

**Vaquero Private Wealth, Ltd.**  
***Wrap Fee Program Brochure***

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(Item 1)

This wrap fee program brochure provides information about the qualifications and business practices of Vaquero Private Wealth, Ltd. If you have any questions about the contents of this brochure, please contact us at 214-679-7832. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Vaquero Private Wealth, Ltd. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **MATERIAL CHANGES (ITEM 2)**

In the future, this page will discuss only specific material changes that are made to this brochure and will provide readers with a summary of such changes. We will also reference the date of our last annual update of our brochure.

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## SERVICES, FEES AND COMPENSATION (ITEM 4)

### SERVICES

#### Advisory Firm Description

Vaquero Private Wealth, Ltd. ("VPW" or the "Firm") has been in business since August 2017. John Benjamin Gordon and Laura Blair are the owners. We provide investment advisory services, which include comprehensive wealth management and financial planning services.

#### Wrap Fee Program Description

The VPW Wrap Fee Program (the "Program") is a fee-only investment management program we sponsor in which we pay all transaction expenses the custodian charges accounts that we manage. The Program provides families, individuals, pension and profit sharing plans, trusts and estates the ability to trade in individual debt and equity securities, mutual funds, index funds, exchange-traded funds, options and other eligible securities without incurring separate brokerage commissions or transaction charges.

Our investment management service includes:

- Determining clients' investment goals
- Evaluating current assets
- Determining projected cash flow needs
- Determining any investment constraints
- Determining client risk tolerance
- Developing an asset allocation, including specific investment recommendations
- Placing trades in the client's account as appropriate
- Establishing the investment account
- Ongoing client support for transfer assistance portfolio monitoring, and
- Quarterly reports

#### Comprehensive Wealth Management

We also provide a customized service to families or individuals requiring the Firm to take a much more integrated role in coordinating a client's financial picture. This service includes some or all of the following:

- Investment management
- Interviewing, selecting and overseeing:
  - Accountants
  - Mortgages
  - Banking relationships
  - Tax planning and filing
  - Estate planning

We also provide financial planning services that are separate from the Program. Please refer to our Form ADV Part 2A for more information on those services.

## FEES and COMPENSATION

### Program Fees

The annual fee for participation in the Program (the “**Program Fee**”) shall be a percentage (%) of the market value of the assets under management in accordance with the fee schedule set forth in the this Wrap Fee Brochure. For the avoidance of doubt, subject to the Annual Minimum Fee discussed below, the Program Fee is prorated and paid monthly, in arrears, based upon the market value of the assets on the last business day of the previous month. For engagements commenced or terminated in the middle of a billing month, the Program Fee for such month will be prorated. No increase in the Program Fee will be effective without prior written notification.

The Program Fee is subject to Annual Minimum Fee. If, upon completion of each billing year (12 months, commencing upon the execution of the agreement), the Program Fee is less than the Annual Minimum Fee, the client VPW to debit the client’s account(s) for the balance of the fee (Annual Minimum Fee – Program Fee = balance payable to VPW). For engagements terminated prior to the expiration of the 12 month billing period, the Annual Minimum Fee is prorated and calculated based upon the number of months that the client maintained the engagement (e.g., if the Client maintained the engagement for 6 months, the Annual Minimum Fee will be reduced by fifty percent (50%), and the balance due to VPW, if any, will be calculated and paid by the client based upon the following: 50% Annual Minimum Fee - 6 months Program Fee = balance payable to VPW.

This means that some clients are paying more (or less) than other clients with the same amount of assets under management. We do not differentiate the investment management service we provide to clients based on each client’s fee schedule or structure.

Our Investment Advisory Agreement and the client’s agreement with the custodian authorize the custodian to deduct the Program Fee from the client’s account and remit it directly to us. In arrangements where the Program Fee is deducted directly from the client’s account, the custodian will send the client a statement, at least quarterly, indicating all amounts disbursed from the client’s account, including the amount of the Program Fee paid directly to us. This fee deduction is deemed a form of custody by the Securities and Exchange Commission, although all client securities, investments and funds are held by an outside custodian. Please see our Form ADV 2A for additional discussion of our possibly having custody of client assets.

### Comprehensive Wealth Management Fees

Because of the differing nature of each family’s needs, Comprehensive Wealth Management is provided on a proposal basis, where the Firm outlines to the family (or individual) what will be provided and at what price. An agreement for Comprehensive Wealth Management, which will contain the proposal as an addendum, will be executed and will show exactly what services the client will receive from the Firm, any reports and regular meetings, and what fees the client will be paying. These fees (and associated services) are included in the client’s Annual Program Fee.

### Fee Comparison

Under the Program, clients receive both investment advisory services and the execution of transactions in eligible securities for a single, combined annualized fee, the Program Fee. Participation in the Program may cost the client more or less than purchasing such services separately elsewhere. For example the Program Fee, which is fixed regardless of the number of transactions occurring in the account, may be more or less than paying for execution on a per-

transaction basis and paying a separate fee for advisory services. We do not charge our clients higher advisory fees based on the Firm's trading activity. Clients should be aware that we may have an incentive to limit the Firm's trading activities in the clients' accounts because we are charged transaction fees or commissions for executed trades.

The VPW Program Fee may be higher or lower than fees charged by other sponsors of comparable investment advisory programs. We receive the entire Program Fee, and then reimburse the custodian for the transaction fees and any other charges the Firm incurred on behalf of a managed client account (if any) during the prior quarter. Thus, we receive and retain the majority of the quarterly Program Fee. We offer only the Program to our clients in order to eliminate client concerns regarding variable transaction costs.

### **Additional Costs**

The Program Fee includes transaction fees charged by the custodian on client accounts we manage. Deferred sales charges, odd-lot differentials, transfer taxes and other fees that the custodian charges the accounts will be paid by the client. Any additional charges (which would be at the client's request) to the account by the custodian are paid by the client. These additional fees would be for items such as requesting paper certificates.

When we recommend a mutual fund, ETF or money market fund for a client's account, two separate fees may be charged to the client, either directly or indirectly. The first fee, which is direct, is our investment management fee where the fund is included in the asset base for the quarterly fee calculation. The second fee, which is indirect, is the set of internal fees charged by the investment company for the fund's investment management, marketing, administration and marketing assistance. These internal expenses are disclosed in each fund's prospectus, which is provided to each client by the custodian.

### **Other Compensation for Participation in Wrap Fee Program**

We recommend various qualified custodians for clients. We have a custodial arrangement with Pershing. We may also recommend that clients establish brokerage accounts with other registered broker-dealers to maintain custody of clients' assets and to effect trades for their accounts. We prefer that clients in need of brokerage and custodial services use as they provide a number of resources and services that are helpful both to our clients and to us.

## **TYPES OF CLIENTS (ITEM 5)**

### **TYPES OF CLIENTS**

VPW provides investment supervisory services and manages investment advisory accounts for:

- families and individuals,
- high net worth individuals

## **PORTFOLIO MANAGER SELECTION AND EVALUATION (ITEM 6)**

We are the only portfolio manager for the Program described in this wrap fee program brochure. We do not offer access to additional portfolio managers, but offer one fee to our clients in order to eliminate concerns regarding variable transaction costs. To the extent that we receive the Program Fee as a result of recommending the Program itself, we are in a conflict of interest with our clients.

## **ADDITIONAL FIRM INFORMATION**

### **SIDE-BY-SIDE MANAGEMENT AND PERFORMANCE-BASED FEES**

VPW does not charge performance-based fees to any accounts, so it does not manage accounts paying those fees beside accounts that do not.

### **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

VPW uses a combination of the following types of analysis in evaluating investments for client accounts:

- Charting—Analysis of charts of past stock performance
- Fundamental—Analysis of financial attributes of a company, such as revenue growth, debt to equity ratio, inventory turnover, etc.
- Technical—Analysis which assumes past performance is a predictor of future performance
- Cyclical—Analysis based on business, industry, calendar or historical cycles

Investment strategies for client accounts are structured to meet each client's objective.

### **VOTING CLIENT SECURITIES**

We do not vote client proxies for securities held in client accounts. Clients receive proxy information directly from the custodians by email or US mail, and may contact us for assistance in voting on any particular issue.

## **CLIENT INFORMATION PROVIDED TO VAQUERO PRIVATE WEALTH (ITEM 7)**

After an analysis of the information provided by the client, we assist our clients in developing an appropriate investment strategy for the assets in client account(s) (the "Investment Strategy"). Thereafter, we contact clients regularly, requesting information regarding changes to their financial situation or investment objectives. We periodically reassess the current Investment Strategy based on any other information provided by the client regarding his/her client profile.

The agreement that clients enter with us provides that the client grants us complete discretion (through a limited power of attorney) to determine both the securities purchased and sold and the amounts of those purchases and sales. Clients may place restrictions on our discretion in writing. If clients choose to participate in private issues, the client will execute the subscription documents.

## **CLIENT CONTACT WITH VAQUERO PRIVATE WEALTH (ITEM 8)**

All clients are encouraged to contact or meet on a semi-annual basis with us to review their account reports, update their client information and determine whether changes should be made to their Investment Strategy. There are no restrictions on clients to contact or consult with us regarding the Program or their accounts.

## **ADDITIONAL INFORMATION (ITEM 9)**

### **DISCIPLINARY INFORMATION**

There have been no disciplinary actions against us, John B. Gordon or any other individuals associated with the Firm.

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

We have no other financial industry activities or affiliations.

### **CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

We have adopted a Code of Ethics, which describes the general standards of conduct that we expect of our personnel (collectively referred to as “employees”) and focuses on three specific areas where employee conduct has the potential to adversely affect our clients: misuse of confidential information; personal securities trading and outside business activities. Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination of employment. Any client or prospective client may request a copy of our Code of Ethics, which will be provided at no cost.

The following basic principles guide all aspects of our business and represent the minimum requirements to which we expect employees to adhere:

- Clients’ interests come before employees’ personal interests and before our interests.
- We must fully disclose all material facts about conflicts of which we are aware between our clients and us. Employees must operate consistently with our disclosures and manage the impacts of those conflicts.
- We must not take inappropriate advantage of our positions of trust or responsibility to our clients.
- We must always comply with all applicable securities laws.

#### **Misuse of Nonpublic Information**

The Code of Ethics contains a policy against the use of nonpublic information in conducting business for the Firm. Employees may not convey nonpublic information nor depend upon it in placing personal or client securities trades.

#### **Personal Securities Trading**

VPW or individuals associated with the Firm may buy, sell or hold in their personal accounts the same securities the Firm recommends to its clients. This creates a potential conflict of interest with the possibility of Firm personnel obtaining a better price than clients obtain. To mitigate this conflict, such trades may occur on the same day at the same time receiving average pricing or after the client with the client receiving the same or better pricing. The Firm does not allow front running.

Our Code of Ethics allows the purchase of initial public offerings or private placements only with prior permission from John B. Gordon, our Chief Compliance Officer. Employees are required to submit reports of personal securities trades on a quarterly basis, and securities holdings annually. These reports are reviewed by the Chief Compliance Officer to ensure compliance with the Firm’s policies.



## **Outside Business Activities**

Employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed.

## **REVIEW OF CLIENT ACCOUNTS**

John B. Gordon, Managing Partner, conducts all client portfolio reviews. Reviews are conducted as a matter of course at least quarterly and consist of looking at portfolio holdings, cash flows, and market activity in light of client objectives. Additional reviews may be triggered by events such as a client meeting, change in a client's risk tolerance, financial position or investment objective, change in a company or fund's management, unusual market or economic circumstances or other unforeseen events.

We provide clients with quarterly written/electronic statements of portfolio holdings. The custodian provides detailed written statements of realized gains/losses.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

We do not compensate any person outside the Firm directly or indirectly for client referrals.

## **FINANCIAL INFORMATION**

There is no financial condition that is reasonably likely to impair our ability to meet our contractual commitments to its clients.

### **Client Assets Under Management**

As of August 20, 2019, our Program had no assets under management.

### **Termination**

The typical Program agreement we enters into with clients allows either party to terminate the agreement immediately upon receipt of written notice. The client may terminate the agreement without penalty or fees within five (5) business days after entering the agreement. Any fees due to outside parties, which VPW has engaged on behalf of the client, will be paid promptly by the client. The Firm will provide clients of the Program services with summary statements on a year-to-date basis upon termination.