

LVM Capital Management, Ltd.  
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This September 30, 2017 Brochure provides information about the qualifications and business practices of LVM Capital Management, Ltd. ("LVM", "we"). If you have questions about the contents of this Brochure, please contact LVM at 269-321-8120 or email [info@lvmcapital.com](mailto:info@lvmcapital.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. LVM's Brochure may be requested by calling 269-321-8120 or emailing [info@lvmcapital.com](mailto:info@lvmcapital.com). LVM's Brochure is also available at [www.lvmcapital.com](http://www.lvmcapital.com).

LVM 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 Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about LVM Capital Management, Ltd. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with LVM who are registered or are required to be registered as investment adviser representatives of LVM Capital Management, Ltd.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of LVM's fiscal year. We may provide other ongoing disclosure information about material changes as necessary. We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

## **Item 2 – Material Changes**

Since LVM's last brochure update on September 30, 2016, there were no material changes.

**Item 3 -Table of Contents**

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## Item 4 – Advisory Business

LVM, founded in July 1988, furnishes primarily wealth management services by integrating investment management services and financial planning. Craig A. Vander Molen, CFA, CPWA®, is the majority owner. Investment supervisory services include continuous advice as to the investment of funds based on the individual needs of a client. Financial planning includes collecting, organizing, and analyzing a client's financial data to provide optimal wealth design through appropriate account structure (including taxable and non-taxable accounts and strategies used within each) and income tax and estate tax strategies on the basis of the individual needs of a client. LVM considers such factors as the size and source of the account, client's identity and background, the client's income and growth objectives, cash flow needs, income tax bracket, potential federal and state estate taxes, and the client's relative risk aversion. The individual needs and situation of each client dictate whether or not both investment supervisory and financial planning services are utilized. Clients may impose investment restrictions on individual securities or security types. LVM does not provide investment advice on all possible investment types.

In two cases, LVM is retained under a wrap-fee program. In a wrap fee program a broker/dealer recommends LVM to manage a client's assets, pays LVM's investment management fees on behalf of the client, executes the client's securities transactions without commission charges, monitors the portfolio performance and may also act as custodian, or provides some combination of these or other services, all for a single fee. LVM's investment advisory fee in a wrap-fee arrangement may vary from that charged to wealth management clients. In evaluating such a program, a client should understand that LVM cannot negotiate brokerage commissions. Transactions are effected "net" and a portion of the wrap fee is generally considered in lieu of explicit brokerage commissions. Trades will be generally executed with the referring broker to avoid incurring the incremental brokerage costs that would be incurred using other broker/dealers. In evaluating a wrap fee arrangement, the client should consider whether, depending on the amount of the wrap fee, the amount of portfolio activity and the value attributed to monitoring, custodial, and any other services provided, the wrap fee would exceed the cost of such services if they were separately provided and LVM were free to choose broker/dealers to execute portfolio transactions.

In limited cases, LVM is retained for investment management only for clients who receive financial planning from a broker/dealer's registered representative. At the broker/dealer's specific request, LVM invoices these joint clients for both its investment management fee and the broker/dealer's registered representative fees, remitting to the broker/dealer its portion of the fee.

As of June 30, 2017, LVM managed \$522,840,927 discretionary assets and \$21,204,619 non discretionary assets.

## Item 5 – Fees and Compensation

LVM receives a fee for wealth management services in an amount established with each client and specified in the client's investment advisory agreement. The general fee schedule is:

<u>Market Value of the Account</u>	<u>\$ or Percent Annual Fee</u>
< \$1 million	1.50%
\$1,000,000 to \$2,000,000	1.25 %
\$2,000,000 to \$5,000,000	1.00 %
> \$5 million	Negotiated

The fee may be higher or lower depending on the size of the account, services rendered, or for a family relationship or charitable organization. Other fee arrangements may be negotiated with individual clients including fixed fees or hourly fees, particularly, but not exclusively, in the production of a financial plan. Generally, fees are invoiced and payable quarterly in arrears. Fees are based on the market value of each account on the last day of the quarter. Clients may choose to have fees debited directly from an advised account or may pay by check. A client may terminate the investment advisory agreement at any time upon thirty days prior written notice. The fees for the quarter in which termination occurs will be prorated. When LVM provides investment management only for clients who receive financial planning from a broker/dealer's registered representative, the clients total fee is not more than the schedule above. LVM believes that its fees are fair and reasonable. Other registered investment advisors may offer similar services for fees that are more or less than LVM's fees. LVM does not receive commissions from investment products or fees or commissions generated by securities trades in any client account.

Occasionally LVM grants a fee waiver to a client account. Generally, but not exclusively, this accommodation relates to small accounts of children of existing clients.

Any client who is invested in shares of mutual funds, exchange traded funds, or other investment companies ("Funds") is subject to additional advisory fees and expenses as set forth in the prospectus of such Funds, paid by the Funds, but ultimately borne by the investor. These fees are in addition to any LVM fees. LVM does not receive any portion of these fees. LVM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, trade away fees, and other fees and taxes on brokerage accounts and securities transactions. Refer to section 12 for more information on LVM's brokerage practices.

Clients selecting a bank trust company as a custodian typically pay an explicit custody fee to the bank for its services. This fee is in addition to any LVM fees. All client accounts (except those under a wrap fee) bear the cost of explicit trading commissions and brokerage fees regardless of custodial arrangement. Occasionally LVM will execute a "trade away", where a broker custodian is not the executing broker but settles the trade on a delivery versus payment basis. Generally the broker custodian charges a nominal flat fee for this service. This fee is in addition to any LVM fees. A trade away occurs when LVM determines that a client's total trade proceeds are optimized versus the same trade with the broker custodian. Item 12 further describes the factors that LVM considers in selecting or recommending broker/dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

LVM, occasionally and only at the request of a client, reviews and offers advice on interests in partnerships investing in assets other than real estate or oil and gas interests. LVM receives a wealth management fee on real estate limited partnerships that are part of a client's managed assets. LVM, as part of its financial planning function for some wealth management clients, reviews and offers advice on various types of life insurance and annuities. LVM, occasionally, and only at the request of the client, reviews and offers advice on long term healthcare insurance. LVM does not receive fees or commissions on the purchase or sale by clients, life insurance, annuities, or long-term care insurance and does not receive compensation for referring clients to other financial professionals for analysis of these vehicles.

On behalf of its clients, LVM outsources the filing of all securities class action claims to Chicago Clearing Corporation (CCC). CCC is compensated with a 15% contingency fee paid from the awards it obtains for LVM's clients. Neither LVM nor its clients pay an explicit or upfront fee to engage CCC. LVM receives no compensation from CCC. Clients may opt out of CCC's service by completing and returning to LVM an opt-out letter.

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

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

## **Item 7 – Types of Clients**

LVM provides wealth management services to individuals, high net worth individuals, bank trust departments, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, businesses, and other U.S. institutions. LVM generally requires a minimum of \$1,000,000 to establish an investment advisory or wealth management relationship, but takes into consideration the interrelationships of accounts and client referrals and occasionally makes exceptions to this guideline.

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

**Investing in securities involves risk of loss that clients should be prepared to bear. Investing in publicly-traded mark-to-market securities always poses market risk and company-specific risk that clients should be prepared to bear.** LVM uses Bloomberg, Morningstar, Ycharts.com, and Thinkpipes, as well as numerous publically available resources, including company websites, through which it accesses a wide variety of data including, but not limited to, historical financial information and earnings estimates for companies followed by Wall Street analysts. LVM uses a fundamental approach to investing that emphasizes traditional valuation measures for selecting individual securities. These measures (including, but not limited to, price/earnings, price/book, price/sales, cash flow, return on equity, return on invested capital, leverage ratios, and spread versus U.S. Treasuries) are compared with a security's historic measures as well as to overall market measures. LVM also uses asset allocation (balancing a portfolio's holdings among various asset classes) to reduce the risk of

permanent loss of capital over longer periods of time. Generally LVM intends to hold positions in client accounts over one year, although occasionally securities are purchased and sold in shorter periods. Taxable accounts may be treated differently than tax-deferred accounts. In addition, accounts using equity covered call or equity put writing strategies may experience more frequent portfolio turnover as stock may be delivered via option assignment. More frequent trading will increase client brokerage commissions and may produce short-term capital gains or losses. Clients writing put options face the risk of having to purchase a security at a specific price in the future. Clients writing call options face the risk of having to deliver a security at a specific price in the future. Clients buying options risk losing their entire investment.

LVM, occasionally and only at the request of a client, reviews and offers advice on interests in partnerships investing in assets other than real estate. LVM, as part of its financial planning function for some wealth management clients, reviews and offers advice on various types of life insurance and annuities. LVM, occasionally, and only at the request of the client, reviews and offers advice on long term healthcare insurance.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of LVM or the integrity of LVM's management. In July 2013, LVM entered a stipulation and consent agreement with the State of Florida's Office of Financial Regulation for the inadvertent omission of a Form U-4 filing. Craig A. Vander Molen's U-4 filing in Florida is current as of July 2013.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Neither LVM nor its principals are registered with or have an application pending to register as a broker/dealer, futures dealer, commodity adviser, or as an associated person of the foregoing entities.

## **Item 11 – Code of Ethics**

The LVM Capital Management (the "Company") Code of Ethics (the "Code") sets forth a standard of business conduct required of all employees. The Code mandates honest and ethical conduct at all times. This Code supplements the policies and procedures contained in the Company's Compliance Manual and departmental manuals. This Code reflects the Company's values of responsible business and personal ethics, respect, teamwork, innovation, and excellence. Clients or prospective clients will be provided a copy of the Code upon request at no cost. All supervised persons at LVM must acknowledge the terms of the Code annually, or as amended.

The employees of LVM occasionally buy or sell, for their personal accounts, securities that LVM also recommends to clients. It is LVM's policy that transactions for its clients have priority over personal transactions of LVM or its employees and personal transactions do not operate adversely to clients' interests. To avoid conflicts of interest, no personal transactions for LVM or its employees in a particular security are permitted when client orders to buy or sell the same are outstanding. Occasionally, an LVM employee may, via a put or call option assignment, participate in a transaction on the same side and at the same time as a client trade. LVM does not consider this a trading conflict as there is no price impact to either the employee or client trade. LVM employs a computerized personal employee transaction reporting and preclearance system. The Code is designed to assure that the personal securities transactions, activities and interests of the employees of LVM will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under LVM's Policies and Procedures and the Code certain classes of securities have been designated as exempt transactions, based on a determination that these do not contradict LVM's fiduciary responsibility to its clients.

LVM does not perform principal transactions for client accounts. Principal transactions are defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker/dealer, buys from or sells a security to any advisory client.

LVM, using an independent broker/dealer, occasionally crosses bonds between client accounts. This is known as a cross trade and occurs when LVM requests that an independent broker/dealer execute both a buy and a sell trade for the same security with one client account selling the bond to another client's account. In such cases, the independent broker/dealer provides prices for both sides of the trade and LVM determines that the prices are or are not appropriate. If LVM determines that the prices are not appropriate, it may negotiate price improvement(s) to affect the trade or elect not to execute the trade. In executing a cross trade, the independent broker/dealer includes a mark down or mark up in its prices to the selling and buying client accounts and the trades are executed net, or without an explicit commission. A trade away

fee may apply if the independent broker/dealer is not the account custodian. Trade away fees are paid to the client's account custodian by the client account. In executing a cross trade, LVM has determined that a trade is beneficial to both client accounts and that the prices, including mark down or mark up (plus trade away fees) are appropriate. A bond cross trade is considered when repositioning an account and/or when realizing capital gains or losses in a client's taxable account.

## Item 12 – Brokerage Practices

Generally, LVM is retained on a discretionary basis and is authorized to determine and direct execution of portfolio transactions within the client's specified investment objective without consultation with its client on a transaction-by-transaction basis. LVM prefers to select broker/dealers who will execute portfolio transactions and generally the client leaves that selection to LVM, although occasionally a client may direct the use of a particular broker/dealer to execute portfolio transactions. Clients may limit discretionary authority in terms of type or amount of securities to be bought or sold or the broker/dealer to be used or the commission rates to be paid. Some clients retain LVM on a non-discretionary basis, requiring that portfolio transactions be discussed in advance and executed at the client's direction. LVM's overriding objective in the selection of broker/dealers is to obtain the best combination of price and execution. Best price, giving effect to brokerage commission, if any, and other transactions costs, is normally an important factor in this decision, but the selection also takes into account the quality of brokerage services, including such factors as execution capability, willingness to commit capital, financial stability, and clearance and settlement capability. Executions are monitored on a regular basis for all accounts regardless of brokerage arrangements. This regular review of execution will generally consist of comparing the time and price of when a trade is entered, and the time and price of when a trade has been executed. Periodically, LVM will conduct a test of those broker/dealers generally used by LVM to compare performance on the execution of trades.

Fixed income securities are generally purchased from a primary market maker acting as principal or from a broker/dealer acting as agent on a net basis with no brokerage commission paid by the client. Such securities, as well as equity securities, may also be purchased from underwriters at prices which include underwriting fees. Clients directing fixed income brokerage may incur an explicit trade commission. This commission compensates the broker/dealer and not LVM. Clients may incur a trade away fee in a fixed income cross trade. Refer to Section 11 for more information on cross trades.

The reasonableness of brokerage commissions is evaluated on an on-going basis. LVM periodically reviews the general level of commissions paid and LVM's ability to negotiate commissions based on volume. Research furnished by broker/dealers may be used in services for any or all of the clients of LVM and may be used in connection with accounts other than those which pay commissions to the broker/dealer providing the research. Currently, LVM has no soft dollar arrangements.

If a client directs the use of a particular broker/dealer, LVM asks that the client also specify (1) general types of securities for which the designated firm should be used and (2) whether the designated firm should be used for all transactions, even though LVM might be able to obtain a more favorable net price and execution from another broker/dealer in particular transactions. A client who designates use of a particular broker/dealer, including a client who directs use of a broker/dealer which will also serve as custodian (whether or not recommended by LVM) should consider whether, under that designation, commission expenses, execution, clearance and settlement capabilities, and whatever amount is regarded as allocable to custodian fees, if applicable, will be comparable to those otherwise obtainable by LVM. A client who designates use of a particular broker/dealer should understand that he/she will lose the possible advantage which non-designating clients derive from aggregation of orders for several clients as a single transaction for the purchase or sale of a particular security, and LVM may not be authorized to negotiate commissions on behalf of the client or otherwise be able to obtain volume discounts or best execution of transactions. LVM favors neither accounts designating a particular broker/dealer nor those not designating in its trading of securities.

Orders to buy or sell shares or write call or put options may be aggregated. Clients designating the use of a particular broker/dealer should understand that aggregate orders for those clients not designating a particular broker/dealer may be given priority. LVM does not aggregate client stock, bond, or option orders if it believes that aggregation would increase clients' execution costs. Allocation of shares per client is indicated before an aggregate order is placed. If an aggregate stock order is entirely filled, it will be allocated among clients according to the original allocation. If an aggregate stock order is not entirely filled, shares are allocated depending on the percentage of the aggregate order bought or sold. If the aggregate stock order is less than fifty percent complete, the order is allocated randomly to clients. The random selection of clients and allocation of shares occurs within LVM's Moxy trading system. If the aggregate stock order is fifty percent or more complete, clients receive a pro rata allocation of shares. When an aggregate stock order is not entirely filled and the broker dealer is not the custodian, the broker dealer's commission is allocated pro rata. The proration of stock shares (and

commissions when necessary) occurs within LVM's Moxy trading system. If an aggregate call or put option order is not entirely filled, the order will be filled starting with the client with the largest number of options to the client with the smallest number of options based on the original allocation. This process is reversed on the next option order not entirely filled and allocates from the client with the smallest number of options in the order to the client with the largest. This process reverses each time an aggregate option order is not entirely filled. The LVM trading desk keeps an internal accounting to maintain the integrity of this aggregate option order process. While LVM's overriding objective in affecting portfolio transactions is to receive the best combination of price and execution, it is not always practicable to pro rate some aggregate orders, including, but not limited to, aggregate orders with odd lot allocations, aggregate "limit" orders, or option trades. In such cases, allocations on a different basis will be approved by the compliance officer only if all participating clients receive fair treatment.

LVM recommends that a client use a bank trust company or broker/dealer as custodian for client assets. In recommending any of these, LVM considers a client's principal residence, asset reporting requirements, personal service requirements, portfolio size, probable trading activity and probable asset allocation, explicit and implicit costs, and LVM's prior general experience, if any, with the custodian. LVM also occasionally suggests the use of brokers when the suggested broker is not the custodian. In doing so, LVM considers the broker/dealer's execution, clearance and settlement capabilities, whether the broker/dealer offers insurance in excess of the insurance afforded by the Securities Investor Protection Corporation, LVM's knowledge of the broker/dealer's financial stability and capabilities, the broker/dealer's willingness to negotiate commission rates, and the value of research services provided to LVM. Clients may pay higher commissions when brokers which provide research services are used. Research furnished by these suggested brokers may be used for any or all of LVM's clients and may be used connection with accounts other than those which pay commissions to the broker/dealer providing the research.

LVM participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker/dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program. (Please see the disclosure under Item 14.)

### **Item 13 – Review of Accounts**

Each account is reviewed on an ongoing basis by the principal/portfolio manager for appropriateness and relative value of the investments. All portfolios are reviewed annually by the firm's principals, comprised of portfolio managers, financial planners, and compliance personnel, for conformity to current investment policy and strategy, and the goals and objectives of the client. Financial plans are updated and reviewed throughout the year as clients provide new information to LVM's financial planning staff. Financial plans are reviewed prior to client presentation by the financial planning team and the portfolio manager.

The reviewers are Craig A. Vander Molen, Managing Principal, principals L. Leonard Harrison, David P. Cleveland, and Charles A. Prudhomme, and associates Tyler W. Alvord and Jordan J. Rummel. Cleveland is also the chief compliance officer and Prudhomme the assistant chief compliance officer. Each principal/portfolio manager is responsible for, on average, fifty client relationships. Many clients maintain multiple accounts.

Wealth management clients receive, not less frequently than quarterly, a statement of assets for each account and annually a financial plan or plan update. Asset statements may be sent to clients via regular mail, electronically (via e-mail), or accessed through LVM's client vault. Investment advisory only clients receive, not less frequently than quarterly, a statement of assets for each account. Several clients, at their request, receive an annual statement of assets from LVM. These clients do not desire duplicate statements from LVM and their custodians. Custodians provide monthly statements to clients via regular mail or electronically (via email). Other information may be provided by arrangement with each client.

Generally, an LVM principal and/or associate meets in person with a client at least annually and in many cases more frequently. Client investment portfolios and financial plans are reviewed at these meetings and clients receive multiple written reports including, but not limited to, capital markets outlooks, portfolio appraisals, asset allocations, investment performance, net worth, annual cash flow, and estate planning charts.



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

LVM participates in TD Ameritrade's institutional advisor program and LVM may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between LVM's participation in the program and the investment advice it gives to its Clients, although LVM receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk and service team; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to LVM by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by LVM's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit LVM but may not benefit its Client accounts. These products or services may assist LVM in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help LVM manage and further develop its business enterprise. The benefits received by LVM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, LVM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by LVM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence LVM's choice of TD Ameritrade for custody and brokerage services.

LVM receives some economic benefit from non-clients in connection with giving advice to clients. This benefit derives from placing transactions with LVM selected or client directed broker/dealers who provide LVM with information used in its research activities. Research furnished by broker/dealers may be used in services for any or all of LVM's clients and may be used in connection with accounts other than those which pay commissions to the broker/dealer providing the research. LVM's overriding objective in effecting portfolio transactions is to seek the best combination of price and execution. LVM does not enter agreements with, or make commitments to, any broker/dealer that would bind LVM to compensate that broker/dealer, directly or indirectly, for research..

LVM no longer participates in the TD Ameritrade Institutional AdvisorDirect referral program. However, for prior client referrals from this program, LVM pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to LVM ("Solicitation Fee"). LVM will neither charge clients referred through AdvisorDirect any fees higher than its standard fee schedule offered to its clients nor otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

LVM receives client referrals from Dean Miars ("Miars") and from Kellam Financial Planning, Inc. ("Kellam"). Both Miars and Kellam receive a percentage of the advisory fee that the client pays to LVM. LVM does not charge clients referred by Miars or Kellam any fees higher than its standard fee schedule offered to its clients and listed in Item 5. Both Miars and Kellam are businesses separate from LVM. Neither Miars nor Kellam have an ownership interest in LVM and neither directs or provides investment advice to clients.

## **Item 15 – Custody**

LVM has custody of some client assets due to client-initiated standing letters of authorization (SLOA), on file at qualified custodians and at LVM. Via an SLOA, LVM is able to process, upon a client's request, specific cash or securities transfers between client accounts or between a client account and a third party. LVM uses qualified independent custodians, either trust companies or broker/dealers to custody client accounts. Clients should receive at least quarterly statements from the broker/dealer or trust company that holds and maintains client's investment assets. LVM urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to them. LVM statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. LVM's wealth management clients receive, not less frequently than quarterly, a statement of assets for each account and annually a financial plan or plan update. Asset statements may be sent to clients via regular mail or electronically (via e-mail). Investment advisory only clients receive, not less frequently than quarterly, a statement of assets for each account. LVM directly debits wealth management fees from client accounts at their direction.



As part of this process, a client's custodian is advised of the fee to be deducted from an account. Because the custodian does not calculate the fee, it is important for clients to review the copy of their invoice to verify the accuracy of the calculation. Clients should contact LVM directly with any fee invoice questions. Several clients, at their request, receive an annual statement of assets from LVM. These clients do not desire duplicate statements from LVM and their custodians. Custodians provide monthly statements to clients via regular mail or electronically (via email). Other information may be provided by arrangement with each client.

### **Item 16 – Investment Discretion**

LVM is retained on a discretionary basis via a written investment advisory contract. In the contract, LVM is authorized to determine and direct execution of portfolio transactions within the client's investment objectives from the client's written personal investment statement without consultation with the client on a transaction-by-transaction basis. LVM prefers to select broker/dealers who will execute portfolio transactions and generally the client leaves that selection to LVM, although occasionally a client may direct the use of a particular broker/dealer to execute portfolio transactions. Clients may limit discretionary authority in terms of type or amount of securities to be bought or sold or the broker/dealer to be used or the commission rates to be paid. Some clients, via a written investment advisory contract, retain LVM on a non-discretionary basis, requiring that portfolio transactions be discussed in advance and executed at the client's direction.

### **Item 17 – Voting Client Securities**

Unless otherwise specifically agreed in writing, LVM will not be required to take any action, or render any advice, with respect to the voting of securities in client accounts. Accounts subject to the Employee Retirement Security Act of 1974 (ERISA) are not exempted from voting under this section. Clients may obtain a copy of LVM's complete proxy voting policies and procedures upon request by calling 269-321-8120 or via email at [info@lvmcapital.com](mailto:info@lvmcapital.com). ERISA clients or those clients for whom LVM has agreed in writing to vote proxies may also obtain information from LVM about how LVM voted any proxies on behalf of their account(s). To minimize conflicts of interest and clarify issues, LVM will, at any client's request, discuss its proxy voting policies.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide clients with certain financial information or disclosures about LVM's financial condition. LVM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.