

FORM ADV PART 2A DISCLOSURE BROCHURE



This brochure provides information about the qualifications and business practices of Value Investment Professionals, LLC. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 646-383-7757. 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 Value Investment Professionals, LLC (CRD #164704) is available on the SEC's website at www.adviserinfo.sec.gov

125 Park Avenue, 25th Floor
New York, NY, 10017
Phone: (646) 383-7757
Fax: (646) 383-7806

www.valueinvestmentprofessionals.com
ahodges@vipprofessionals.com

Version Date: February 12, 2024

ITEM 2: MATERIAL CHANGES

MATERIAL CHANGES SINCE THE LAST ANNUAL UPDATE

This update is in accordance with the required annual update for Investment Advisors. Since the last filing of this brochure on April 17, 2023, the following has been updated:

- ❖ Item 4 has been updated with the firm's most recent assets under management.
- ❖ Item 5 Asset management fees & Financial planning fees updated.
- ❖ Items 12 & 14 updated custodial information.

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ITEM 4: ADVISORY BUSINESS

A. Description of the Advisory Firm

Value Investment Professionals, LLC is a Limited Liability Company organized in the state of Delaware. The firm was formed in June of 2012, and the principal owner and Chief Compliance Officer is Andrew Hodges.

B. Types of Advisory Services

Value Investment Professionals, LLC (hereinafter “VIP”) offers the following services to advisory clients:

Investment Supervisory Services

VIP offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. VIP creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client’s specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

VIP evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. VIP will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Performance-based Fees

Qualified clients may be charged performance fees based on net profits above a high water mark in addition to an investment management fee.

Financial Consulting

If financial consulting services are applicable, the client will compensate VIP on an hourly fee basis described in detail under “Fees and Compensation” section of this brochure. Typical topics reviewed may include but are not limited to: financial goals, personal net worth statement, investment analysis, retirement strategy, cash flow analysis, risk management, long-term investment plan and estate preservation. If a conflict of interest exists between the interests of the investment advisor and the interests of the client, the client is under no obligation to act upon the investment advisor’s recommendation. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through VIP.

ERISA Plan Services

VIP provides service to qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit sharing plans, cash balance plans, and deferred compensation plans. VIP may act as either a 3(21) or 3(38) advisor:

Limited Scope ERISA 3(21) Fiduciary. VIP sometimes acts as a limited scope ERISA 3(21) fiduciary that can advise, help and assist plan sponsors with their investment decisions on a non-discretionary basis. As an investment advisor VIP has a fiduciary duty to act in the best interest of the client. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using VIP can help the plan sponsor delegate liability by following a diligent process.

1. Fiduciary Services are:

- Provide non-discretionary investment advice to the client about asset classes and investment alternatives available for the Plan in accordance with the Plan’s investment policies and objectives. Client will make the final decision regarding the initial selection, retention, removal and addition of investment options. VIP acknowledges that it is a fiduciary as defined in ERISA section 3 (21) (A) (ii).
- Assist the client in the development of an investment policy statement (“IPS”). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- Provide non-discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for

participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5) and 404(a)-5.

- Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.
- Meet with client on a periodic basis to discuss the reports and the investment recommendations.

2. Non-fiduciary Services may be:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands VIP's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, VIP is not providing fiduciary advice as defined by ERISA 3(21)(A)(ii) to the Plan participants. VIP will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

VIP may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between VIP and client.

3. VIP has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

1. Employer securities;
2. Physical real estate (real estate funds or publicly traded REITs that are less liquid or harder to value than traditional publicly traded real estate entities are not excluded);
3. Stock brokerage accounts or mutual fund windows;
4. Participant loans;
5. Non-publicly traded partnership interests;
6. Other non-publicly traded securities or physical property (other than collective trusts and similar vehicles); or

7. Other hard-to-value or illiquid securities or physical property.

Excluded Assets will **not** be included in calculation of Fees paid to VIP under this Agreement.

Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

3(38) Investment Manager. VIP can also act as an ERISA 3(38) Investment Manager in which it has discretionary management and control of a given retirement plan's assets. VIP would then become solely responsible and liable for the selection, monitoring and replacement of the plan's investment options.

1. Fiduciary Services are:

- VIP has discretionary authority and will make the final decision regarding the initial selection, retention, removal and addition of investment options in accordance with the Plan's investment policies and objectives.
- Assist the client with the selection of a broad range of investment options consistent with ERISA Section 404(c) and the regulations thereunder.
- Assist the client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan.
- Provide discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5).

2. Non-fiduciary Services may be:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands VIP's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, VIP is not providing fiduciary advice as defined by ERISA to the Plan participants. VIP will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

VIP may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between VIP and client.

3. VIP has no responsibility to provide services related to the following types of assets ("Excluded Assets"):
- a. Employer securities;
 - b. Physical real estate (real estate funds or publicly traded REITs that are less liquid or harder to value than traditional publicly traded real estate entities are not excluded);
 - c. Stock brokerage accounts or mutual fund windows;
 - d. Participant loans;
 - e. Non-publicly traded partnership interests;
 - f. Other non-publicly traded securities or physical property (other than collective trusts and similar vehicles); or
 - g. Other hard-to-value or illiquid securities or physical property.

Excluded Assets will **not** be included in calculation of Fees paid to VIP under this Agreement.

Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

C. Client Tailored Services and Client Imposed Restrictions

VIP offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent VIP from properly servicing the client account, or if the restrictions would require VIP to deviate from its standard suite of services, VIP reserves the right to end the relationship.

D. Wrap Fee Programs

VIP does not participate in any wrap fee programs.

E. Client Assets under Management

VIP has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$125,780,680	\$0	December 31, 2023

ITEM 5: FEES AND COMPENSATION

A. Fee Schedule

Investment Supervisory Services Fees

Total Assets Under Management	Annual Fee
\$1 - \$1,000,000	1.25%
\$1,000,001 - \$10,000,000	1.00%
Above \$10,000,000	0.90%

These fees are negotiable depending upon the needs of the client and complexity of the situation. The final fee schedule is disclosed in the Investment Advisory Agreement. Fees are billed quarterly in arrears based on the average daily balance of the account for the previous quarter. This average will be calculated by the custodian or, if that is not available, as a simple average of the beginning and ending balances for the period. Because fees are charged in arrears, no refund policy is necessary. Lower fees for comparable services may be available from other sources. Client may cancel within five (5) business days of signing Agreement with no obligation and without penalty. After the initial 5 business days, either party may terminate the advisory agreement by giving the other party thirty (30) days written notice. Advisory fees are withdrawn directly from the client's accounts with client-written authorization. For accounts opened or closed mid-billing period, fees will be prorated based on the days services are provided during the given period. All unpaid earned fees will be due to VIP. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

Performance-based Fees

Qualified clients are charged an asset-based management fee of 1.00% on all assets under management and a performance-based fee on any increase above a high water mark. The annual fee is negotiable depending upon the needs of the client and complexity of the situation. The annual fees are billed quarterly in arrears based on the average daily balance of the account for the previous quarter. This average will be calculated by the custodian or, if that is not available, as a simple average of the beginning and ending balances for the period. The performance-based fees are 10% of any increase from the previous quarter ("high water mark") and charged quarterly in arrears. The performance fee will be calculated by a Gross Asset Value of the account on a start date and be benchmarked to the Net Asset Value of the stated account net of quarterly performance fees. The account would have to achieve the high water mark valued at the end of each quarter in order for the performance fee to trigger (or be applicable). A snapshot of the value of the account will be taken on the start and end of each quarter and compared to the high-water mark. All fees will be deducted from the account via the custodial providers or billed directly to the client.

Performance Fee disclaimer: All performance fees are based on a new high water mark for any quarter that is charged.

HIGH WATER MARK CALCULATIONS:

- Initial deposit \$1,000,000
- Performance fee is set at 10% of the gain.
- End of first quarter balance is \$1,075,000.
- First quarter performance fee for us is \$7,500
- Calculation: $\$75,000 \times 10\% = \$7,500$.

New high-water mark is \$1,067,500 ($\$1,075,000 - \$7,500$)

- End of second quarter balance is \$1,050,000
- No performance fee paid
- High water mark remains \$1,067,500
- Performance fees will not be charged until the account value goes above the high water mark of \$1,067,500

Lower fees for comparable services may be available from other sources. Client may cancel within five (5) business days of signing Agreement with no obligation and without penalty. After the initial 5 business days, either party may terminate the advisory agreement by giving the other party thirty (30) days written notice. Advisory fees are withdrawn directly from the client's accounts with client-

written authorization. For accounts opened or closed mid-billing period, fees will be prorated based on the days services are provided during the given period. All unpaid earned fees will be due to VIP. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

Financial Consulting Fees

Financial consulting services are charged at a rate of \$325 per hour. Client will be invoiced upon completion of services, payable within 30 days of receipt of invoice. Fees for financial consulting are due upon delivery of the requested information and/or recommendations. Services are completed and delivered inside of thirty (30) days contingent upon timely delivery of all required documentation. Client may cancel within five (5) business days of signing Agreement with no obligation and without penalty. If the client cancels after five (5) business days, any unpaid earned fees will be due to VIP based on the hours of work expended by VIP.

ERISA Plan Services

The annual fees are based on the market value of the Included Assets and will not exceed 1%. The annual fee is negotiable.

Fees may be charged quarterly or monthly in arrears or in advance based on the assets as calculated by the custodian or record keeper of the Included Assets (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets) on the last business day of the previous quarter or month. If the services to be provided start any time other than the first day of a quarter or month, the fee will be prorated based on the number of days remaining in the quarter or month. If this Agreement is terminated prior to the end of the fee period, VIP shall be entitled to a prorated fee based on the number of days during the fee period services were provided or client will be due a prorated refund of fees for days services were not provided in the fee period.

The fee schedule, which includes compensation of VIP for the services is described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees, however the Plan Sponsor may elect to pay the fees. Client may elect to be billed directly or have fees deducted from Plan Assets. VIP does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, VIP will disclose this compensation, the services rendered, and the payer of compensation.

VIP will offset the compensation against the fees agreed upon under this Agreement.

B. Payment of Fees

Payment of Investment Supervisory Fees

Fees for portfolio management services are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for financial consulting will be billed to the client and paid directly to VIP.

Payment of Performance-based Fees

Performance-based fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in arrears.

C. Additional Client Fees Charged

Clients who invest in real estate funds recommended by VIP may also incur fees by the third-party manager, which is in addition, to any advisory fees collected by VIP.

Custodians may charge transaction fees other related costs on the purchases or sales of mutual funds, equities, bonds, options and exchange-traded funds. Mutual funds, money market funds and exchange-traded funds also charge internal management fees, which are disclosed in the fund's prospectus. Margin interest may also apply for Client electing to utilize margin on their account(s). VIP does not receive any compensation from these fees. All of these fees are in addition to the management fee you pay to VIP. For more details on the brokerage practices, see Item 12 of this brochure.

D. Prepayment of Fees

ERISA Plan Services fees may be charged in advance.

E. External Compensation for the Sale of Securities to Clients

Neither VIP nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

VIP offers a program in which we share in the capital gains or capital appreciation of managed securities. This program is offered only to Qualified Clients and must meet certain requirements to be able to participate in being charged performance-based fees which include:

1. A natural person who, or a company that, immediately after entering into the contract has at least \$1,100,000 under the management of the investment advisors; or
2. Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,200,000. The persons' primary residence must not be included as an asset;

Fees are paid quarterly in arrears, and clients may terminate their contracts with thirty days' written notice. To the extent that we charge a performance-based fee, the performance-based fee will comply with the requirements of Section 205 and Rule 205-3 under the Investment Advisers Act of 1940.

VIP manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) as well as accounts that are NOT billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because VIP or its supervised persons have an incentive to favor accounts for which VIP and its supervised persons receive a performance-based fee. VIP addresses the conflicts by ensuring that clients who have performance-based accounts do not receive preferential treatment. VIP provides best execution practices and upholds its fiduciary duty for all clients.

Clients that are paying a performance-based fee should be aware that investment advisors have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes. To mitigate the conflict, we represent that it is not our intent to trade a client's account in an irresponsible, unethical or baseless manner, or to assume unnecessary risk given potential perceived reward. We will never knowingly or intentionally breach the fiduciary duty we owe to a client, and we believe the incentive or performance fee portion of its compensation aligns, rather than divides, the interests of clients and us in addition, the client may choose to place their account in the advisory fee only program.

ITEM 7: TYPES OF CLIENTS

VIP generally provides management supervisory services to the following types of clients:

- ❖ High-Net-Worth Individuals
- ❖ Individual clients
- ❖ Pension and Profit Sharing Plans

Minimum Account Size

There is an account minimum, \$250,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

A. Methods of Analysis and Associated Risks

VIP's methods of analysis include fundamental analysis and modern portfolio theory.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage investment purchases that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Modern portfolio theory is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets.

Modern portfolio theory assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated

by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The trade-off will be similar for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

B. Investment Strategy and Associated Risks

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time by providing written notice to VIP. Each client executes a client profile form or similar form that documents their objectives and their desired investment strategy.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Security Specific Material Risks

VIP generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international markets. However, it will utilize short sales, margin transactions, and derivative transactions. Short sales, margin transactions, and derivative transactions generally hold greater risk of capital loss and clients should be aware that there is a material risk of loss using any of those strategies. All investment programs have certain risks that are borne by the investor. Investors face the following investment risks and should discuss these risks with VIP:

Market Risk: The prices of securities in which clients invest may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by a fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations. Investors should have a long-term perspective and be able to tolerate potentially sharp declines in market value.

Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Inflation Risk: When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.

Equity investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

Fixed Income is an investment that offers fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

Exchange Traded Funds (ETF): Investing in ETFs carries the risk of capital loss, typically based on the performance of the entity's underlying holdings. Some ETFs, while diversified, contain holdings that are concentrated in certain areas and could suffer material losses. Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. These funds can be composed of fixed income securities (typically lower risk) or equities (typically higher risk).

Treasury Inflation Protected/Inflation Linked Bonds: The risk of default on these bonds is dependent upon the U.S. Treasury's solvency (generally safe). However, their trading value could decline, leading to weak or negative returns.

Real Estate funds face several kinds of risk that are inherent to this sector of the market. Liquidity risk, market risk and interest rate risk are just some of the factors that can influence the gain or loss that is passed on to the investor. Liquidity and market risk tend to have a greater effect on funds that are more growth-oriented because the sale of appreciated properties depends upon market demand. Interest rate risk tends to have a greater effect on income-oriented funds.

REITs have specific risks including, but not limited to, declining valuations due to less attractive cash flows, dividends paid in stock rather than cash, and the debt repayments resulting in less equity leverage.

Precious Metal ETFs (Gold, Silver, Palladium Bullion backed “electronic shares” not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

Long-term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include, but are not limited to, inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term trading risks include liquidity, economic stability and inflation.

Short sales risks include the upward trend of the market and the infinite possibility of loss.

Margin transactions use leverage that is borrowed from a brokerage firm as collateral. This leverage can increase potential losses.

Derivative transactions involve a contract to purchase or sell a security at a given price, not necessarily at market value. Purchased option contracts can expire worthless and written options contracts may create losses.

Bridge Loans are typically short term investments and are subject to risks of borrower defaults, bankruptcies, fraud, losses and special hazard losses that are not covered by standard insurance.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

ITEM 9: DISCIPLINARY INFORMATION

A. Criminal or Civil Actions

The firm and its management have not been involved in any criminal or civil action.

B. Administrative Proceedings

The firm and its management have not been involved in administrative enforcement proceedings.

C. Self-regulatory Organization (SRO) Proceedings

The firm and its management have not been involved in legal or disciplinary events related to past or present investment clients.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer or Representative Registration

Neither VIP nor its representatives are registered as a broker/dealer or a representative of a broker/dealer. VIP and its representatives also do not have pending applications to become a broker/dealer or representative of a broker/dealer.

B. Futures or Commodity Registration

Neither VIP nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

C. Material Relationships Maintained by this Advisory Business and Conflicts of Interests

Andrew Hodges has financially related businesses, VIPHA LLC and VIP SPV LLC that originate bridge loans. From time to time, where suitable for his advisory clients that are accredited, he may recommend these services. Mr. Hodges spends between 1-2 hours per month with these businesses. This creates a conflict of interest as Mr. Hodges may benefit financially by having clients participate in these bridge loans. This conflict is mitigated by disclosures, procedures and the firm's fiduciary obligation to place the best interest of the client first. Clients have the option to purchase these products through another bridge loan originator of their choosing.

D. Recommendations or Selections of Other Investment Advisors and Conflicts of Interest

VIP does not utilize or select other advisers or third-party managers. All assets are managed by VIP.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics

The affiliated persons (affiliated persons include employees and/or independent contractors) of VIP have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of VIP affiliated persons and addresses conflicts that may arise. The Code defines acceptable behavior for affiliated persons of VIP. The Code reflects VIP and its supervised persons' responsibility to act in the best interest of their client.

One area which the Code addresses is when affiliated persons buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. We do not allow any affiliated persons to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

VIP's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other affiliated person, officer or director of VIP may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

VIP's Code is based on the guiding principle that the interests of the client are our top priority. VIP's officers, directors, advisors, and other affiliated persons have a fiduciary duty to our clients and must diligently perform that duty to maintain the complete trust and confidence of our clients. When a conflict arises, it is our obligation to put the client's interests over the interests of either affiliated persons or the company.

The Code applies to “access” persons. “Access” persons are affiliated persons who have access to non-public information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

VIP will provide a copy of the Code of Ethics to any client or prospective client upon request.

B. Recommendations Involving Material Financial Interests

VIP does not recommend that clients buy or sell any security in which a related person to VIP or VIP has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of VIP may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of VIP to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. VIP will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

The Chief Compliance Officer of VIP is Andrew Hodges. He reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not front run or disadvantage trading for clients.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of VIP may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of VIP to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. VIP will always transact client's transactions before its own when similar securities are being bought or sold.

The Chief Compliance Officer of VIP is Andrew Hodges. He reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not front run or disadvantage trading for clients.

ITEM 12: BROKERAGE PRACTICES

A. Factors Used to Select Custodians and/or Broker/Dealers

VIP will recommend the use of a particular broker-dealer based on their duty to seek best execution for the client, meaning they have an obligation to obtain the most favorable terms for a client under the circumstances. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is affected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. VIP will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. VIP relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by VIP. VIP does not receive any portion of the trading fees.

VIP will recommend the use of Charles Schwab & Co., Inc.

1. *Research and Other Soft-Dollar Benefits*

The Securities and Exchange Commission defines soft dollar practices as arrangement under which products or services other than execution services are obtained by VIP from or through a broker-dealer in exchange for directing client transactions to the broker-dealer. Although VIP has no formal soft dollar arrangements, VIP may receive products, research and/or other services from custodians or broker-dealers connected to client transactions or “soft dollar benefits”. As permitted by Section 28(e) of the Securities Exchange Act of 1934, VIP receives economic benefits as a result of commissions generated from securities transactions by the custodian or broker-dealer from the accounts of VIP. VIP cannot ensure that a particular client will benefit from soft dollars or

the client's transactions paid for the soft dollar benefits. VIP does not seek to proportionately allocate benefits to client accounts to any soft dollar benefits generated by the accounts. Please see Item 14 for more information.

A conflict of interest exists when VIP receives soft dollars which could result in higher commissions charged to clients. This conflict is mitigated by the fact that VIP has a fiduciary responsibility to act in the best interest of its clients and the services received are beneficial to all clients.

2. *Brokerage for Client Referrals*

VIP receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. *Clients Directing Which Broker/Dealer/Custodian to Use*

VIP allows clients to direct brokerage; however, VIP frequently recommends particular custodians. VIP may be unable to achieve the most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients' money because without the ability to direct brokerage, VIP may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices. Not all investment advisers allow their clients to direct brokerage.

B. Aggregating (Block) Trading for Multiple Client Accounts

VIP is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other clients of VIP. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis. If aggregation is not allowed or infeasible and individual transactions occur (e.g., withdrawal or liquidation requests, odd-lot trades, etc.) an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

ITEM 13: REVIEWS OF ACCOUNTS

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Account reviews are performed quarterly by the Chief Compliance Officer of VIP, Andrew Hodges. Account reviews are performed more frequently when market conditions dictate. Reviews of client accounts include, but are not limited to, a review of client documented risk tolerance, adherence to account objectives, investment time horizon, and suitability criteria, reviewing target allocations of each asset class to identify if there is an opportunity for rebalancing, and reviewing accounts for tax loss harvesting opportunities.

Financial consulting information and recommendations are updated as requested by the client and pursuant to a new or amended agreement.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value. VIP itself does not provide clients with reports.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

VIP receives additional economic benefits from external sources as described above in Item 12.

B. Compensation to Non - Advisory Personnel for Client Referrals

VIP does not compensate for client referrals.

ITEM 15: CUSTODY

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Clients are urged to carefully compare the account statements received directly from their custodians to any documentation or reports prepared by VIP.

VIP is deemed to have limited custody solely because advisory fees are directly deducted from client's accounts, with client written authority, by the custodian on behalf of VIP.

ITEM 16: INVESTMENT DISCRETION

For those client accounts where VIP provides ongoing supervision, the client has given VIP written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides VIP discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian. The limited power of attorney must be executed by the client.

VIP allows clients to place certain restrictions, as outlined in the client's Investment Policy Statement or similar document. These restrictions must be provided to VIP in writing.

ITEM 17: VOTING CLIENT SECURITIES (PROXY VOTING)

VIP does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, VIP will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

ITEM 18: FINANCIAL INFORMATION

A. Balance Sheet

VIP does not require nor solicit prepayment of more than \$1200 in fees per client six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither VIP nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

VIP has not been the subject of a bankruptcy petition in the last ten years.