokerage.

For those clients who maintain account assets at another custodian of record, the client may choose to request that a particular broker is used to execute some or all account transactions. Under these circumstances, the client will be responsible for negotiating, in advance of each trade, the terms and/or arrangements involving the account with that broker, and whether the selected broker is affiliated with their custodian of record or not. We will not be obligated to seek better execution services or prices from these other brokers, and we are unable to aggregate transactions for execution via our custodian with other orders for accounts managed by our firm. As a result, those clients may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case.

Aggregating Securities Transactions

Trade aggregation involves the purchase or sale of the same security for several clients/accounts at approximately the same time. This may also be termed "blocked," "bunched" or "batched" orders. Aggregated orders are effected in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among multiple client accounts should there be differences in prices, brokerage commissions or other transactional costs that might otherwise be unobtainable through separately placed orders. Our firm may, but is not obligated to, aggregate orders and we do not receive additional compensation or remuneration as a result of aggregated transactions.

Transaction charges and/or prices may vary due to account size and/or method of receipt. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which a related person may invest, the firm will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.*

Please note that when trade aggregation is not allowed or infeasible and necessitates individual transactions (e.g., withdrawal or liquidation requests, odd-lot trades, non-discretionary accounts, etc.), an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

We review firm trading processes on a periodic basis to ensure they remain within stated policies and regulation. We will inform our clients in advance if our trading practices change.

Trade Errors

The firm corrects its trade errors through an account maintained by our custodians, and the firm may be responsible for trading certain error losses that occur within a client account. Trading error gains are swept to the custodian's designated account and donated to a 501(c)(3) charity of that custodian's choice. It is each custodian's obligation to disclose in their own literature to their account holders whether the charities' receipt of such donations present a material conflict of interest (e.g., the recipient is a client of the custodian, etc.).

Item 13 - Review of Accounts

Scheduled Reviews

Plan sponsors should contact our firm for additional reviews when making decisions about changes to their plan. Periodic reviews are recommended on an annual basis whenever practical. Reviews will be conducted by the client's investment advisor representative and typically involve analysis and possible revision of plan documents, recommendations or investment selections. Copies of revised written plans or asset allocation reports generated from these review sessions are provided in printed or digital format upon client request.

Portfolios managed by Victory Fiduciary Consulting are reviewed on a quarterly or more frequent basis by Mr. Verfaillie or Ms. Rosser.

Interim Reviews

Plan sponsors should contact our firm for additional reviews when there are material changes to the plan requirements or the businesses financial situation. The review is conducted by the client's investment advisor representative. Copies of revised written plans or asset allocation reports in printed or digital format will be provided to the client upon request.

Additional portfolio reviews by the client's investment advisor representative as well as Mr. Verfaillie or Ms. Rosser may be triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector. A portfolio may be reviewed for an additional holding or when an increase in a current position is under consideration. Account cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

Client Reports

Each plan participant will receive account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where investments are held. We urge each participant to carefully review account statements for accuracy and clarity, and to ask questions when something is not clear. The plan sponsor/plan participant have electronic access to accounts maintained at the custodian of record, and have the ability to download quarterly performance reports in printed or digital format that have been generated by that custodian's data systems. Our firm does not produce its own performance reports, nor do we back-test or certify reports from an external party. Plan sponsors and/or participants are urged to carefully review and compare account statements that they have received directly from the custodian of record with any report they may receive from any other source that contains investment performance information.

Item 14 - Client Referrals and Other Compensation

If we receive or offer an introduction to a client involving unregistered persons, we do not pay or earn a referral fee, nor are there established *quid pro quo* arrangements. Each client has the right to accept or refuse such referrals or their subsequent services.

Please refer to Items 5, 10 and 12 for additional information with respect to our offerings/services and the potential conflicts of interest they present.

An associate of the firm may hold individual membership or serve on boards or committees of professional industry associations. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements. A benefit these entities may provide to the investing public is the availability of online search tools that allow interested parties (prospective clients) to search for individual participants within a selected state or region. These passive websites may provide means for interested persons to contact a participant via electronic mail, telephone number, or other contact information, in order to interview the participating member. The public may also choose to telephone association staff to inquire about an individual within their area, and would receive the same or similar information. A portion of these participant's membership fees may be used so that their name will be listed in some or all of these entities' websites (or other listings). Prospective clients locating our advisory firm or an associate via these methods are not actively marketed by the noted associations. Clients who find our firm in this way do not pay more for their services than clients referred in any other fashion. The firm does not pay these entities for prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

Item 15 - Custody

Accounts will be maintained by an unaffiliated, qualified custodian; they are not to be maintained by our firm or any associate of our firm. In keeping with this policy involving our custody of plan funds or securities, our firm:

- Restricts the firm or an associate from serving as trustee or having general power of attorney over a client account;
- Does not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm;
- Will not collect advance fees of \$1,200 or more for services that are to be performed six months or more into the future; and

- Prohibits associates from having authority to directly withdraw securities or cash assets from a client account. Although we may be deemed to have custody⁵ of an account since we may request the withdrawal of advisory fees from an account, we will only do so following written authorization from the client to deduct advisory fees from an account held by the custodian, and after our sending the qualified custodian notice of the amount of the fee to be deducted from the account.

The custodian of record and/or third-party administrator will provide investment account transaction confirmations and account statements, which will include debits and credits for that period. Statements are provided on at least a quarterly basis and confirmations are provided as transactions occur within an account. Our advisory firm will not create an account statement for an account nor serve as the sole recipient of an account statement. Any account holder receiving periodic reports that include investment performance information should carefully review and compare their account statement that they have received directly from the custodian of record with that performance report.

Item 16 - Investment Discretion

Via a limited power of attorney, we typically serve investment accounts on a discretionary basis, granting our firm the authority to implement investment decisions, such as the purchase or sale of a security on behalf of an account, without requiring the client's prior authorization for each transaction in order to meet stated investment objectives. This authority will be provided by the client through the execution of both our engagement agreement and the selected custodian's account opening documents. Note that the custodian will specifically limit our firm's authority within an account to the placement of trade orders and our request for the deduction of our advisory fees.

We also serve client accounts on a nondiscretionary basis. This type of account authority requires the client's ongoing prior approval involving the investment and reinvestment of account assets, and portfolio rebalancing. The client will be required to execute our firm's client services agreement that describes our limited account authority, as well as the custodian of record's account opening document that includes their limited power of attorney form or clause. In light of the requirement for pre-approval, the client must make themselves available and keep our firm updated on their contact information so that instructions can be efficiently effected on their behalf. In addition, nondiscretionary accounts are generally unable to be aggregated (see Item 12), and may therefore be assessed higher trading fees or receive less favorable prices than those accounts where trade aggregation has occurred.

We will account for reasonable restrictions as noted in the plan's IPS. It remains the plan sponsor's responsibility to notify our firm if there is a change in their investment objective so that we may reevaluate previous investment recommendations or portfolio holdings.

We do not execute trades for plan participants or maintain trading authority within a plan participant self-directed account.

Item 17 - Voting Client Securities

Account holders may receive voting proxies or other similar solicitations sent directly from the custodian of record or transfer agent. Note that we do not forward duplicate copies of these or any correspondence relating to the voting of securities, class action litigation, or other corporate actions.

⁵ Certain jurisdictions use the term "limited custody," "indirect custody," or "constructive custody" to define an advisory firm's access to a client account for the purpose of fee withdrawal pursuant to safekeeping guidelines.

Our firm does not vote proxies on behalf of account holders nor do we offer guidance on how to vote proxies. Each account holder will maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other events pertaining to such holdings. We will answer limited questions with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or their legal representative.

Account holders of record maintain responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to their holdings. The account holder should consider contacting the issuer or their own legal counsel involving specific questions they may have with respect to a particular proxy solicitation or corporate action.

Item 18 - Financial Information

Our advisory firm will not take physical custody of client assets, nor do we have or authorize the type of account authority to have such control.

Engagements with our firm do not require that we collect fees from a client of \$1,200 or more for our advisory services that we have agreed to perform six months or more into the future.

Neither our firm nor its management serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

Our firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients, nor has the firm and its management been the subject of a bankruptcy petition.

Due to the nature of our firm's advisory services and operational practices, an audited balance sheet is not required nor included in this brochure.