

# **Vestment Financial, LLC**

**d/b/a**

**MD Financial / Vestment Financial**

## **Form ADV Part 2A – Disclosure Brochure**

**Effective: March 16, 2022**

This Disclosure Brochure provides information about the qualifications and business practices of Vestment Financial, LLC which conducts business under the name “MD Financial” and under the name “Vestment Financial” (“MD Financial / Vestment Financial”). If you have any questions about the contents of this Disclosure Brochure, please contact us at **(888) 256-6855**.

MD Financial / Vestment Financial is a Registered Investment Advisor. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about MD Financial / Vestment Financial to assist you in determining whether to retain the firm.

Additional information about the firm and its advisory persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Vestment Financial, LLC**  
**CRD No: 168771**  
**7935 Stone Creek Drive**  
**Suite #120**  
**Chanhassen, MN 55317**  
**Phone: (888) 256-6855 \* Fax: (888) 394-5339**  
[www.mdfinancialadvisors.com](http://www.mdfinancialadvisors.com)

## **Item 2 - Material Changes**

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This Brochure dated March 16, 2022, is the annual amendment to the previously published annual update Brochure for Vestment Financial, LLC, which conducts business under the name "MD Financial" and under the name "Vestment Financial" (MD Financial / Vestment Financial).

Since the filing of the firm's annual update Brochure on March 24, 2021, we have made various minor updates, but no material changes were made.

Pursuant to regulatory requirements, we will deliver to you a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. All such information will be provided to you free of charge.

Currently, our Brochure may be requested by contacting us at (888) 256-6855.

Additional information about the firm is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with the firm who are registered as investment adviser representatives of the firm.

MD Financial / Vestment Financial believe that communication and transparency are the foundation of our relationship and continually strive to provide our Clients with the complete and accurate information at all times. We encourage all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

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### Item 4 – Advisory Services

**Vestment Financial, LLC**

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## A. Firm Information

Vestment Financial, LLC, which conducts business under the name "MD Financial" and under the name "Vestment Financial" ("MD Financial / Vestment Financial"), is a Registered Investment Advisor. The firm is registered in its home state of Minnesota and other states as required. The firm is organized as a Limited Liability Company (LLC) under the laws of the State of Minnesota. The firm began operations in June 2011, became registered as an investment adviser in 2013, and is led by Principal and Chief Compliance Officer, Katherine Vessenes, CFP. The firm is wholly owned by Ms. Vessenes.

This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by the firm.

## B. Advisory Services Offered

MD Financial / Vestment Financial offer various investment advisory services to individuals, businesses and high net worth individuals in Minnesota and other states (each referred to as a "Client").

### Account Portfolio Management

MD Financial / Vestment Financial provide customized investment advisory solutions for its Clients. This is achieved through ongoing personal Client contact and interaction while providing discretionary investment management and consulting services. MD Financial / Vestment Financial work with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio allocation.

MD Financial / Vestment Financial believes that markets reward investors over a long period of time. MD Financial / Vestment Financial help clients focus on controlling the things that they can control, like the investment structure of their portfolio's asset allocation, diversification, rebalancing, their broad-based tax strategies, their internal fees, and portfolio model selection based on their timeframe for needing funds.

We also believe that, for the most part markets are efficient and, therefore today's prices reflect all available public information. Therefore, we utilize low-cost mutual funds (primarily managed by Dimensional Fund Advisors) in a diversified portfolio. Our process involves developing asset allocation models both for taxable and tax-deferred accounts. The allocations are largely based on the market capitalization at the time of the portfolio creation.

MD Financial / Vestment Financial's investment strategy is primarily long-term focused, but the firm may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. MD Financial / Vestment Financial will construct, implement and monitor the portfolio which is designed to meet the goals, objectives, circumstances, and risk tolerance of the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, however we may decline to accept a client if we feel their restrictions are overly burdensome.

MD Financial / Vestment Financial evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. MD Financial / Vestment Financial may recommend, on occasion, redistributing investment allocations to diversify the portfolio. MD Financial / Vestment Financial may recommend specific positions to increase sector or asset class weightings. The firm may recommend employing cash positions as a possible hedge against market movement, which may adversely affect the portfolio's performance. MD Financial / Vestment Financial may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client's risk tolerance.

**Prior to rendering investment advisory services, MD Financial / Vestment Financial will assess, in conjunction with the Client, the Client's financial situation, risk tolerance, investment/custodial platform, and investment objective[s].**

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MD Financial / Vestment Financial will provide investment advisory services and portfolio management services but does not provide other administrative services. At no time will MD Financial / Vestment Financial accept or maintain custody of a Client's funds or securities. All Client assets will be managed within their designated brokerage account or pension account, pursuant to the Client Investment Advisory Agreement.

#### Financial Planning and Consulting Services

MD Financial / Vestment Financial will typically provide a variety of financial planning services to individuals, businesses and families, pursuant to a written Financial Planning Agreement. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation.

Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including, but not limited to investment planning, retirement planning, personal savings, education savings and other areas of a Client's financial situation.

A financial plan developed for or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. MD Financial / Vestment Financial may also refer Clients to an accountant, attorney or other specialist, as appropriate for their unique situation. For certain financial planning engagements, the firm will provide a written summary of a Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the firm may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning and consulting recommendations may pose a potential conflict between the interests of the firm and the interests of the Client. Clients are not obligated to implement any recommendations made by the firm or maintain an ongoing relationship with the firm. If the Client elects to act on any of the recommendations made by the firm, the Client is under no obligation to effect the transaction through the firm but may purchase investment products recommended through other brokers or agents that are not affiliated with MD Financial / Vestment Financial.

Financial planning engagements may also include non-discretionary advisory services, whereby MD Financial / Vestment Financial will make recommendations and the Client is free to choose whether to implement all, some, or none of the recommendations. Financial planning engagements do not however include ongoing management or supervision services which are offered separately.

#### Retirement Plan Services

MD Financial / Vestment Financial also offers retirement plan services to businesses and other plan sponsors where the firm provides plan level services such as discretionary management services, non-discretionary management services, and investment advisory services related to different types of employer sponsored retirement plans. When providing discretionary management services, the firm is responsible for making and implementing decisions. When providing non-discretionary management services, the firm is responsible for making recommendations and for implementing upon client approval. When the firm is providing advisory services, the client is responsible for implementation of recommendations.

### **C. Client Account Management**

Because MD Financial / Vestment Financial is a registered investment adviser, we are required to meet certain fiduciary standards when providing investment advice to clients. Additionally, when we provide investment advice related to a retirement plan account or an individual retirement account, we are considered fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. As such, we are required to act in your best

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interest and not put our interest ahead of yours, even though our compensation creates some conflicts with your interests in that the more you have us manage, the more we can earn. Our clients however are under no obligation to use services recommended by our associated persons. Furthermore, we believe that our recommendations are in the best interests of our clients and are consistent with our clients' needs.

Prior to engaging MD Financial / Vestment Financial to provide investment advisory services, each Client is required to enter into an Investment Advisory Agreement with the firm that defines the terms, conditions, authority and responsibilities of the firm and the Client. These services may, but will not necessarily, include:

- Establishing an Investment Policy Statement – MD Financial / Vestment Financial, in connection with the Client, may develop a statement that summarizes the Client's investment goals and objectives along with the broad strategy[ies] to be employed to meet the client's objectives. An Investment Policy Statement generally includes specific information on the Client's stated goals, time horizon for achieving the goals, investment strategies, Client risk tolerance and any restrictions imposed by the Client.
- Asset Allocation – MD Financial / Vestment Financial will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – MD Financial / Vestment Financial will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – MD Financial / Vestment Financial will provide investment management and ongoing oversight of the Client's portfolio and overall account.

#### **D. Wrap Fee Programs**

MD Financial / Vestment Financial does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by MD Financial / Vestment Financial.

#### **E. Assets Under Management**

As of December 30, 2021, the firm managed \$152,390,327 in assets, all of which was managed on a discretionary basis.

### **Item 5 – Fees and Compensation**

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The following paragraphs detail the fee structure and compensation methodology for investment management. Each Client shall sign an Investment Advisory Agreement that details the responsibilities of MD Financial / Vestment Financial and the Client.

#### **A. Fees for Advisory Services**

##### **Account Portfolio Management**

For accounts held at our custodians, Investment Advisory Fees are generally charged quarterly in arrears based on the market value of assets under management at the end of each calendar quarter billing period. For accounts held outside of our custodians, Investment Advisory Fees are generally charged monthly in arrears based on the market value of assets under management at the beginning of each period.

Investment Advisory Fees range from 1.25% to 0.60% based account size based on the following schedule:

	Annual Rate (on all account assets)
For accounts up to \$250,000	1.25%
\$250,000 to \$2,000,000	1.00%
\$2,000,000 to \$5,000,000	0.85%
\$5,000,000 to \$7,500,000	0.75%
\$7,500,000 to \$10,000,000	0.70%
\$10,000,000 to Above	0.65%

Investment Advisory Fees in the first period of service are prorated to the inception date of the account to the end of the first period. Fees may be negotiable at the discretion of the firm (e.g. a negotiated single rate rather than the tiered schedule above, rounded down, etc.). The Client's fees will take into consideration the aggregate assets under management with firm and multiple accounts may be included in a single client agreement. All securities held in accounts managed by MD Financial / Vestment Financial will be independently valued by the applicable Custodian. MD Financial / Vestment Financial will not have the authority or responsibility to value portfolio securities.

The firm makes no representation related to the competitiveness of investment management fees or outside costs and acknowledges that client may be able to find comparable services from other sources at lower cost or fee.

#### Financial Planning and Consulting Services

MD Financial / Vestment Financial offers financial planning or consulting services on an hourly basis ranging from \$50 to \$500 per hour, which may be negotiable depending on the nature and complexity of each Client's circumstances. Hourly rates will be quoted in advance and vary by skill level of team member involved (i.e. attorney - \$500/hr., senior advisor - \$200/hr., staff - \$50-80/hr.). An estimate for total hours and rates will be determined prior to establishing the advisory relationship.

MD Financial / Vestment Financial also offers financial planning or consulting services on a one time fixed fee basis ranging up to \$75,000, which may be negotiable depending on the nature and complexity of each Client's circumstances. A quoted fixed fee is based factors such as total hours expected for the engagement, staff needed, etc. (i.e. estimated hours times hourly rates). Fixed fees can either be charge as a flat rate project fee due in arrears, or as an onboarding fee which may be due at the end of 90 days, may be payable over 12 months, or may be payable over 24 months (with no interest or finance charges).

Additionally, MD Financial / Vestment Financial offers ongoing financial planning or consulting services for a monthly fee generally charged in arrears which may be for a specific term or continuous until the arrangement is terminated. Fees are based on anticipated ongoing financial planning needs.

The clients may incur additional fees for transaction costs and investment related expenses. However, the firm shall not receive any portion of these fees, and costs. The hourly fees are determined after considering many factors, such as the level and scope of the services. The firm makes no representation related to the competitiveness of financial planning fees or outside costs and acknowledges that client may be able to find comparable services from other sources at lower cost or fee. Clients should note that in a financial planning engagement, a conflict of interest may exist between the firm and the client related to the firm's recommendations, but the client is under no obligation to accept the firm's recommendations or to purchase any products or service through the firm or its personnel.



## **B. Fee Billing**

### Account Portfolio Management

For accounts held at our custodians, Investment Advisory Fees will generally be automatically deducted from the Client Account by the Custodian. The firm shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client Account at the respective quarter end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the applicable assets under management at the end of each quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the Investment Advisory Fee. Clients are encouraged to review fees deducted as the Custodian does not verify fee calculations. Clients provide written authorization permitting MD Financial / Vestment Financial to be paid directly from their accounts held by the Custodian as part of the Investment Advisory Agreement and separate account forms provided by the Custodian. For accounts which cannot be direct billed, the Client will be invoiced directly and may pay by check or funds transfer.

For accounts held outside of our custodians (e.g. 401K participant accounts), Investment Advisory Fees will generally be billed to the Client's credit card on a monthly basis. The amount due is calculated by applying the monthly rate (annual rate divided by 12) to the applicable assets under management at the beginning of each period. Clients will be provided with a fee statement at the beginning of each period detailing the monthly payments due for that period. Monthly fee payments will then be reflected on the Client's credit card statement throughout the period. Clients are encouraged to review fees charged to their credit card as credit card companies do not verify fee calculations. Clients provide written authorization permitting MD Financial / Vestment Financial to be paid directly from their credit card accounts. For accounts which cannot be charged to a credit card, the Client will be invoiced directly and may pay by check or funds transfer. Period frequency is generally annually but frequency is subject to negotiation.

### Financial Planning and Consulting Services

Financial planning and consulting fees are charged by credit card and may be charged 50% upon execution of the Financial Planning Agreement and 50% upon receipt of the agreed upon deliverable, may be charged periodically, or may be charged 100% upon delivery of the plan, depending on the engagement. When charging a fee to a Client's credit card, the firm will provide the Client a report itemizing the fee, including the calculation period covered by the fee, the methodology used to calculate the fee. Clients are encouraged to review fees charged as the credit card company does not verify fee calculations.

### Retirement Plan Fees

Fees charged for retirement plan services are charged in arrears. Fees may be fixed or asset based (not to exceed 1.50% annually), and are negotiable depending on the complexity of the service provided, size of plan, etc. Asset based fee levels are primarily based on actual services to be provided and complexity of the engagement. Fixed fees are estimated based on the total hours expected for the engagement, staff needed, etc. (i.e. estimated hours times hourly rates).

Fees may be deducted directly from the plan or may be paid on behalf of the plan by a plan provider. When fees are deducted, Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the Investment Advisory Fee. In addition, the firm will provide the Client a report itemizing the fee, including the calculation period covered by the fee, the account value and the methodology used to calculate the fee. Clients are encouraged to review fees deducted as the Custodian does not verify fee calculations. Clients provide written authorization permitting MD Financial / Vestment Financial to be paid directly from their accounts held by the Custodian as part of the Investment Advisory Agreement and separate account forms provided by the Custodian. In some cases, Clients may elect to alternatively pay fees by check or wire transfer initiated by the Client or applicable plan provider. In these instances, Client or the applicable plan provider would have control over initiating payments via the applicable payment platform, and MD Financial / Vestment Financial would have no such control or access. Payment frequency is generally quarterly but is subject to negotiation.

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### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than MD Financial / Vestment Financial, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custodial fees, securities trading/execution fees, account termination fees, etc., charged by the custodian and executing broker-dealer. The Investment Advisory Fee charged by MD Financial / Vestment Financial is separate and distinct from these custodian and execution fees.

In addition, all fees paid to MD Financial / Vestment Financial for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. In some cases, a Client could invest in these products directly, without the services of MD Financial / Vestment Financial, but would not receive the services provided by the firm which are designed, among other things, to assist the Client in determining which products or services are most appropriate to each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by MD Financial / Vestment Financial to fully understand the total fees to be paid.

### **D. Advance Payment of Fees and Termination**

#### Account Portfolio Management

MD Financial / Vestment Financial is compensated for its services at the end of the quarter after investment advisory services are rendered. Clients may request to terminate their Investment Advisory Agreement with the firm, in whole or in part, by providing advance written notice. The Client shall be responsible for Investment Advisory Fees which are prorated based on the number of days up to and including the effective date of termination. The Client's Investment Advisory Agreement with the firm is non-transferable without Client's written approval.

#### Financial Planning and Consulting Services

In the event that a Client should wish to cancel a financial planning engagement, the Client shall be billed for actual hours logged on the planning project times the agreed upon hourly rate, or a mutually agreed upon fee. Any surplus in the firm's possession as the result of collecting a deposit at the time of signing the financial planning agreement will be returned to the Client within 5 business days of cancellation. Completed financial planning documents will be provided to Client on request at termination.

#### Retirement Plan Services

Clients may request to terminate their Retirement Plan Services Agreement with the firm, in whole or in part, by providing advance written notice. The Client shall be responsible for Fees up to and including the effective date of termination. The Client's Agreement with the firm is non-transferable without Client's written approval.

Either party may terminate a planning agreement at anytime by providing written notice to the other party. In addition, the Client may terminate the agreement within five (5) business days of signing the firm's financial planning agreement at no cost to the Client and without penalty. After the five-day period, the Client may incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. For clients who pay an initial retainer and later terminate the relationship, there may be a partial refund given on a pro rata basis. Refunds will be given on a pro-rata basis.

### **E. Compensation for Sales of Securities**

MD Financial / Vestment Financial does not receive any compensation for securities transactions in any Client account, other than the Investment Advisory Fees noted above.

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

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MD Financial / Vestment Financial does not charge performance-based fees for its investment advisory services. The fees charged by MD Financial / Vestment Financial are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

MD Financial / Vestment Financial does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

## **Item 7 - Types of Clients**

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MD Financial / Vestment Financial offers services to individuals, trusts, estates, retirement plans, foundations, endowments, charitable organizations, and businesses. The firm requires no minimum account size or minimum fee but reserves the right to not accept accounts at its discretion.

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

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### **A. Methods of Analysis and Investment Strategies**

MD Financial / Vestment Financial primarily employs fundamental analysis methods in developing investment strategies for its Clients. Research and analysis from MD Financial / Vestment Financial is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

As noted above, MD Financial / Vestment Financial generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. MD Financial / Vestment Financial will typically hold all or a portion of a security for more than a year but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, MD Financial / Vestment Financial may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class, but short-term trading is generally limited since frequent trading can affect investment performance particularly through increased brokerage and other transaction costs and taxes.

### **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Certain strategies such as margin, option or short sale strategies involve additional risk. Clients should be prepared to bear the potential risk of loss. MD Financial / Vestment Financial will assist Clients in developing an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are considered if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the firm in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The firm monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the firm's review process are included in Item 13.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client

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participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The firm shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the firm of any changes in financial condition, goals or other factors that may affect this analysis.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the firm. For more information on our investment management services, please contact us at (888) 256-6855.**

## Item 9 - Disciplinary Information

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of the firm or the integrity of its management. The firm is currently not subject to, nor has ever been subject to, any legal or disciplinary events.

MD Financial / Vestment Financial and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider in which you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). To review the firm information contained in ADV Part 1, select the option for Investment Adviser Firm and enter **168771** in the field labeled "Firm IARD/CRD Number". This will provide access to Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and disciplinary questions. You may also research the background of Katherine Vessenens, JD, CFP®, by selecting the Investment Adviser Representative and entering Ms. Vessenens's Individual CRD# **1320580** in the field labeled "Individual CRD Number".

## Item 10 - Other Financial Industry Activities and Affiliations

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### Insurance Agency Affiliations

Certain Investment Adviser Representatives of MD Financial / Vestment Financial are also licensed insurance agents. Implementation of insurance recommendations may be done separately and apart from their role with the MD Financial / Vestment Financial. As insurance agents, these Investment Adviser Representatives may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by these individuals or the firm.

### Legal Services

In addition to her duties at MD Financial / Vestment Financial, Ms. Vessenens is an attorney of counsel to Messerli and Kramer, a Minnesota law firm, and may refer MD Financial / Vestment Financial Clients to this law firm for legal services. Advisory Clients of MD Financial / Vestment Financial are under no obligation to use this law firm.

### Student Loans

The firm may also provide advice related to student loans and in some instances may qualify for nominal referral fees from certain lenders. Clients are under no obligation to accept any advice made by the firm.

### Other Activities

Neither the firm nor any of its affiliated persons are registered or have an application pending as a broker dealer or broker dealer representative. Neither the firm nor any of its affiliated persons are registered or have an application pending as a futures commission merchant, commodity pool operator, commodity trading advisor or

associated person of any of the forgoing entities. MD Financial / Vestment Financial has no other business activities or other financial industry affiliations.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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### **A. Code of Ethics**

MD Financial / Vestment Financial has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with MD Financial / Vestment Financial. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. MD Financial / Vestment Financial and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of MD Financial / Vestment Financial associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. To request a copy of our Code of Ethics, please contact us at **(888) 256-6855**.

### **B. Personal Trading with Material Interest**

MD Financial / Vestment Financial allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. MD Financial / Vestment Financial does not act as principal in any transactions. In addition, the firm does not act as the general partner of a fund or advise an investment company. MD Financial / Vestment Financial does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

MD Financial / Vestment Financial allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. We have also adopted written policies and procedures to detect the misuse of material, non-public information. We may have an interest or position in certain securities, which may also be recommended to you.

### **D. Personal Trading at Same Time as Client**

While MD Financial / Vestment Financial allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, these trades do not occur at the same time or before if such trading might adversely affect the Client.

## **Item 12 – Brokerage Practices**

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### **A. Recommendation of Custodian[s]**

MD Financial / Vestment Financial does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services or the administrator for defined contribution accounts, but the firm does currently recommend TD Ameritrade, Inc. as its primary broker-dealer/custodian. The Client will retain the broker-dealer or custodian (herein the "custodian") to safeguard Client assets and authorize MD Financial / Vestment Financial to direct trades to this custodian as agreed in the Investment Advisory Agreement. Further, MD Financial / Vestment Financial does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

While MD Financial / Vestment Financial does not exercise discretion over the selection of the custodian, the firm currently recommends TD Ameritrade, Inc. as its primary custodian for execution and/or custodial services. However, Clients are not obligated to use the recommended custodian and will not incur any extra fee or cost from MD Financial / Vestment Financial associated with using a broker not recommended by MD Financial / Vestment Financial. However, if a client chooses another broker or custodian, MD Financial / Vestment Financial

may not be able to achieve most favorable execution of client transactions. Clients should note that directing the firm to use a particular broker or custodian may cost the clients more money since the firm may not be able to aggregate orders to reduce transactions costs, since clients may receive less favorable prices, etc.

MD Financial / Vestment Financial may recommend a custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and location of the custodian's offices. MD Financial / Vestment Financial does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in the Client paying higher commissions than those obtainable through other brokers.

Following are additional details regarding the brokerage practices of the firm:

**1. Soft Dollar Benefits** – Our custodians provide us and our clients with access to its institutional brokerage services like trading, custody, reporting, and related services, many of which are not typically available to retail customers. Our custodians also make available various support services, some of which may help us manage or administer our clients' accounts, while others may help us manage and grow our business.

Our custodians' institutional brokerage services which benefit you directly include access to a broad range of investment products, execution of securities transactions, and asset custody. The investment products available through our custodian include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

Our custodian also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both the custodian's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at the custodian. In addition to investment research, the custodian also makes available software and other technology that provide access to client account data, facilitates trade execution for multiple client accounts, provides pricing and other market data, facilitates payment of our fees from our clients' accounts, and assists with back-office functions, recordkeeping, and client reporting.

Our custodian also offers other services intended to help us manage and further develop our business. These services include educational conferences and events, consulting on technology, compliance, legal, and business needs, publications and conferences on practice management and business succession, and access to employee benefits providers, human capital consultants, and insurance providers.

The availability of these services from our custodian benefits us because we do not have to produce or purchase them. Of course, this may give us an incentive to recommend that you maintain your account with our custodian based on our interests rather than yours, which is a potential conflict of interest. We believe, however, that our selection of our custodians is in the best interests of our clients, and is primarily supported by the scope, quality, and price of our custodians' services and not those services that benefit only us.

**2. Brokerage Referrals** - MD Financial / Vestment Financial does not receive client referrals from custodians and does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

**3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where MD Financial / Vestment Financial will place trades within the established account[s] at the custodian designated by the Client. Further, all Client accounts are traded within their respective brokerage account[s]. The firm will not engage in any principal transactions (i.e., trade of any security from or to the firm's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). In selecting the custodian, MD Financial / Vestment Financial will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated custodian.

As mentioned above, MD Financial / Vestment Financial may not be able to achieve most favorable execution of client transactions when a client chooses another broker or custodian. Clients should note that directing the firm to use a particular broker or custodian may cost the clients more money since the firm may not be able to aggregate orders to reduce transactions costs, since clients may receive less favorable prices, etc.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. MD Financial / Vestment Financial will execute its transactions through an unaffiliated broker-dealer selected by the Client. MD Financial / Vestment Financial may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

## **Item 13 - Review of Accounts**

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### **A. Frequency of Reviews**

Accounts are managed and monitored on a regular and continuous basis by Ms. Vessenes, Principal and Chief Compliance Officer and/or Josh B. Lantz, Chief Investment Officer of the firm. Formal reviews are generally conducted at least annually but often more frequently depending on the needs of the Client (i.e. at least as frequently as coincides with the applicable investment strategy). Formal reviews are also conducted by Ms. Vessenes/and or Mr. Lantz, who also manages the accounts.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually but often more frequently depending on the needs of the Client (i.e. at least as frequently as coincides with the applicable investment strategy). Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify MD Financial / Vestment Financial if changes occur in her personal financial situation that might adversely affect her investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the trustee or custodian. These brokerage statements are sent directly from the custodian to the Client. The Client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The firm may also provide Clients with periodic written reports regarding their holdings, allocations, and performance.

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

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### **A. Economic Benefits Received by MD Financial / Vestment Financial**

MD Financial / Vestment Financial 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. The firm receives some benefits from TD Ameritrade through its participation in the Program.



As disclosed above, MD Financial / Vestment Financial participates in TD Ameritrade's institutional customer program and the firm may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between the firm's participation in the program and the investment advice it gives to its Clients, although the firm 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 serving the firm participants; 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 the firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by the firm's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit the firm but may not benefit its Client accounts. These products or services may assist the firm in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help the firm manage and further develop its business enterprise. The benefits received by the firm 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, MD Financial / Vestment Financial endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by the firm or its related persons in and of itself creates a conflict of interest and may indirectly influence the firm's choice of TD Ameritrade for custody and brokerage services.

## **B. Client Referrals**

MD Financial / Vestment Financial does not pay solicitors for client referrals, nor does the firm receive compensation for referrals to outside parties.

## **Item 15 – Custody**

MD Financial / Vestment Financial does not accept or maintain custody of any Client accounts but instead requires that they be held by a third party custodian. We may, however, have limited control in some instances to trade on a Client's behalf, to deduct our advisory fees from a Client's account with your authorization, or to request disbursements to Clients our designated outside parties (although various types of written authorizations are required depending on the types of disbursements).

Client will receive account statements directly from their custodian at least quarterly, which will be sent to the email or postal mailing address provided. We urge Clients to carefully review these custodial statements when received and compare them to invoices and or other reports received from us.

## **Item 16 – Investment Discretion**

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MD Financial / Vestment Financial generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by MD Financial / Vestment Financial. Discretionary authority will only be authorized upon approval by the Client. The granting of such authority will be evidenced by the Client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority.

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

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MD Financial / Vestment Financial does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The firm may at its discretion assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

## **Item 18 – Financial Information**

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Registered investment advisers are required in some cases to provide certain financial information and or disclosures about their financial condition. For example, if the firm requires prepayment of fees of more than \$500 per client for six months or more in advance, has custody of client funds, or has a condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients, it must provide financial information and make disclosures.

MD Financial / Vestment Financial does not require prepayment of fees of more than \$500 for six months or more in advance, does not accept custody of client funds, and has no other financial or operating conditions (such as being subject to a bankruptcy petition) which trigger such additional reporting requirements.

Although the firm believes that it does not currently have a condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients, the firm has taken preemptive financial measures in response to the COVID-19 pandemic and its possible economic consequences. Such measures include temporary expense reductions and participation in the Paycheck Protection Program under the Coronavirus Aid, Relief and Economic Security (CARES) Act. The firm intends to continue to reevaluate as conditions change.

## Privacy Policy

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Effective: March 30, 2020

### Our Commitment to You

Vestment Financial, LLC, which does business under the name "MD Financial" and under the name "Vestment Financial" ("MD Financial / Vestment Financial") is committed to safeguarding the use of your personal information that we have as your Investment Advisor. MD Financial / Vestment Financial (also referred to as "we", "our" and "us" throughout this notice) protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you. Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything we can to maintain that trust.

MD Financial / Vestment Financial does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and proper business purposes in connection with the servicing and management of our relationship with you as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Privacy Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") share some of your personal information. Federal and State laws give you the right to limit some of this sharing. Federal and State laws require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

### What sources do we collect information from in addition to you?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How we share your information?

RIAs do need to share personal information regarding its clients to effectively implement the RIA's services. In the section below, we list some reasons we may share your personal information.

Basis for sharing	Sharing	Limitations
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed services to you consistent with applicable law, including but not limited to: <ul style="list-style-type: none"><li>• Processing transactions;</li><li>• General account maintenance;</li><li>• Responding to regulators or legal investigations; and</li><li>• Credit reporting, etc.</li></ul>	MD Financial / Vestment Financial may share this information.	Clients cannot limit the firm's ability to share.
<b>Administrators</b> We may disclose your non-public personal information to companies we hire to help administrate our business. Companies we hire to provide services of this kind are not allowed to use your personal information for their own purposes and are contractually obligated to maintain strict confidentiality. We limit their use of your personal information to the performance of the specific service we have requested.	MD Financial / Vestment Financial may share this information.	Clients cannot limit the firm's ability to share.
<b>Marketing Purposes</b> MD Financial does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where MD Financial / Vestment Financial or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	MD Financial / Vestment Financial does not share personal information.	Clients cannot limit the firm's ability to share.
<b>Authorized Users</b> In addition, your non-public personal information may also be disclosed to you and persons we believe to be your authorized agent or representative.	MD Financial / Vestment Financial does share personal information.	Clients can limit the firm's ability to share.

Vestment Financial, LLC

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<b>Information About Former Clients</b> MD Financial / Vestment Financial does not disclose, and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our clients.	MD Financial / Vestment Financial does not share personal information regarding former clients	Clients can limit the firm's ability to share.
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<b>How do we protect your information?</b>
To safeguard your personal information from unauthorized access and use, we maintain physical, procedural and electronic safeguards. These include computer safeguards such as passwords, secured files and buildings.
Our employees are advised about MD Financial / Vestment Financial's need to respect the confidentiality of each client's non-public personal information. We train our employees on their responsibilities.
We require third parties that assist in providing our services to you to protect the personal information they receive. This includes contractual language in our third party agreements.

<b>Changes to our Privacy Policy.</b>
We will send you notice of our Privacy Policy annually for as long as you maintain an ongoing relationship with us.
Periodically we may revise our Privacy Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

<b>State specific regulations</b>	
Massachusetts	In response to a Massachusetts law, clients must "opt-in" to share non-public personal information with non-affiliated third parties before any personal information is disclosed. We may disclose non-public personal information to other financial institutions with whom we have joint business arrangements for proper business purposes in connection with the management or servicing of your account.

<b>Questions:</b> You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at <b>(888) 256-6855</b> .
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