

**Cover Page - Item 1**



**Visionary Horizons, LLC**

620 Mabry Hood Road, Suite 102  
Knoxville, TN 37932

Phone (865) 675-VHWM (8496)  
Email [Info@VisionaryHorizons.com](mailto:Info@VisionaryHorizons.com)

**February 15, 2024**

**Form ADV Part 2A Brochure**

Visionary Horizons, LLC dba Visionary Horizons Wealth Management (hereinafter "VH") is a registered investment adviser. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Visionary Horizons, LLC. If you have any questions about the contents of this brochure, please contact us at (865) 675-VHWM (8496) and/or [Info@VisionaryHorizons.com](mailto:Info@VisionaryHorizons.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.

Additional information about Visionary Horizons, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Material Changes - Item 2**

The purpose of this page is to inform you of any material changes since the previous version of this brochure. We review and update our brochure at least annually to make sure that it remains current.

On February 15, 2024, we submitted our annual updating amendment filing for fiscal year 2023. We have updated Item 4 of our Form ADV Part 2A Brochure to disclose discretionary assets under management of approximately \$242,712,181, and non-discretionary assets under management of approximately \$ 9,880,422.

**Table of Contents - Item 3**

**Contents**

Cover Page - Item 1 .....	1
Material Changes - Item 2 .....	2
Table of Contents - Item 3 .....	3
Advisory Business - Item 4 .....	4
Fees and Compensation - Item 5 .....	8
Performance-Based Fees and Side-By-Side Management - Item 6 .....	12
Types of Clients - Item 7 .....	12
Methods of Analysis, Investment Strategies and Risk of Loss - Item 8 .....	13
Disciplinary Information - Item 9 .....	15
Other Financial Industry Activities or Affiliations - Item 10 .....	15
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Item 11 .....	16
Brokerage Practices - Item 12 .....	17
Review of Accounts - Item 13 .....	21
Client Referrals and Other Compensation - Item 14 .....	21
Custody - Item 15 .....	21
Investment Discretion - Item 16 .....	21
Voting Client Securities - Item 17 .....	22
Financial Information - Item 18 .....	22
Requirements of State-Registered Advisers - Item 19 .....	22
Miscellaneous .....	22

#### **Advisory Business - Item 4**

Visionary Horizons, LLC (hereinafter "VH") is a registered investment adviser based in Knoxville, Tennessee. VH has been offering advisory services since 2009. Roger E. Kiger is the principal owner of VH.

The following paragraphs describe our services and fees. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who provides investment advice on behalf of our firm. Where required, such persons are properly licensed or registered as investment adviser representatives.

#### **Portfolio Management Services**

Our firm offers continuous discretionary and non-discretionary portfolio management services to our clients. Discretionary portfolio management means we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions are made based upon your stated investment objectives. Non-discretionary portfolio management service means that we must obtain your approval prior to making any transactions in your account.

Our investment advice is tailored to meet our clients' needs and investment objectives. If you decide to hire our firm to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

VH mainly uses equity securities, corporate debt securities, municipal debt securities, certificates of deposit, exchange traded funds, mutual funds, U.S. government securities and options in its portfolio management programs. When suitable, we may also use private placements and alternative investments.

We will monitor your portfolio's performance on a continuous basis and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

We recommend that you review the statement(s) you receive from the qualified custodian. Please call our office number, located on the cover page of this brochure, if you have any questions about your statement.

#### **Financial Planning and Consulting Services**

We offer broad based financial planning and consulting services, including tax planning, insurance planning, estate planning, disability planning, business planning, retirement planning, education planning, and budgeting and cash flow analysis. VH strives to achieve a client's long-term financial goals by implementing a financial planning process that may include any or all of the following steps:

- Assessment of a client's present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements etc.
- Identification of a client's financial and personal goals and objectives. Goals or objectives may include financing a child's college education or retirement planning. The identified goals or objectives are specific, realistic, and measurable. All goals include time horizons.
- Resolution of finance related problems. Obstacles to achieving financial independence are identified so that resolution may occur. Examples of problem areas can include too little or too much insurance coverage, inadequate cash flow or a high tax burden.
- Plan Design. A written financial plan is prepared that includes recommendations and solutions to any financial related problems.
- Implementation of the financial plan. The financial plan is finalized and agreed upon. The recommendations and solutions are executed to reach the desired goals and objectives.
- Evaluation of the financial plan is conducted periodically. The financial planning service provides the option of conducting a periodic review and revision of the plan to ensure that the financial goals are achieved. The client may be required to pay an additional fee to exercise this option.

Financial plans are based on your financial situation and the financial information you provide to our firm. If your financial situation, goals, objectives, or needs change, you must notify us promptly.

We also provide financial planning services that cover a specific area, such as retirement or estate planning. We offer consultative services where we set an appointment to meet with you for financial planning advice for an hourly fee.

You may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so either through our investment advisory services or by using the advisory/brokerage firm of your choice.

#### **Qualified Retirement Plan Advisory Services**

We also provide consulting and advisory services for employer-sponsored retirement plans in accordance with the Employee Retirement Income Security Act ("ERISA"). The services provided are ERISA 3(21) fiduciary services. When delivering ERISA services, we will perform these services for the retirement plan as a fiduciary under ERISA Section 3(21)(A)(ii) will act in good faith and with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. These services are provided on a non-discretionary basis for ERISA 3(21) services.

Plan Sponsors are increasingly looking for an investment adviser to help shoulder fiduciary responsibilities. Under a 3(21) fiduciary advisory arrangement VH may make recommendations of investments to Plan Sponsors, monitor the performance of the selected investments, and provide

guidance throughout the fiduciary process. As an ERISA Section 3(21) fiduciary, VH does not have authority to make and implement fiduciary decisions for the Plan. Our recommendations relieve Plan Sponsors of some of the liability associated with their investment decisions, when the decisions are based on our advice. The Plan Sponsor is responsible for the selection and monitoring of the 3(21) investment manager and implementation of any of the 3(21) investment manager's investment recommendations, and assumes responsibility and liability for any overriding decisions made by the Plan Sponsor. The Plan Sponsor will have the opportunity to meet with us periodically to review the plan strategies.

The data used to determine the investment options is based on estimated, forward-looking performance of various asset classes and subclasses to create our forward looking capital markets assumptions (e.g., expected return, expected standard deviation, correlation, etc.). Past performance and the return estimates of the asset classes and the indexes that correspond to these asset classes may not be representative of actual future performance. Actual results could differ, based on various factors including the expenses associated with the management of the portfolio, the portfolio's securities versus the securities comprising the various indexes and general market conditions. Before a specific investment is selected, other factors such as economic trends, which may influence the choice of investments and risk tolerance, are considered. We have the responsibility and authority to determine the investment line up including evaluating investment managers and mutual fund companies, individual mutual funds, and money market funds which may be retained or replaced.

We also encourage you to consult with your other professional advisers since we do not provide legal advice that may affect asset classes or allocations used in the modeling. We will apply guidelines you supply, as directed, however, compliance with these restrictions or guidelines, is your responsibility.

We will assist you in creating a written investment policy statement ("IPS") to document the plan's investment goals and objectives as well as certain policies governing the investment of assets. The IPS also identifies an investment strategy that seeks to attain the plan's goals.

We will assist with the establishment, execution, and interpretation of the Investment Policy Statement. The Investment Policy Statement serves as a guide to assist in effectively supervising, monitoring, and evaluating the investment of the plan's assets. We will prepare a draft of the IPS based upon information furnished by you and your firm designed to profile various factors for the account such as investment objectives, risk tolerances, projected cash flow, and demographics of your retirement plan participants.

It is your responsibility to provide all necessary information for the preparation of the IPS, particularly any limitations imposed by law or otherwise. This draft IPS is then submitted to you for review and approval. We recommend that your professional advisers, such as an attorney, actuary, and/or accountant, also review the IPS.

Upon your final approval, it is our responsibility to adhere to the IPS while managing the retirement program. We encourage you to review accounts periodically to verify our compliance with the IPS.

The Investment Policy Statement will be reviewed at least annually to determine whether stated investment objectives are still relevant and the continued feasibility of achieving those objectives. However, the Investment Policy Statement is not expected to vary much from year to year and the IPS will not be updated to account for short term changes in market conditions or the economic environment.

We will also monitor the current managed investment line up including the investment's performance compared to an applicable benchmark. If we determine that a fund no longer meets our criteria, we will select possible alternatives and assist in the selection of a replacement investment.

We may conduct plan participant meetings when a change is made either to the structure of the plan or if the investment lineup changes as a result of our decisions. We will detail the changes being made, how it affects the current participants, review the current investment opportunities, how participants may make changes to their investment selections, and will answer any questions a participant may have. We will review with the participants how to select the investments in their online account.

#### **Duties of 3(21) Limited Scope Fiduciary**

- 1) State in writing co-fiduciary status
- 2) Recommend fund lineup to Plan Sponsor
- 3) Monitor funds within lineup and suggest changes, as appropriate
- 4) Provide participant education – to include one on one meetings
  - a. For an additional fee at the participant level, adviser can recommend specific, non-discretionary recommendations for the individual via:
    - i. One-time Consult to include long-term allocation recommendation
    - ii. Provide Financial Planning
- 5) Advise the plan sponsor in following the fiduciary process, to include: assisting in establishing an Investment Policy Statement, assist in choosing a Third-Party Administrator (TPA), and assist in choosing a Plan Record Keeper (RK).

#### **Investment Policy Statement**

Overall, the investment policy statement should spell out:

- The plan's overall investment philosophy and investment objectives.
- Who is responsible for choosing and monitoring the plan's investments.
- How the plan will construct its investment menu and how it determines what investment options.
- To offer, including what asset classes are included and why.
- How the plan will evaluate the investment funds offered, including the frequency and criteria to be used.

- Under what circumstances the plan will remove investment funds or managers and how that process will be managed.

#### **Assets Under Management**

As of December 31, 2023, we manage approximately \$242,712,181 on a discretionary basis and \$9,880,422 on a non-discretionary basis.

### **Fees and Compensation - Item 5**

#### **Portfolio Management Services Fees**

For portfolio management services, VH charges an annual fee based upon a percentage of the market value of assets under management. Fees will be subject to the following fee schedule:

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
\$0 - \$99,999	1.75%
\$100,000 - \$249,999	1.50%
\$250,000 - \$999,999	1.30%
\$1,000,000 - \$1,999,999	1.20%
Accounts over \$2,000,000	1.00%

Portfolio management fees may be negotiable depending on factors such as the amount of assets under management, range of investments, and complexity of the client's financial circumstances, among others. Since this fee is negotiable, the exact fee paid by the client will be clearly stated in the investment advisory contract signed by the client and the firm. Fees are billed quarterly, in advance, and are based on the amount of the assets under management on the last day of the previous quarter.

VH will either invoice the client directly for payment of fees or fees will be deducted directly from the client's account through the qualified custodian holding the client's funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account.

We may deduct the fee from a designated account to facilitate billing. We recommend that you review the custodial statement(s) to verify the accuracy of fee calculation. Please call our office number, located on the cover page of this brochure, if you have any questions about your statement.

The investment advisory contract between you and VH will stay in effect until either party terminates the contract with a thirty (30) day written notice. VH's quarterly fee will be pro-rated through the date of termination and any remaining balance shall be refunded to the client in a timely manner.



### **Financial Planning and Consulting Services Fees**

VH provides financial planning services for an hourly fee of up to \$300. The fee is negotiable based upon the complexity of the client's goals and objectives, the level of services rendered and the experience and qualifications of the individual preparing the plan. Consulting services are provided for a one-time fee as negotiated.

Prior to engaging VH to provide financial planning services, the client will be required to enter into a written investment advisory contract with our firm. The contract will set forth the terms and conditions of the engagement, describe the scope of the services to be provided and the fee that is due from the client. Fees are either payable in advance or upon delivery of the financial plan. VH does not require the prepayment of over \$1,200, six or more months in advance.

Either party may terminate the investment advisory contract by written notice to the other. In the event the client terminates VH's consulting services, the balance of VH's unearned fees (if any) shall be refunded to the client.

### **Qualified Retirement Plan Advisory Fees**

Our standard fee includes establishing your Investment Policy Statement, reviewing your plan structure, investment management, investment selection and monitoring, fund changes, participant education and reporting. The fee will be outlined in your Advisory Agreement with us. Our typical fee schedule is as follows:

- Percentage of All Plan Assets Up to 1.75% or as negotiated

Our fee is paid directly by the individual Plan Sponsors or Plan on a quarterly basis in arrears. The advisory agreement the Plan Sponsor has with us will outline exactly how the fees are charged and remitted to us.

You may also incur fees related to your use of outside service providers including third-party administrators and record keepers. The fee schedule for each outside service provider varies dramatically from service provider to service provider. The service provider's fees will also vary from plan to plan as each plan's structure and characteristics are different from the next.

We believe our services help plan sponsors and plan fiduciaries meet their fiduciary duty to the plan and its participants. As a part of our services, we review the fees of service providers and the transparency of their fees. We will assist the plan sponsors with a review of service providers including the third-party administrator, daily record keeper, and custodian to ensure that their services, along with ours, remain competitive to alternatives that are available.

### **IRA Rollover Considerations**

As a normal extension of financial advice, we provide education or recommendations related to the rollover of an employer-sponsored retirement plan. A plan participant leaving employment has

several options. Each choice offers advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and the investor's unique financial needs and retirement plans. The complexity of these choices may lead an investor to seek assistance from us.

An Associated Person who recommends an investor roll over plan assets into an Individual Retirement Account ("IRA") may earn an asset-based fee as a result, but no compensation if assets are retained in the plan. Thus, we have an economic incentive to encourage an investor to roll plan assets into an IRA. In most cases, fees and expenses will increase to the investor as a result because the above-described fees will apply to assets rolled over to an IRA and outlined ongoing services will be extended to these assets.

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also 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. We have to act in your best interests and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

#### **Compensation for the Sale of Securities or Other Investment Products**

##### *Registered Representatives:*

Associated Persons who provide investment advice on behalf of our firm may also be registered representatives with Purshe Kaplan Sterling Investments ("PKS"), a securities broker/dealer registered with the Securities and Exchange Commission and the Financial Industry Regulatory Authority ("FINRA"). As a registered representative, an Associated Person may receive commission-based compensation for buying and selling securities, including 12b-1 fees and other trails for the sale of mutual funds or annuity products. This commission compensation is separate and distinct to VH's advisory fees. VH's advisory clients are not obligated to purchase the products or services of PKS. Clients may purchase or sell securities at the brokerage firm of your choice. The sale of mutual funds, annuity contracts, insurance instruments and other commissionable products offered by Associated Persons of VH through PKS are intended to compliment VH's advisory services. However, a conflict of interest exists due to the potential receipt of dual forms of compensation. VH has policies and procedures in place to monitor all client transactions and all client transaction costs will be disclosed to the client.

##### *Licensed Insurance Agents:*

Associated Persons of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to our clients. Insurance commissions earned by these persons are separate from and in addition to our advisory fees. The sale of insurance instruments and other commissionable products offered by Associated Persons are intended to complement our advisory services. However, this practice presents a conflict of interest because persons providing investment advice on behalf of our firm who

are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. We address this conflict of interest by recommending insurance products only where we, in good faith, believe that it is appropriate for the client's particular needs and circumstances and only after a full presentation of the recommended insurance product to our client. In addition, we explain the insurance underwriting process to our clients to illustrate how the insurer also reviews the client's application and disclosures prior to the issuance of a resulting insuring agreement. Clients to whom the firm offers advisory services are informed that they are under no obligation to purchase insurance services. Clients who do choose to purchase insurance services are under no obligation to use our licensed Associated Persons and may use the insurance brokerage firm and agent of their choice.

Where fixed annuities are sold, clients should also note that the annuity sales result in substantial up-front commissions and ongoing trails based on the annuity's total value. In addition, many annuities contain surrender charges and/or restrictions on access to your funds. Payments and withdrawals can have tax consequences. Optional lifetime income benefit riders are used to calculate lifetime payments only and are not available for cash surrender or in a death benefit unless specified in the annuity contract. In some annuity products, fees can apply when using an income rider. Annuity guarantees are based on the financial strength and claims-paying ability of the issuing insurance company. We urge our clients to read all insurance contract disclosures carefully before making a purchase decision. Rates and returns mentioned on any program presented are subject to change without notice. Insurance products are subject to fees and additional expenses.

#### **Additional Fees and Expenses**

All fees paid to VH for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client could invest in a mutual fund directly, without the services of VH. In that case, the client would not receive the services provided by VH which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by VH to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

#### ***Negotiability of Fees:***

We allow Associated Persons servicing the account to negotiate the exact investment management fees within the range disclosed in our Form ADV Part 2A Brochure. As a result, the Associated Person servicing your account may charge more or less for the same service than another Associated Person of our firm. Further, our annual investment management fee may be higher than that charged by other investment advisors offering similar services/programs.

*Billing on Cash Positions:*

The firm treats cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating the firm's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the firm may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, the firm's advisory fee could exceed the interest paid by the client's cash or cash equivalent positions.

*Periods of Portfolio Inactivity:*

The firm has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, the firm will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when the firm determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, the firm's annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by the firm will be profitable or equal any specific performance level(s).

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

Performance based fees are based on a share of capital gains on or capital appreciation of the client's assets. Our firm and our Associated Persons do not accept performance based fees.

**Types of Clients - Item 7**

We generally offer investment advisory services to individuals, pension and profit sharing plans and participants, trusts, estates, charitable organizations, corporations, and other business entities.

We require a minimum of \$250,000 to open and maintain an advisory account. At our sole discretion, we may waive this requirement. This requirement can be met by combining two or more accounts owned by you or related family members.

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

The following are different methods of analysis that we may use when providing you with investment advice:

- **Fundamental Analysis** – fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its future prospects. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.
- **Technical Analysis** – technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall.
- **Cyclical Analysis** – cyclical analysis is a technique that looks at cycles, specifically analyzing the way prices follow certain patterns and trends.
- **Charting** – charting is a technique that attempts to forecast future market moves by studying historical data on charts.

We may use one or more of the following investment strategies when advising you on investments:

- **Long Term Purchases** – securities held for over a year.
- **Short Term Purchases** – securities held for less than a year.
- **Trading** – securities are sold within 30 days.
- **Covered Options** – covered option is a strategy in which an investor writes an option contract while at the same time owning an equivalent number of shares of the underlying stock.

**Investing in securities involves risk of loss that clients should be prepared to bear.** Clients should fully understand the nature of the contractual relationship(s) into which they are entering and the extent of their exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed will be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

*General Investment Risk:* All investments come with the risk of loss. Investing may involve substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments you intend to invest in.

*Loss of Value:* There can be no assurance that a specific investment will achieve its investment objectives and **past performance is no guarantee of future results**. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws,

withholding taxes, international, political and economic developments, and government, economic or monetary policies.

*Interest Rate Risk:* Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

*Credit Risk:* Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

*Risks Associated with Investing in Options:* Transactions in options carry a high degree of risk. Relatively small market movement can have a large impact, which may work for or against the investor. The placing of certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

*Environmental, Social, and Governance Investment Criteria Risk:* If a portfolio is subject to certain environmental, social and governance (ESG) investment criteria it may avoid purchasing certain securities for ESG reasons when it is otherwise economically advantageous to purchase those securities, or may sell certain securities for ESG reasons when it is otherwise economically advantageous to hold those securities. In general, the application of the portfolio's ESG investment criteria may affect the portfolio's exposure to certain issuers, industries, sectors and geographic areas, which may affect the financial performance of the portfolio, positively or negatively, depending on whether these issuers, industries, sectors or geographic areas are in or out of favor. An adviser can vary materially from other advisers with respect to its methodology for constructing ESG portfolios or screens, including with respect to the factors and data that it collects and evaluates as part of its process. As a result, an adviser's ESG portfolio or screen may materially differ from or contradict the conclusions reached by other ESG advisers concerning the same issuers. Further, ESG criteria are dependent on data and are subject to the risk that such data reported by issuers or received from third-party sources may be subjective, or it may be objective in principle but not verified or reliable.

***Cybersecurity Risks:*** Our firm and our service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate; however, unintentional events may have similar effects. Cyber-attacks may cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as a result of unauthorized use of their personal information. While our firm has established a business continuity plan and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities, investment companies and other investment advisers in which we invest, which could result in material adverse consequences for such entities and may cause a client's investment in such entities to lose value.

***Pandemic Risk:*** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption. It is difficult to predict the long-term impact of such events because they are dependent on a variety of factors including the global response of regulators and governments to address and mitigate the worldwide effects of such events. Workforce reductions, travel restrictions, governmental responses and policies and macroeconomic factors will negatively impact investment returns.

#### **Disciplinary Information - Item 9**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. There is no history of reportable material legal or disciplinary events by our firm or our management persons.

#### **Other Financial Industry Activities or Affiliations - Item 10**

As disclosed in Item 5 above, certain Associated Persons of VH are separately licensed as registered representatives with PKS. As dually licensed representatives, these individuals will receive

commissions for the purchase and sale of securities, variable life insurance, and annuity products. This commission revenue is separate and in addition to revenue received from advisory fees. This arrangement represents a conflict of interest due to the potential receipt of dual forms of compensation. VH has policies and procedures in place to monitor all client transactions and all client transaction costs will be disclosed to the client.

Certain Associated Persons of VH are also licensed insurance agents and can effect transactions in insurance products and earn compensation for these activities. The firm expects that clients to whom it offers advisory services may also be clients for whom the individuals act as insurance agents. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned by its Investment Adviser Representatives for placing the client in insurance products. Clients to whom the firm offers advisory services are informed that they are under no obligation to use the firm's IARs for insurance services and may use the insurance brokerage firm and agent of their choice.

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

##### **Description of Our Code of Ethics**

VH has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes VH's policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics;
- The responsibility to disclose and/or avoid any actual or potential conflict of interest;
- The responsibility to avoid the misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of VH's Code of Ethics is available upon request to Tyler J. McMurray, Member & Chief Compliance Officer of VH, at (865) 675-VHWM (8496).

##### **Personal Trading Practices**

At times VH and/or its Advisory Representatives may take positions in the same securities as clients. This practice creates a conflict of interest with clients. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality, disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total



outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

### **Brokerage Practices - Item 12**

Our firm will not maintain custody of your assets that we manage, although we are deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer, bank, or trust company, for example. We routinely recommend that our clients use Charles Schwab & Co., Inc. (“Schwab”), a registered broker-dealer, member SIPC, as the qualified custodian.

We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we or you instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account Agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client Referrals and Other Compensation). You should consider these conflicts of interest when selecting your custodian.

We do not open the account for you, although we may assist you in doing so. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by our firm. Even though your account is maintained at Schwab, and we anticipate that most trades will be executed through Schwab, we can still use other brokers to execute trades for your account as described below (see “Your Brokerage and Custody Costs”).

#### **How We Select Brokers/Custodians**

When considering whether the terms that Schwab provides are, overall, most advantageous to you when compared with other available providers and their services, we take into account a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payments, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services

- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Services delivered or paid for by Schwab
- Availability of other products and services that benefit us, as discussed below

#### **Your Brokerage and Custody Costs**

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, certain mutual funds and ETFs) do not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. In addition to transaction fees, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we will have Schwab execute most trades for your account.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How We Select Brokers/Custodians"). By using another broker or dealer you may pay lower transaction costs.

#### **Research and Other Soft Dollar Benefits**

Although the following products and services are not purchased with "soft dollar" credits, we will receive certain economic benefits (soft dollar benefits) from Schwab in the form of access to Schwab's institutional brokerage and support services at no additional cost or a discounted cost. Below is a detailed description of Schwab's support services:

#### **Products and Services Available to Us from Schwab**

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like ours. They provide our clients and us with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and

grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us.

**Services that Benefit You:** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

**Services that Do Not Directly Benefit You:** Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide pricing and other market data
- facilitate payment of our fees from our clients' accounts
- assist with back-office functions, recordkeeping, and client reporting

**Services that Generally Benefit Only Us:** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and compliance-related needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support
- Recruiting and custodial search consulting

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab also provides us with other benefits, such as occasional business entertainment for our personnel. If you did not maintain your account with Schwab, we would be required to pay for those services from our own resources.

Our firm understands its duty for best execution and considers all factors in making recommendations to clients. These research services may be useful in servicing all clients and may not be used in connection with any particular account that may have paid compensation to the firm providing such

services. While we may not always obtain the lowest commission rate, we believe the rate is reasonable in relation to the value of the brokerage and research services provided.

#### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services.

Schwab has also agreed to pay for certain technology, research, marketing, and compliance consulting products and services on our behalf once the value of our clients' assets in accounts at Schwab reaches certain thresholds.

The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How We Select Brokers/Custodians") and not Schwab's services that benefit only us.

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers and custodians in which we have an institutional advisory arrangement. Also, we do not receive other benefits from a broker-dealer in exchange for client referrals.

#### **Directed Brokerage**

The client may direct brokerage to a specified broker/dealer other than the firm recommended by VH. It is up to the client to negotiate the commission rate, as VH will not. The client may not be able to negotiate the most competitive rate. As a result, the client may pay more than the rate available through the broker dealer used by VH. Where the client does not otherwise designate a broker dealer, VH recommends a broker dealer with competitive commission rates.

#### **Trade Aggregation**

While individual client advice is provided to each account, client trades may be executed as a block trade. Only accounts in the custody of a qualified custodian recommended by VH would have the opportunity to participate in aggregated securities transactions. Trades will be aggregated and executed in the name of VH. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce slightly the costs of execution, and VH will not aggregate a client's order if in a particular instance VH believes that aggregation would cause the client's cost of execution to be increased.

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

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

VH monitors client accounts on a continuous basis and reviews accounts on a quarterly basis. Accounts are reviewed by Roger E. Kiger or the portfolio manager in charge of the account.

Additional reviews may be offered in certain circumstances. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in economic conditions, changes in the client's financial situation or investment objectives, or a client's request.

A financial plan is a snapshot in time and no ongoing reviews are conducted. We recommend clients engage us on a periodic basis to update their financial plan.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis. VH provides separate reports on an as needed basis.

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

Except for the receipt of additional compensation from Schwab (described under Item 12 above), and the commissions received by certain Associated Persons for the sales of securities and insurance products (described under Item 5 and 10 above), we do not receive any other compensation from outside parties in connection with the investment advice we provide to you.

We and our related persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for client referrals.

### **Custody - Item 15**

VH is deemed to have custody of client funds because of the fee deduction authority granted by the client in the investment advisory contract.

Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. Clients are urged to review custodial account statements for accuracy.

### **Investment Discretion - Item 16**

VH offers Portfolio Management Services on a discretionary and non-discretionary basis. Clients must grant discretionary authority in the executed investment advisory contract. Discretionary authority

extends to the type and amount of securities to be bought and sold and do not require advance client approval. However, apart from the ability to deduct advisory fees, VH does not have the ability to withdraw funds or securities from the client's account.

When offering non-discretionary portfolio management services, VH will obtain client approval prior to executing any transactions in the client's account(s).

If you wish, you may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

#### **Voting Client Securities - Item 17**

VH does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian.

#### **Financial Information - Item 18**

We are required in this Item to provide you with certain financial information or disclosures about VH's, financial condition. VH does not require the prepayment of over \$1,200, six or more months in advance. Additionally, VH 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.

#### **Requirements of State-Registered Advisers - Item 19**

**This section is not applicable because our firm is SEC registered.**

#### **Miscellaneous**

##### **Class Action Lawsuits**

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. VH has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the firm has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of

issuers whose securities are held by clients. Where the firm receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials, to the client.

**Confidentiality**

VH views protecting its customers' private information as a top priority and, pursuant to the requirements of the Gramm-Leach-Bliley Act, the firm has instituted policies and procedures to ensure that customer information is kept private and secure.

VH does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client account, VH may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

VH restricts internal access to nonpublic personal information about its clients to those employees who need to know that information in order to provide products or services to the client. VH maintains physical and procedural safeguards that comply with state and federal standards to guard a client's nonpublic personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be the firm's policy never to sell information about current or former customers or their accounts to anyone. It is also the firm's policy not to share information unless required to process a transaction, at the request of the client, or as required by law.

A copy of the firm's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the investment advisory contract. If you have any questions on this policy, please contact Tyler J. McMurray, Member & Chief Compliance Officer of VH, at (865) 675-VHWM (8496).