

## **Part 2A of Form ADV: *Firm Brochure***

### **Voya Financial Advisors, Inc.**

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This brochure provides information about the qualifications and business practices of Voya Financial Advisors, Inc. ("VFA" or "Firm"). If you have any questions about the contents of this brochure, please contact us at 800-356-2906 or email at [voyafacompliance@voya.com](mailto:voyafacompliance@voya.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 body or regulatory authority.

Additional information about VFA is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. VFA's CRD number is 2882.

## **Item 2     Material Changes**

The following summarizes the material changes made to VFA's Brochure since March 31, 2023:

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

Item 5 has been updated to remove a distinction between the Investor Channel Financial Planning Consulting team and Retirement Consultants regarding which prospective clients Financial Planning Consultants may engage.

### **2) Item 9 – Disciplinary Information**

Item 9 has been updated to include an Acceptance, Waiver, and Consent VFA entered into with FINRA dated January 25, 2024.

### **3) Item 14 – Client Referral and Other Compensation**

Item 14 has been updated to remove a distinction between the Investor Channel Financial Planning Consulting team and Retirement Consultants regarding which prospective clients Financial Planning Consultants may engage.

Item 14 has been updated to state that client assets allocated to a money market sleeve as part of the UMA Programs are included in the calculation of VFA's Advisory Fees.

### **Additional Non-Material Changes**

Further non-material changes to VFA's Brochure include clarifications regarding VFA's business practices, grammatical changes, additional edits to improve clarity, and to remove descriptions of services and programs that VFA no longer offers and/or for which there are no active clients.

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## **Item 4                      Advisory Business**

VFA is dually registered as an SEC-registered investment adviser and broker dealer with its principal place of business located in Windsor, Connecticut. VFA began conducting business as an investment adviser in 1994. VFA, through predecessor firms, began conducting business as a broker-dealer in 1968. Please note that being registered with the SEC does not imply a certain level of skill or training. Listed below is the Firm's principal shareholder (i.e., those individuals and/or entities that control 25% or more of VFA). Throughout this Brochure, clients of the firm that utilize investment advisory services may be referred to as either "you" or "Client."

- Voya Holdings, Inc., 100% Shareholder

In addition, the following affiliates indirectly own 25% or more of VFA:

- Voya Financial, Inc., a publicly traded company and the sole shareholder of Voya Holdings, Inc.

VFA offers the following investment advisory services through its associated or access persons, who are also known as Investment Adviser Representatives ("IARs").

Your IAR does not have the ability to withdraw cash from your account without your express authorization.

Unless specifically stated, you may make additions and withdrawals from your account at any time. If your account falls below the minimum required account value, VFA may terminate your account. You may add securities to your account. However, VFA reserves the right to not accept particular securities into your account.

The value of financial investments rises and falls, and no financial plan can guarantee results. Accordingly, VFA cannot guarantee future financial results or the achievement of your financial goals through implementation of a financial plan or any advice or recommendations provided to you. VFA does not monitor the day-to-day performance of your specific investments. As with any investment program, you can lose some or all of your money by investing through VFA's investment advisory programs.

If your financial situation changes, including your goals and objectives, it is important that you let your IAR know as soon as possible.

Client's understanding of the ability to tolerate market fluctuations is important in designing any investment portfolio. Accordingly, it is important for the Client to identify to Client's IAR the Client's ability to tolerate the uncertainties, complexities and volatility inherent in the investment market.

A risk profile is developed under each program based, in part, on data the Client furnished to the IAR, including information about his or her time horizon, investment goals, and other factors. Some of the factors that influence the Client's risk tolerance assessment include but are not limited to present financial condition, financial ability to accept risk, future financial goals, discretionary income and its variability, and willingness to accept volatility. These factors, combined with the Client's personal risk profile, indicate the Client's ability to accept investment risk to meet long-term financial goals. The Client understands that higher returns often involve more volatility and a willingness to tolerate declines in the value of the portfolio to achieve those returns. The Client risk profile is reflected on the Client's Agreement with VFA, the Investment Policy Statement, and Risk Tolerance Questionnaire. A Client's IAR will review the Client's personal risk profile and investment goals and strategies annually.

VFA makes a variety of financial products from a number of product sponsors available on its product shelf and through its investment advisory programs. For a financial product to be included on VFA's product shelf, the product sponsor is, subject to certain exceptions, generally required to participate in VFA's Product Partners Program, as described in Item 14. VFA reserves the right to not include product

sponsors on its product shelf, therefore not permitting you to purchase the products of certain product sponsors through VFA, if the product sponsor does not participate in the Product Partners Program. This creates a conflict of interest, as VFA chooses which products to make available to you based on the compensation paid to VFA by the sponsors of those products. This conflict results in VFA recommending financial products and services to you that are more expensive than similar products and services you could obtain elsewhere.

Additionally, VFA will consider the entirety of the product sponsor's relationship with VFA and VFA's affiliates in determining whether to place, or to continue to offer, a product sponsor's products on VFA's product shelf. This creates a conflict of interest, as part of VFA's determination as to whether to offer a product to you for sale depends, in part, upon the business and monetary considerations of the product sponsor's relationship with VFA and its affiliates. This conflict results in VFA recommending financial products and services to you that are more expensive than similar products and services you could obtain elsewhere.

VFA policy makes certain share classes of mutual fund products available on its investment advisory platform, as opposed to other share classes of the same product. The share classes VFA makes available on its investment advisory platform are selected because such share classes provide compensation to the Firm. Other share classes, such as certain R Share classes generally (defined below), do not provide additional compensation to the Firm. You are able to purchase the same or other similar products that the Firm offers at other investment advisers, and such investment advisers will make available lower cost share classes of those products to you. For example, in certain circumstances, VFA offers retirement share, or "R Share" classes to retirement plan customers, where available, and if the requirements for use of such class in the product's prospectus or statement of additional information are met, but does not offer R Share classes to non-retirement plan customers, despite R Shares being available, in certain circumstances, to non-retirement plan customers and generally being less costly than the share classes VFA offers to investment advisory customers. Other mutual fund share classes, such as "clean shares" are also available but not used by VFA because such mutual fund share classes do not pay additional revenue to VFA. Such other share classes are available to you through other investment firms, which would result in lower cost to you. Similarly, investment advisory services fees charged by other investment advisers may be similar to or lower than the fees that VFA charges.

Different share classes of the same mutual fund represent the same underlying investments. However, since different share classes have different costs, the overall costs of owning each share class differ. This means that one share class of a particular mutual fund will be more costly than other share classes of the same fund over time. This increased cost negatively affects the investment return for that particular share class over time.

VFA's ability to offer you mutual funds and other products is limited by the availability of those products, including different share classes of the same mutual fund, through Pershing, LLC ("Pershing"), the Firm's clearing broker-dealer. Other investment advisers, including but not limited to investment advisers available through VFA's third party money manager programs discussed in this Item 4, through their clearing broker-dealer, offer different share classes of the same mutual funds, as well as other investment products, for a lower cost.

VFA policies make certain financial products and account types available to clients only in the Firm's role as a broker-dealer, for which it receives commissions. Other registered investment advisers may offer such financial products in an investment advisory account, shares of which may be purchased net of commission, resulting in more shares to the customer than if the same product is purchased through the Firm on a commission basis. Purchasing such products through the Firm in its role as broker-dealer will result in the client receiving fewer shares for the same purchase price than the customer would receive if purchased in an investment advisory account. Clients will receive lower investment returns over the short term, and incur higher execution costs due to the Firm's policy, as compared to the same financial product held in an investment advisory account. In certain scenarios, a client will pay more fees and expenses over the course of holding the product by purchasing it from VFA in its capacity as a broker-dealer than the client would pay if the product had been purchased in an investment advisory account.

Since offering such financial products only in the Firm's capacity as a broker-dealer creates a conflict of interest, the Firm has an obligation to notify clients of, and to obtain informed consent for, these types of recommendations at the time of sale. VFA does not owe clients a fiduciary duty in circumstances when it offers clients products in its role as a broker-dealer.

## **SELECT ADVANTAGE ADVISORY IRA**

The Voya Select Advantage Advisory IRA Program is an individual retirement account program offered through VFA in which trading and custodial services are provided by Voya Institutional Trust Company (VITC) and administrative and recordkeeping services are provided by Voya Retirement Insurance and Annuity Company (VRIAC). VFA and the IAR assigned to the account provide non-discretionary investment advice regarding investments in the Client's account. Both VRIAC and VITC are affiliated companies of VFA.

The Voya Select Advantage Advisory IRA Program offers the Client a range of mutual funds in which to invest. The mutual funds are contained in a mutual fund custodial account custodied by VITC. VRIAC performs all administrative and recordkeeping services in the mutual fund custodial account, including effecting transactions in the mutual fund custodial account, and performing accounting services, fee calculations and fee deductions.

VFA and the IAR assigned to the account will provide account services for the Voya Select Advantage Advisory IRA Program, including an initial consultation to determine the Client's financial situation and investment objectives. Based on the Client's financial situation, goals, objectives, and other information provided by the Client, the Client will be provided with investment recommendations and periodic investment related services in connection with assets in the account. Client understands and agrees that Client is not obligated to follow any investment recommendations made by VFA or IAR.

Transactions (mutual fund rebalancing, purchases, sales exchanges and liquidations) in the account initiated upon advice by the IAR will be executed on a non-discretionary basis, meaning that the IAR must obtain the Client's prior authorization before entering any such transaction. The prior sentence does not, however, apply to automatic rebalancing transactions effected in accordance with Client's elections in the Voya Select Advantage Advisory IRA Application.

## **INVESTMENT SUPERVISORY SERVICES MODEL PORTFOLIO MANAGEMENT**

**Morningstar Wealth Management and Morningstar Wealth Management Tax Sensitive Model Portfolio Program and Voya Global Perspectives Market Models Series, and Unified Managed Account Program**

**Morningstar Wealth Management and Morningstar Wealth Management Tax Sensitive Model Portfolio Program**

VFA has an agreement with an unaffiliated, independent investment adviser, Morningstar Investment Management, LLC. ("Morningstar"), to provide model portfolio allocations to VFA in two programs: (1) the Morningstar Wealth Management Program and (2) a tax-sensitive version known as the Morningstar Wealth Management Tax Sensitive (collectively, "Morningstar Wealth Management Program"). Morningstar also provides capital market assumptions to VFA at no additional cost as part of the suite of services provided.

Morningstar selects the investment options included in the Morningstar Wealth Management Program from a universe of investment options that VFA makes available for the Program. Morningstar constructs

and manages the Tax Sensitive Program with the objective to seek to maximize portfolio return while managing risk and attempting to minimize the effect of taxation.

Each model portfolio is designed to meet a particular investment goal (i.e. income, growth and income, growth or aggressive growth), as well as tax considerations. The IAR and the client discuss a client's particular circumstance and establish goals and objectives. The IAR helps determine the client's individual objectives, time horizon, risk tolerance and liquidity needs. The IAR then helps the client to develop an IPS that results in the recommendation of a model portfolio that is suitable for the client.

Once the model portfolio is recommended to the client, the client's account is managed based on the overall model, rather than specifically to each client's individual needs. Clients give VFA limited trading discretionary authority to execute trades, without the client's prior approval for each trade, in accordance with Morningstar's model portfolio allocations. Clients will have the opportunity, subject to a non-negotiable \$5,000 administrative fee as described in Item 5, to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities.

### **Voya Global Perspectives Market Models ("GPMM")**

GPMM is a portfolio management service that offers model asset allocation portfolios ("GPMM Models") for clients to choose from (i.e., income, growth and income, growth or aggressive growth). The GPMM strategy is available through either open-end mutual funds or Exchange Traded Funds ("ETFs").

#### **Mutual Fund Series**

In the GPMM – Mutual Fund Series, clients invest exclusively in mutual funds. The vast majority of mutual funds included in the GPMM – Mutual Fund Series are selected from the Voya family of mutual funds ("Voya funds"). In certain situation, a non-Voya fund may be used in the program. Voya Investment Management ("Voya IM"), an affiliate of Voya, is the strategist for each of these GPMM Models (the "Voya IM Strategist"). In making its fund selections, the Voya IM Strategist generally chooses from the Voya funds. However, it is possible that non-Voya funds will be selected if the Voya funds fail to meet a particular investment need of the GPMM – Mutual Fund Series. The Program relies on a set of predetermined rules to make any changes or modifications to or to rebalance the GPMM – Mutual Fund Series Models.

Voya IM serves as the adviser to Voya funds and receives a management fee from each fund; these management fees are in addition to any fee paid by the client. Additionally, in some cases Voya IM acts as sub-adviser for certain of the non-Voya funds selected for the GPMM – Mutual Fund Series, and will receive sub-management fees from those funds as to which it acts as a sub-adviser. This creates a conflict of interest, as it incentivizes Voya IM to select Voya funds, and non-Voya funds that pay Voya IM sub-management fees, for inclusion in the GPMM Mutual Fund Series. Fund company sponsors whose mutual funds are included in the GPMM – Mutual Fund Series are required to participate in VFA's Product Partner Program as a prerequisite to inclusion in the GPMM – Mutual Fund Series. This creates a conflict of interest, as the array of mutual funds available to you in the GPMM – Mutual Fund Series are limited to those that pay fees to VFA under the Product Partners Program, as discussed in Item 14.

Participation in the GPMM – Mutual Fund Series is not necessary to purchase Voya funds, which can be purchased separately. Additional information about each fund in the GPMM – Mutual Fund Series is available in the fund prospectus, and additional information about the GPMM – Mutual Fund Series is available in the GPMM – Mutual Fund Series Schedule 1.

#### **ETF Series**

In the GPMM – ETF Series, clients invest exclusively in ETFs. Voya IM, an affiliate of Voya, is the strategist for each of these GPMM – ETF Series models (the "Voya IM Strategist"). In making its selections, the Voya IM Strategist chooses from a list of approved ETFs. The Program relies

on a set of predetermined rules to make any changes or modifications to or to rebalance the GPMM – ETF Series models.

The IAR and the client discuss a client's particular circumstances. The IAR helps the client determine his or her goals and objectives, time horizon, risk tolerance and liquidity needs. The IAR then helps the client to develop an IPS that results in the recommendation of an investment portfolio that includes GPMM – Mutual Fund Series Models or ETF Series Models. Generally, GPMM Accounts are managed by Voya IM based on the overall model, rather than on each client's individual needs. Clients, nevertheless, may impose reasonable restrictions on the assets in the Program, provided however, that VFA may refuse to accept or to continue to provide investment advisory services with respect to such program assets, as the case may be, if it determines such restrictions are unreasonable. Clients retain individual ownership of all securities.

With respect to GPMM, the portfolio is automatically rebalanced on a quarterly basis so that the percentages invested in each fund are adjusted to approximate the percentages invested in each fund initially; this may entail reducing the investment in certain funds and increasing the investment in others. With respect to the GPMM ETF Series, rebalancing occurs quarterly when a position increases or decreases by 5% or more, subject to a \$250 trade minimum. With respect to the GPMM Mutual Fund Series, rebalancing occurs quarterly when a position increases or decreases by 5% or more and is not subject to a minimum trade restriction.

Effective February 24, 2024, asset allocations for GPMM portfolios are determined each quarter by the year-over-year earnings growth of the Standard & Poor's 500 Index. When earnings growth is positive, portfolios hold "base" allocations. When earnings growth turns negative, portfolios shift to "defensive" allocations, reducing equities by half and reallocating pro-rata to fixed income asset classes. Client acknowledges that these transactions are part of the GPMM Series and provides authorization to implement these rules-based transactions on Client's behalf on a quarterly basis.

In certain situations, such as when a mutual fund or ETF closes or when a portfolio manager departs, Voya IM may replace the fund or ETF with another appropriate investment provided the management fee and other compensation paid to Voya IM and its affiliates from the new investment is no greater than that paid from the investment being replaced.

Under GPMM, neither VFA nor its affiliates have discretion over client's decision to invest a particular model. The final decision to select and invest in a portfolio managed by Voya IM is made by the client. Furthermore, with respect to the portfolio managed by Voya IM, neither VFA nor its affiliates is acting as a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA") or the Internal Revenue Code of 1986.

#### **Voya Choice Advisory\***

*\*Please note that the Voya Choice Advisory programs are closed to new investors.*

Voya Choice Advisory, which includes Voya Opportunity Choice Advisory, is referred to as "Voya Choice." Voya Choice is an asset allocation program managed by the Investment Selection Committee ("ISC"). The ISC uses model asset allocations provided by Morningstar as the basis for developing model portfolios. The model asset allocations are defined in terms of risk from conservative to aggressive. Morningstar also provides capital market assumptions to VFA at no additional cost as part of the suite of services provided.

The ISC periodically reviews the investment options available in the model portfolios. Investment selections in each model portfolio are reviewed using information such as performance, risk, risk-adjusted performance, style, consistency and expenses. Upon review, the ISC makes specific recommendations of investment options for the model portfolios. The investments in the model portfolios for Voya Choice are selected by the ISC from a menu of approximately 225 mutual fund families, as well as other possible investments.



The IAR and the client discuss a client's particular circumstance and establish goals and objectives. The IAR helps determine the client's individual objectives, time horizon, risk tolerance and liquidity needs. The IAR then helps the client to develop an IPS that results in the recommendation of a model portfolio that is suitable for the client. Once the model portfolio is recommended to the client, the portfolio is managed based on the overall model, rather than specifically to each client's individual needs. The IAR must have verbal authorization from the client to execute each recommendation made.

Clients will have the opportunity, subject to a non-negotiable \$5,000 administrative fee as described in Item 5, to place reasonable restrictions on the types of investments to be held in their account.

### **The Fidelity Program**

*Please note that the Fidelity Program is closed to new investors.*

The Voya Asset Management Program through Fidelity Investments is referred to as the "Fidelity Program." The Fidelity Program is a non-discretionary managed account program offered only to participants in certain retirement plans where a Voya company does not have a product offering available to the plan. As a general matter, the Fidelity Program is not open to new plans.

The IAR and the client discuss a client's particular circumstance and establish goals and objectives. The IAR helps determine the client's individual objectives, time horizon, risk tolerance and liquidity needs. The IAR then helps the client to develop an IPS that results in the recommendation of an asset allocation that is suitable for the client. Once the asset allocation is recommended to the client, the portfolio is managed based on the overall model, rather than specifically to each client's individual needs. Mutual funds available through Fidelity Investments are used to fulfill the recommended asset allocation. Client transactions may be executed through the retirement plan and/or through a brokerage account established with Fidelity Investments. Clients sign a limited written trading authorization allowing the IAR to execute Fidelity mutual fund transactions in the client's account. Transactions are executed through Fidelity Investments using its Wealthscape system. Fidelity Management Trust Company, 82 Devonshire Street, Boston, MA 02109 is the custodian for these accounts.

### **Unified Managed Account Program and Investor Channel Unified Managed Account Program**

VFA sponsors the Unified Managed Account Program and the Investor Channel Unified Managed Account Program (together, the "UMA Programs"), which are wrap fee programs. A wrap fee program is an advisory program under which a specified fee or fees, not based directly on transactions in the client's account, is charged for advisory services. Services may include portfolio management or advice concerning the selection of other investment advisers, and the execution of client transactions and custody of program assets.

Through the UMA Programs, clients are provided with investment services from the IAR and/or Independent Investment Strategists ("IIS"). Through the use of IISs, the UMA Programs offer the ability to combine multiple investment disciplines and investment options in a single account. Each account may contain multiple sleeves, including sleeves managed by affiliated or unaffiliated IISs ("IIS Sleeves"). VFA has limited discretionary trading authority as it relates to adhering to changes in the IIS Sleeves, if authorized by the Client. Investment options include, but are not limited to, mutual funds, fixed income securities, exchange-traded funds ("ETFs"), separately managed accounts, model portfolios, stocks and bonds. VFA provides clients with advice, custodial, trade execution and related services for a single asset-based fee. Trades will be executed by VFA and cleared through Pershing LLC.

Your IAR will assist you in determining an appropriate investment strategy to follow. VFA will generally rebalance your account quarterly, whenever the portfolio and/or investments within a sleeve fall outside of certain allocation parameters.

IIS Sleeves are managed by the IIS(s) based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, may impose reasonable restrictions on investing in certain securities, types

of securities, or industry sectors, provided, however, that VFA may refuse to accept or to continue to provide investment advisory services with respect to such program assets, as the case may be, if it determines such restrictions are unreasonable or impracticable.

The Unified Managed Account Program offers the option to permit VFA, through its IAR to exercise discretion in moving client balances in the Unified Managed Account Program among unaffiliated IIS Sleeves without client's prior consent. This discretionary authority is in addition to the limited discretionary trading authority to adhere to changes in the IIS Sleeves described in this section. The complete terms of VFA and its IAR's discretionary authority with respect to client's Unified Managed Account Program account is contained in the Unified Managed Account Program agreement.

The Investor Channel Unified Managed Account Program is available through VFA's phone-based IARs. It offers fewer IIS Sleeves than the Unified Managed Account Program. Unlike in the Unified Managed Account Program, where IARs are paid a portion of the investment advisory fees charged to the client, phone-based IARs are employees of Voya Financial, Inc., and earn a salary and incentive payouts, as described in Items 5 and 14, rather than an advisory fee. This creates a conflict of interest, as it incentivizes VFA to offer the Investor Channel Unified Managed Account Program to clients, which limits investor choice in IISs and permits VFA to retain a higher amount of investment advisory fees than in the Unified Managed Account Program.

VFA has selected certain affiliated and unaffiliated asset managers to participate in the UMA Programs (the "Strategists"). Products and portfolios, including mutual funds and money market funds, offered VFA's affiliate Voya Investment Management ("Voya IM") may be offered as part of the UMA Programs. As an Affiliated Strategist, Voya IM will receive management fees from the Voya funds. No portion of any affiliated product's advisory, administrative, service, or other fees will be offset against the Management Fee or Custody Fee. We recognize the inherent conflicts of interest when assessing Affiliated Strategists and assisting clients in selecting investment managers, because VFA and/or our affiliates receive more aggregate fees if clients select an investment manager that is affiliated with our firm. To mitigate this conflict, VFA applies the same methodology described in the section entitled "Strategist Selection," of the VFA Wrap Fee Program Brochure, to our review of affiliated and unaffiliated Strategists.

For additional details on the UMA Programs please review VFA's Form ADV Part 2A, Appendix 1 Unified Managed Account Wrap Program Brochure, and VFA's Form ADV Part 2A, Appendix 1 Investor Channel Unified Managed Account Wrap Program Brochure, both of which are available upon request from your IAR or from VFA.

### **Voya Digital Adviser™**

VFA sponsors Voya Digital Adviser™, an online digital advice wrap fee program (the "VDA Program"). The VDA Program is a limited digital advice tool that provides clients with the recommendation of a model portfolio managed by an Independent Investment Strategist ("IIS"). Each account is assigned an IAR. While the IAR will not participate in the recommendation of the model portfolio, he or she is available to answer questions related to opening a VDA Program account and client's investment through VDA. IAR will offer to, and if accepted, meet at least once annually with the client to discuss client's investment objectives, risk tolerance, goals, and other factors to help ensure that investment through VDA continues to meet the client's needs.

In recommending a model portfolio to you, VDA obtains your responses to questions that gauge your risk tolerance (the "risk tolerance questionnaire"). Each response option to the risk tolerance questionnaire is assigned a predetermined score based on the level of risk tolerance that VFA has associated with each response option. The VDA Program assigns a score to each client based on their responses (the "Risk Score"). If the client has at least \$15,000 to invest, the VDA Program will ask whether the client desires a "strategic" or "tactical" model portfolio. The VDA Program will recommend a model portfolio to the client based on his or her Risk Score and desire for a "strategic" or "tactical" portfolio.

The model portfolios are managed by the IIS(s) based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, may impose reasonable restrictions on the management of assets through the VDA Program; provided, however, that VFA may refuse to accept or to continue to provide investment advisory services with respect to such program assets, as the case may be, if it determines such restrictions are unreasonable.

For additional details on the VDA Program, please review VFA's Form ADV Part 2A, Appendix 1 Voya Digital Adviser™ Wrap Program Brochure, which is available upon request from your IAR or from VFA. This brochure contains important information about the VDA Program, including but not limited to further information about the model portfolios available through the VDA Program, the digital nature of the VDA Program, and the conflicts of interest and risks associated therewith.

As wrap fee programs, the UMA Programs, and the VDA Program offer you the ability to invest in multiple investment strategies managed by a number of investment strategists. This means that your IAR is responsible for recommending the strategist(s) to provide the model asset allocation, rather than recommending the individual investments in your portfolio. This differs from non-wrap fee programs, where the IAR is responsible for recommending investments to you. VFA and its IARs receive a portion of the total fee paid by you to invest through a wrap fee program.

### **THIRD PARTY MONEY MANAGER PROGRAMS**

VFA also offers investment advisory management programs to clients through third party money manager programs.

The IAR and the client discuss a client's particular circumstances and establish goals and objectives. The IAR helps determine the client's individual objectives, time horizon, risk tolerance and liquidity needs. The IAR then helps the client to develop an IPS that results in the recommendation of a model portfolio that is suitable for the client.

The IAR then recommends an unaffiliated third party money manager on VFA's approved list of providers which has a portfolio management style that is suitable for that client. Factors considered in recommending a third party money manager include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected registered investment adviser. Depending on the third party money manager program, the client's portfolio will either be managed based on the client's specific investment objectives or according to a specific model portfolio. Clients should refer to the recommended registered investment adviser's firm brochure - or other disclosure document for a full description of the services offered by the third party money manager. IARs are available to meet with clients as needed to discuss any changes and review the performance of their account.

VFA periodically reassess, but does not continuously monitor, the performance of the selected third-party money managers. If VFA or the IAR determines that a particular selected third-party money manager is not managing the client's portfolio in a manner consistent with the client's IPS, or the client's investment objectives and situation changes, the IAR may recommend a different third party money manager, another advisory product, or a non-advisory product. Under this scenario, the IAR assists the client in selecting a new registered investment adviser and/or program. However, the decision to move to a new registered investment adviser and/or program is solely at the discretion of the client.

### **FINANCIAL PLANNING AND CONSULTING SERVICES**

VFA and its IARs provide individual and specialty financial planning services to clients on either a one-time or an annual basis. Financial planning is a comprehensive evaluation and analysis of a client's current and future financial situation and needs using variables that may include current and future income, expenses, investment growth, cash flows, asset values and withdrawal plans. Based on the client's financial situation, goals, investment objectives, needs and risk tolerance, IARs may make asset class or asset allocation recommendations. Through the financial planning process, all questions, information and analysis are considered as to how they may impact the financial situation of the client.

Clients receive either a written plan or summary report of the services provided, which provides the client with detailed evaluation or advice designed to help them achieve their financial goals and objectives.

VFA cannot guarantee future financial results or the achievement of the client's financial goals through implementation of a financial plan or any advice or recommendations provided. VFA does not monitor the day-to-day performance of the client's specific investments.

In general, the financial planning may address the following services in either the one-time or the annual/ongoing plan. Not all services listed are available in an annual/ongoing financial plan. Detailed descriptions of each service are contained in the Financial Planning and Consulting Services Agreement. Please read that agreement carefully before engaging in any of the services below:

<b>Financial Planning Services</b>	<b>Consulting Services</b>	<b>Specialty Services (Financial Planning or Consulting)</b>
Cash flow, budgeting, and major purchase buy/sell planning	General financial information/education	Business Planning Services
Individual savings goals, asset allocation, and insurance planning	Cash flow, budgeting, and major purchase buy/sell decisions	Estate distribution services (one time service only)
Retirement planning	Insurance review	Special Needs Planning
Education Planning	Estate/Legacy review	Divorce Planning (one time service only)
Estate Planning	Retirement planning/Social Security review	Investment Planning
Qualified Plan and IRA distribution analysis	Education Funding	Executive Planning with stock option and deferred compensation evaluations
Retirement Social Security benefit analysis		
Plan Reviews (one-time service only; Plan reviews are included in annual/ongoing service)		

The client is under no obligation to act on the advice of VFA, IARs or any other affiliated persons. The client must decide whether to implement any advice or recommendations made by VFA, IARs or any other affiliated person. If the client does follow such recommendation, the client acknowledges that he/she is under no obligation to effect the transactions through VFA or its affiliates. Clients should carefully review all sales charges, front-end or deferred, ongoing fees and loads, and liquidation, termination and asset fees charged in all products or service programs before investing.

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

One-time services do not require VFA or IARs to monitor client's assets or monitor financial markets on an ongoing basis for such client, and do not include periodic plan reviews or updates. Delivery of the written plan or summary report constitutes completion of the one-time service and shall occur within ninety (90) days of the signing of the agreement for most one-time planning services. Certain specialty planning services may take longer to complete.

Annual/ongoing services begin on the date of the signing of the agreement and continue until the renewal date, as defined in the agreement. The annual service will automatically renew on the first day of the month following the annual anniversary date for a period of one (1) year unless terminated by either party pursuant to the terms described below. Delivery of the written plan or summary report does not constitute completion of the agreement and shall occur within ninety (90) days of the initial planning year and within ninety (90) days of the renewal date for each subsequent renewal year.

To provide services under agreement the IAR gathers information through personal interviews. Information gathered may include the client's current financial status, tax status, future goals, return objectives and attitudes towards risk. The IAR carefully reviews documents supplied by the client, which may include a questionnaire completed by the Client, and prepares a written report. Should the client choose to implement the recommendations contained in the plan, the Client should work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of recommendations is entirely at the client's discretion.

IARs do not make recommendations concerning the purchase or sale of specific securities when preparing financial plans. However, in response to requests by clients for advice or recommendations to implement a financial plan, the IAR's recommendations are limited to only those products offered through VFA, where the IAR is registered as an investment adviser representative and as a registered representative of the broker dealer. Similarly, any insurance recommendations will be limited to the insurance companies the IAR is appointed with as an insurance agent or broker. This creates a conflict of interest as the Firm may recommend the use of proprietary insurance or investment products, and will recommend a product for which VFA or its IAR will earn compensation. You are able to purchase the same or other similar products and services at another broker-dealer or investment adviser, but for a lower cost.

Voya Financial, Inc., and VFA may make available direct Financial Planning or Consulting Services at no additional cost to clients, including via a web-based platform.

### **Termination of the Financial Planning or Consulting Services Agreement**

Clients may terminate the agreement without penalty within five business days of entering into the agreement. Any party may terminate the agreement at any time after the five business day period without penalty upon written notice to the other party. Clients agree that such termination will not affect the liabilities or obligations which arise from transactions initiated prior to termination. Upon termination of the agreement, any fees collected by VFA for one-time planning services will be reimbursed in full if a plan has not been delivered. Any annual planning fees collected but not earned will be reimbursed to Clients at a pro-rata share based on the amount of days remaining in the payment installment period. The agreement will not terminate in the event that the IAR establishing the agreement is no longer associated with VFA or is otherwise removed from the agreement. VFA reserves the right to replace the IAR providing services under the agreement, with or without cause.

**The VFA Financial Planning or Consulting Services Agreement that the client is required to review and execute prior to the preparation and delivery of any type of services contains additional disclosures. Please review that agreement carefully prior to signing the agreement.**

### **BE READY PROGRAM**

Be Ready is a program for employees of selected worksite plan sponsors who are clients of a VFA affiliate. Be Ready gives employees access to VFA financial professionals who can help them with a wide range of investment strategies and prepare for retirement. Through Be Ready, VFA may make available financial planning services to employees of selected worksite plan sponsors. The costs for products are pre-negotiated for all employees participating in the Be Ready program. Additionally, VFA may make available services on a one-time, non-discretionary basis at a client's request at no additional cost to the client.

**Financial Planning/Analysis Services:** Consists of consultation with the client to collect information about client's goals, risk tolerance and current financial situation, and financial analysis that results in a written evaluation addressing client's retirement income goals and other financial goals as well as risk analysis. The consultation sessions typically will not exceed three sessions of one hour each. The written evaluation will address the financial plan and any of the following goals, as described above: Asset Allocation; Business Retirement Planning; Education Funding; Estate Planning; Financial Analysis and

Statements; General Analysis and Planning; and Insurance Profile/Analysis. If additional time is required to develop the plan, additional consultations are available at an hourly rate.

The financial planning services offered through Be Ready follow the guidelines found in this Brochure. For additional information about financial planning services offered by VFA, please see the section titled "Financial Planning" in this Item 4.

**Be Ready Services:** VFA may also offer a variety of consultation services to Be Ready clients on a one-time, non-discretionary basis at no additional cost to those clients. These services provide basic asset allocation and funding guidance appropriate for clients' goals and risk tolerance, and in certain instances, provide corresponding investment recommendations, which may result in establishment of an ongoing advisory relationship as part of VFA's Advisory Programs described in this Brochure. The Be Ready Services are not a substitute for a comprehensive financial plan.

Neither the Financial Planning Services nor the Be Ready Services offered to Be Ready clients shall require VFA or IARs to monitor clients' assets on an ongoing basis, nor shall it require that VFA or IARs update recommendations to reflect changes in clients' circumstances. These services will also not require VFA or IARs to monitor financial markets and conditions for clients and will not require that VFA or IARs perform ongoing analysis of clients' assets for factors that may impact performance.

Clients may request an annual review session. Such annual review sessions shall review changes to the client's financial situation. The annual review may or may not include an accompanying written report. The annual review is not a substitute for a comprehensive financial plan. Clients are solely responsible for contacting their IAR to schedule an annual review session. VFA reserves the right to subsequently limit, modify or discontinue offering annual review sessions or to charge a fee for annual reviews in the future.

Clients are solely responsible for implementing any recommendations made as part of the Financial Planning and Be Ready services. IARs will not exercise discretion over a client's assets in connection with these services. In addition to the Financial Planning Services and Be Ready services described in this section, Be Ready clients may also be offered certain advisory products as described elsewhere in this Brochure.

### **FINANCIAL PLANNING SEMINARS**

IARs may conduct seminars which may include, among other topics, presentations on financial planning, various securities and insurance strategies, business planning, long-term care and/or retirement planning. Attendees are under no obligation to do so, but are encouraged to have individual consultations with the IAR and to have a financial plan prepared. In addition, certain IARs receive approval to charge the corporate sponsors of their seminars a fixed fee to hold seminars for the corporation's employees. This fee is not tied to a per employee attendance count.

### **ERISA PLAN INVESTMENT CONSULTING ("EPIC Services")**

VFA offers consulting and advisory services for employer-sponsored retirement plans that are designed to assist plan sponsors of employee benefit plans ("Plan Sponsor(s)"). VFA may also assist Plan Sponsors with enrollment and/or providing investment education to plan participants and beneficiaries. VFA provides these retirement plan services through certain of its IARs who have gone through specific training and received approval to offer these services, and may charge a fee for EPIC Services, as described in this Form ADV Part 2A and the ERISA Plan Investment Consulting Agreement ("Agreement").

EPIC Services are either ERISA fiduciary services or ERISA non-fiduciary services. ERISA non-fiduciary services may be performed only so that they would not be considered fiduciary services under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). When delivering ERISA fiduciary services, VFA will perform those services to the plan as a fiduciary, generally under ERISA

Section 3(21)(A)(ii). When providing any ERISA fiduciary services under ERISA Section 3(21)(A)(ii), VFA will solely be making recommendations to the Plan Sponsor and the Plan Sponsor retains full discretionary authority and control over assets of the plan.

Under limited circumstances and subject to the IAR's approval by VFA's Home Office, VFA will perform ERISA fiduciary services as an "investment manager" pursuant to ERISA Section 3(38). In such a circumstance, VFA, through its IAR, will exert discretionary authority and power to manage, acquire, or dispose of any asset of the Plan. Importantly, this means that VFA will not seek Plan Sponsor's prior consent or authority prior to executing securities transactions and taking other actions with respect to Plan assets.

Plan Sponsor may engage VFA to perform EPIC Services by completing an ERISA Plan Investment Consulting Advisory Services Agreement providing information about the plan, including but not limited to options available through the plan, plan objectives, investment objectives, investment risk tolerance, demographics about plan participants, and third-party service providers. VFA will provide Plan Sponsor a copy of this Form ADV Part 2A and the Agreement for review. The Agreement describes the terms of the arrangement between VFA and the Plan Sponsor, including a description of the retirement plan services and the fees to be charged by VFA. By signing the Agreement, the Plan Sponsor represents that Plan Sponsor has received sufficient information and determined that the retirement plan services selected are: (i) necessary for the operation of the plan and (ii) reasonable and appropriate based upon the compensation to be paid for the Services. Plan Sponsor must sign and submit the Agreement to VFA before VFA performs any EPIC Services.

### **Description of the Retirement Plan Services**

VFA offers any of the following 3(21), and in certain limited circumstances, 3(38) Fiduciary, and Non-Fiduciary Retirement Plan Services:

Plan Sponsor – ERISA 3(21) Fiduciary Services:

- 1) Recommendations to establish or revise the Plan's Investment Policy Statement ("IPS")
- 2) Recommendations to select and monitor the Designated Investment Alternatives ("DIAs")
- 3) Recommendations to allocate and rebalance model asset allocation portfolios
- 4) Recommendations to select and monitor investment managers

Plan Sponsor – ERISA Non-Fiduciary Services:

- 1) Assistance with Plan governance and committee education
  - a) Determining Plan objectives and options available through the plan
  - b) Reviewing retirement plan committee structure and requirements
  - c) Reviewing participant education and communication strategy, including ERISA 404(c) requirements
  - d) Coordinating and reconciling participant disclosures under ERISA 404(a)
  - e) Developing requirements for responding to participant requests for additional information
  - f) Developing and maintaining a fiduciary audit file
  - g) Attending periodic meetings with plan committee (upon request by plan sponsor)
- 2) Assistance with Plan fiduciaries' vendor management (service provider selection/review)
  - a) Reviewing fees and services and identifying procedures to track the receipt and evaluation of ERISA 408(b)2 disclosures
  - b) Providing periodic benchmarking of fees and services to assist review for reasonableness
  - c) Reviewing ERISA spending accounts or plan expense recapture accounts ("PERAs")

- d) Generating and evaluating service provider requests for proposals (“RFPs”) and or requests from information (“RFIs”)
- e) Support with contract negotiations
- f) Service provider transition and/or plan conversion
- g) Plan establishment and administration

### 3) Investment Education for Plan fiduciaries

- a) Investment Policy Statements
- b) Assessment of overall investment structure of Plan
- c) Review of the Plan's investment options
- d) Review of Qualified Designated Investment Alternatives (“QDIA”)
- e) Search and review of investment managers

### Plan Participant - ERISA Non-Fiduciary Services

#### 1) Employee investment education and communication

- a) Providing group enrollment and investment education meetings
- b) Providing fee specific education and communicate the Plan's requirements for requesting additional information about plan fees and expenses
- c) Supporting individual participant questions
- d) Providing periodic updates, upon request of newsletter
- e) Assisting participants with retirement preparation

### Potential Additional Retirement Services Provided Outside of the Agreement

In providing EPIC Services, VFA and its IARs may establish a client relationship with one or more plan participants or beneficiaries. Such client relationships develop in various ways, including, but not limited to:

- 1) as a result of a decision by the participant or beneficiary to purchase services from VFA not involving the use of plan assets;
- 2) as part of an individual or family financial plan for which any specific recommendations concerning the allocation of assets or investment recommendations relate exclusively to assets held outside of the plan; or
- 3) through an Individual Retirement Account rollover (“IRA Rollover”).

If VFA is providing EPIC Services to a plan, IARs may, when requested by a plan participant or beneficiary, arrange to provide services to that participant or beneficiary through a separate agreement that excludes any investment advice on plan assets (but may consider the participant's or beneficiary's interest in the plan in providing that service). If a plan participant or beneficiary desires to affect an IRA Rollover, IAR will obtain a written acknowledgement from the plan participant. Any decision to affect the rollover or about what to do with the rollover assets remains that of the participant or beneficiary alone.

### AMOUNT OF MANAGED ASSETS

As of December 31, 2023, VFA had \$2,631,093,218.92 of assets under management on a non-discretionary basis plus \$53,694,638.13 assets under management on a discretionary basis.

### BNY INVESTMENT CREDIT LINE PROGRAM

BNY Mellon, an affiliate of Pershing, offers the Investment Credit Line program to its customers. This product allows BNY Mellon customers to borrow funds utilizing assets held in the customers' account custodied with Pershing as collateral for the loan. Although this program is not offered through VFA, IARs can refer Clients to BNY Mellon if Clients desire to establish a line of credit using securities held in their investment advisory account. Clients are not allowed to use funds received through this program to



purchase securities or insurance products offered through VFA. No compensation is received by VFA or IARs for the referral or if the client establishes a line of credit. BNY Mellon offers the Investment Credit Line to its customers in its sole discretion, and VFA in no way oversees the BNY Mellon Investment Credit Line, nor determines who is eligible to participate.

BNY Mellon is a parent company of and custodian for Pershing and acts as transfer agent for Voya Investment Management, an affiliate of VFA. This creates a conflict of interest, as BNY Mellon maintains a pre-existing business relationship with VFA's clearing firm and an affiliate of VFA. As discussed in Item 4, above, VFA considers the entirety of a product sponsor's relationship with VFA and VFA's affiliates in determining whether to offer, or continue to offer a product sponsor's product(s), which includes, but is not limited to, Pershing and BNY Mellon's relationship with VFA and VFA's affiliates.

### **CASH ADVANTAGE PROGRAM**

*\*Please note that VFA no longer offers AssetMark Programs for new accounts.*

AssetMark offers the Cash Advantage program to VFA clients with certain AssetMark Trust Company custodial accounts. The Cash Advantage program is a securities-backed line of credit linked to your account held at AssetMark Trust. Unlike a margin account, these borrowed funds cannot be utilized to purchase additional securities. If you decide to open a Cash Advantage account, please carefully consider the following:

1. You are borrowing money that you will be required to pay back.
2. Cash Advantage is only available for accounts that are not retirement accounts. For purposes of this Brochure, a "Retirement Account" is an account held by an ERISA plan or an account otherwise subject to Section 4975 of the Internal Revenue Code (e.g. IRA).
3. You are using the securities that you own in the account as collateral.
4. You are charged an interest rate that is subject to change and the rate can go up or down.
5. Depending on the relation between the account value, credit limit and amount borrowed, collateral devaluations may limit the available credit or possibly require a deposit of additional assets or immediate payment.
6. Due to the fact that securities are pledged to support the outstanding loan amount, AssetMark Trust Company can limit client withdrawals from the account until loan requirements are met or the loan is paid off.
7. AssetMark Trust Company may request additional information such as, but not limited to, a credit check in order to complete their review of your account(s).

For the Cash Advantage program, there is an agreement between AssetMark Trust Company and The Bancorp, Inc ("Bancorp"). No agreements are in place between VFA and Bancorp. Bancorp does not compensate VFA for referrals or otherwise. VFA allows AssetMark to offer this service as a courtesy to our clients, and in no way oversees the program.

## **Item 5 Fees and Compensation**

In general, fees for VFA investment advisory services are based upon a percentage of assets under management and are charged monthly or quarterly in advance by debiting advisory fees from client accounts, except as otherwise specified below. VFA will prorate the monthly or quarterly fee it charges you if more than \$10,000 is deposited or withdrawn from your account during the billing period. Certain clients may have unique fee arrangements that are not specified herein.

Fees that are specific to each VFA investment advisory program are described in detail in Item 5. Account sizes specified for each program are negotiable under certain circumstances. VFA may group certain

related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Although VFA has established the fee schedules described in this Brochure, VFA's IARs, with the exception of its phone-based IARS, may negotiate alternative fees on a client-by-client basis. The fee schedules contained in this Item 5, therefore, are the maximum amount, or ceiling, that VFA can charge. Depending on the distribution channel of your IAR, you will receive higher or lower fees in any of VFA's investment advisory programs. Be Ready fees may be fixed or negotiable. Client facts, circumstances and needs are considered in determining the fee schedule. These facts include the complexity of the client's situation, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style and account composition, among other factors. The specific annual fee schedule is identified in the contract between the IAR and each client.

VFA's phone service employee IARs (commonly referred to as the "Investor Channel") may engage prospective and current customers, including those Clients with existing VFA retail accounts or Voya retirement plan participants who have separated from their employer-sponsored plan offered by our affiliates, VRIAC and Voya Institutional Plan Services, LLC, to offer the opportunity to participate in the Select Advantage Advisory Program or other affiliated programs or products. VFA does not pay the Investor Channel IARs any portion of the investment advisory fee VFA earns. Rather, Investor Channel IARs earn a salary and monthly incentive payouts based on individual performance factors, which differ depending on the IAR's role. These factors include achieving individual and department annual sales goals, client engage activity, client retention, and customer satisfaction. This compensation model creates a conflict of interest, as Investor Channel IARs are incentivized to sell products and services, and retain assets with VFA and its affiliates to increase their incentive compensation.

VFA policies make certain financial products, such as illiquid non-traded products, available to clients only in the Firm's role as a broker-dealer, for which it receives commissions. Other registered investment advisers may offer such financial products in an investment advisory account, shares of which may be purchased net of commission, resulting in more shares to the customer than if the same product is purchased through the Firm on a commission basis. Purchasing such products through the Firm in its role as broker-dealer will result in the client receiving fewer shares for the same purchase price than the customer would receive if purchased in an investment advisory account. Clients will receive lower investment returns over the short term, and incur higher execution costs due to the Firm's policy, as compared to the same financial product held in an investment advisory account. In certain scenarios, a client will pay more fees and expenses over the course of holding the product by purchasing it from VFA in its capacity as a broker-dealer than the client would pay if the product had been purchased in an investment advisory account. Since offering such financial products only in the Firm's capacity as a broker-dealer creates a conflict of interest, the Firm has an obligation to notify clients of, and to obtain informed consent for, these types of recommendations at the time of sale. VFA does not owe clients a fiduciary duty in circumstances when it offers clients products in its role as a broker-dealer.

VFA policy makes certain share classes of products available on its investment advisory platform, as opposed to other share classes of the same product. The share classes VFA makes available on its investment advisory platform are selected, in part, because such share classes provide compensation to the Firm. You are able to purchase the same or similar products that the Firm offers at other investment advisers, and such investment advisers will make available lower cost share classes of those products to you. For example, VFA does not offer retirement share, or "R Share" classes to non-retirement plan customers, despite R Shares being less costly than the share classes VFA offers to investment advisory customers. Other mutual fund share classes, such as "clean shares" are also available but not used by VFA because such mutual fund share classes do not pay additional revenue to VFA. Such other share classes are available to you through other investment firms, which would result in lower cost to you. Similarly, investment advisory services fees charged by other investment advisers may be similar to or lower than the fees that VFA charges.

## **Termination of the Advisory Relationship**

A client agreement may be terminated at any time, by either party, for any reason. Termination by the client is effective upon receipt of written notice by VFA unless a later date is requested in the client's notice and agreed to by VFA. Termination by VFA is effective 30 days from the date of written notice to the client, unless a later date is stated in the notice. Client may terminate without penalty within five business days of entering into an investment advisory agreement. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, VFA will pro rate the reimbursement according to the number of days remaining in the billing period.

## **SELECT ADVANTAGE ADVISORY IRA**

The Client will be charged, and VFA and the IAR will receive, an advisory fee for the investment advice and other services provided to the account by VFA and the IAR. The advisory fee amount and frequency are determined by an agreement between the Client and the IAR and are reflected in the Voya Select Advantage Advisory IRA Program account application. The advisory fee is calculated based on the average monthly account value over the assessment period as of the last day of the calendar quarter or month. The advisory fee is deducted by VRIAC from the Client's account in arrears and is paid to VFA either quarterly or monthly (based on the frequency chosen). Please see the Voya Select Advantage Advisory Account Agreement for more information regarding the advisory fee, including the maximum advisory fee that VFA and its IAR may charge.

In addition to the advisory fee, accounts in the Voya Select Advantage Advisory IRA Program are subject to a variety of additional fees and expenses assessed by VRIAC and VITC. Information concerning these fees are included in the Voya Select Advantage Advisory IRA Disclosure Statements and Custodial Account Agreement disclosure document under "What Fees will I Pay?" Some of these fees are received by VRIAC and VITC, and others are received by unaffiliated mutual fund companies.

The Voya Select Advantage Advisory Program is sponsored and administered by affiliates of VFA. Therefore, VFA has a conflict of interest when it recommends the Voya Select Advantage Advisory Program, as the Voya Select Advantage Advisory Program provides a financial benefit to affiliates of VFA.

In particular, Voya Financial Partners, LLC and VRIAC, affiliates of VFA, receive 12b-1 fees in connection with mutual funds contained in the Voya Select Advantage Advisory IRA product. While VFA and its IARs do not receive the 12b-1 fees, the receipt of these 12b-1 fees by Voya Financial Partners, LLC and VRIAC create a conflict of interest for VFA and its IARs, as affiliates of VFA earn more money when you invest through the Voya Select Advantage Advisory IRA Program. VFA addresses this conflict by identifying and disclosing this conflict of interest to you. Additionally, to the extent revenue of the Select Advantage Advisory Program increases the overall revenue of VFA's affiliates, VFA executives and officers will receive incremental additional compensation corresponding to the affiliates' overall revenue increase.

## **INVESTMENT SUPERVISORY SERVICES MODEL PORTFOLIO MANAGEMENT FEES**

**Morningstar Wealth Management / Morningstar Wealth Management Tax Sensitive Model Portfolio Program, Voya Global Perspectives Market Models Series, Voya Choice Advisory, The Fidelity Program, and Unified Managed Account Program.**

The annualized fee will be charged as a percentage of assets under management, according to the following schedules:

### **1. Morningstar Wealth Management / Morningstar Wealth Management Tax Sensitive Model Portfolio Program**

### Maximum Annual Total Client Fee

Portfolio Value	From	To	Annual Total Client Fee
First	\$ 0	- \$ 250,000	2.75%
Next	\$ 250,001	- \$ 500,000	2.75%
Next	\$ 500,001	- \$ 1,000,000	2.50%
Next	\$ 1,000,001	- \$ 2,000,000	2.35%
Next	\$ 2,000,001	- \$ 5,000,000	2.10%
Next	\$ 5,000,001	- \$ 10,000,000	2.05%
Next	\$10,000,001	and over	2.00%

A minimum of \$25,000 of assets under management is generally required for the Morningstar Wealth Management Programs. Clients electing to exclude certain funds from their Morningstar Wealth Management Program accounts will be assessed a non-negotiable \$5,000 administrative fee. Morningstar also provides capital market assumptions to VFA at no additional cost as part of the suite of services provided.

## 2. Voya Global Perspectives Market Models ("GPMM")

### Mutual Fund Series

The total annualized fee for services under the GPMM – Mutual Fund Series consists of a Management Fee and a Custody Fee. The Management Fee is composed of a Strategist Fee and an Advisory Fee. The maximum total annual fee will not exceed 2.75%. The Management Fee is assessed based on the total market value of the GPMM account and applied by asset tier per account, as stated on the Fee Schedule in the GPMM account agreement. Voya IM has waived charging a strategist fee for the GPMM – Mutual Fund Series, although Voya IM will receive management fees from the Voya funds, and sub-management fees from the non-Voya funds selected. No portion of any affiliated product's advisory, administrative, service, or other fees will be offset against the Management Fee or Custody Fee.

A minimum of \$1,000 of assets under management is generally required for GPMM – Mutual Fund Series.

### ETF Series

The total annualized fee for services under the GPMM – ETF Series consists of a Management Fee and a Custody Fee. The Management Fee is composed of a Strategist Fee and an Advisory Fee. The maximum total annual fee will not exceed 2.75%. The Management Fee is assessed based on the total market value of the GPMM account and applied by asset tier per account, as stated on the Fee Schedule in the GPMM account agreement. No portion of any affiliated product's advisory, administrative, service, or other fees will be offset against the asset-based fee.

A minimum of \$15,000 of assets under management is generally required for GPMM – ETF Series

### Maximum Annual Total Client Fee

Portfolio Value	From	To	Annual Total Client Fee
First	\$ 0	- \$ 250,000	2.75%
Next	\$ 250,001	- \$ 500,000	2.75%
Next	\$ 500,001	- \$ 1,000,000	2.50%
Next	\$ 1,000,001	- \$ 2,000,000	2.35%
Next	\$ 2,000,001	- \$ 5,000,000	2.10%

Next	\$ 5,000,001 - \$ 10,000,000	2.05%
Next	\$10,000,001 and over	2.00%

### 3. Voya Choice Advisory

*Voya Choice Advisory is closed to new clients.*

#### Maximum Annual Total Client Fee

Portfolio Value	From	To	Annual Total Client Fee
First	\$ 0	- \$ 250,000	2.75%
Next	\$ 250,001	- \$ 500,000	2.75%
Next	\$ 500,001	- \$ 1,000,000	2.50%
Next	\$ 1,000,001	- \$ 2,000,000	2.35%
Next	\$ 2,000,001	- \$ 5,000,000	2.10%
Next	\$ 5,000,001	- \$ 10,000,000	2.05%
Next	\$10,000,001	and over	2.00%

A minimum of \$25,000 of assets under management is generally required for Voya Choice Advisory. Clients that elected to exclude certain funds from their Voya Choice Advisory accounts will be assessed a non-negotiable \$5,000 administrative fee.

### 4. The Fidelity Program

*The Fidelity Program is closed to new clients.*

Assets Under Management	Maximum Annual Fee
Up to \$250,000	1.00%
\$250,001- \$500,000	0.75%
\$500,001 and greater	0.50%

There is a \$5,000 minimum account balance for participation in the Fidelity Program.

In the Fidelity Program, the client fee is deducted by Fidelity upon calculation and instruction from VFA in accordance with direction from the client. Clients who invest through the Fidelity Program must maintain sufficient assets in the account to meet quarterly fee deductions. The fee is calculated using the account balance on the first business day of the previous quarter. Advisory fee deduction will commence on the first full quarter following enrollment in the Fidelity Program.

#### Additional Charges to Fidelity Program Clients:

Clients may pay separate custodial fees or charges associated with the maintenance of accounts at Fidelity Investments. Brokerage link clients will pay transaction charges for purchases and sales in their account. Fidelity Program clients should refer to their agreement with Fidelity Investments for information regarding applicable custodial and transactional fees.

### 5. UMA Programs:

The total annual client fee for services under the Unified Managed Account Program consists of the Management Fee and the Custody Fee. The Management Fee is composed of the Strategist Fee(s), a VFA Administrative Fee, and an Adviser Fee. As shown in the table below, the maximum total annual fee for the IIS Sleeve(s) will not exceed 2.75%. The Management Fee is assessed based on the total market value of the UMA account and applied by asset tier per account, as stated on the Fee Schedule in the Unified Managed Account Program account agreement. On the client's behalf, VFA pays a portion of the

total annual client fee to the IIS for services. Any transfer of assets from one IIS to a different IIS may result in a higher or lower Management Fee, as a result of the difference in the Management Fees that each IIS charges. No portion of any affiliated product's advisory, administrative, service, or other fees will be offset against the total annual client fee.

#### **Maximum Total Annual Client Fee**

Portfolio Value	From	To	Annual Total Client Fee of IIS Sleeve(s)
First	\$ 0 -	\$ 250,000	2.75%
Next	\$ 250,001 -	\$ 500,000	2.75%
Next	\$ 500,001 -	\$ 1,000,000	2.50%
Next	\$ 1,000,001 -	\$ 2,000,000	2.35%
Next	\$ 2,000,001 -	\$ 5,000,000	2.10%
Next	\$ 5,000,001 -	\$ 10,000,000	2.05%
Next	\$10,000,001 and over		2.00%

VFA may require a minimum account value depending on the strategy selected which is reflected on the UMA Program Advisory Account Agreement. IIS Sleeves may have different minimum investment requirements.

The maximum annual total client fee for services under the Investor Channel Unified Managed Account Program will not exceed 1.37%. The maximum annual total client fee is assessed based on the total market value of the Investor Channel Unified Managed Account Program account and applied by asset tier per account, as stated on the Fee Schedule in the Investor Channel Unified Managed Account agreement. On the client's behalf, VFA pays a portion of the total annual client fee to the IIS for services. Any transfer of assets from one IIS to a different IIS may result in a higher or lower Management Fee, as a result of the difference in the Management Fees that each IIS charges. No portion of any affiliated product's advisory, administrative, service, or other fees will be offset against the total annual client fee.

A minimum account value of \$1,000 is generally required for the Investor Channel Unified Managed Account Program, dependent upon the Strategist selected. Please refer to the VFA's Form ADV Part 2A, Appendix 1 Investor Channel Unified Managed Account Wrap Program Brochure for more detailed information about the fees applicable to the Investor Channel Unified Managed Account Program.

The UMA Programs incorporate fees that would otherwise be assessed to the client account including, among other things, transaction costs, paper surcharges and the annual IRA custodial fee. Certain account-level miscellaneous fees are not incorporated. VFA will, in its sole discretion, negotiate alternative account-level miscellaneous fees or waive such fees on a client-by-client basis.

Certain miscellaneous fees are lower for clients who have provided VFA and its IAR discretionary authority to manage and move amongst unaffiliated IIS Sleeves without the client's prior consent. A listing of these miscellaneous fees are contained in client's Unified Managed Account Program Agreement. It is important that clients understand that granting or eliminating discretionary authority for VFA, through its IAR, to manage an Adviser Sleeve and move amongst unaffiliated IIS Sleeves without the client's prior consent will result in lower (by granting such discretionary authority) or higher (by eliminating such discretionary authority) miscellaneous fees.

#### **6. VDA Program:**

The VDA Program charges an asset-based fee comprised of four components for its services (the "Asset-Based Fee"). The Asset-Based Fee consists of the Strategist Fee, the Custody Fee, the VFA Administrative Fee, and the Advisor Fee. The maximum total annual Asset-Based Fee for the VDA

Program is 1.1%. The Asset-Based Fee is assessed based on the total market value of the client's VDA Program account, as described in the VDA Program account agreement, and VFA's Form ADV Part 2A, Appendix 1 Voya Digital Adviser™ Wrap Program Brochure, which is available upon request from your IAR or from VFA.

VFA's Form ADV Part 2A, Appendix 1 Voya Digital Adviser™ Wrap Program Brochure contains further information about the Asset-Based Fee and the other fees and costs you incur by investing through the VDA Program, including but not limited to the fees and costs charged by the securities contained in the model portfolios and miscellaneous account and service fees. You should read VFA's Form ADV Part 2A, Appendix 1 Voya Digital Adviser™ Wrap Program Brochure carefully before choosing to invest in the VDA Program.

The Strategists in the UMA Programs, and the VDA Program use investment products for which Pershing assesses a ticket charge to VFA for transactions made in VFA client accounts. Some Strategists, however, utilize investment products without ticket charges, which reduces the cost VFA bears to maintain these programs for clients. Generally, investment products for which Pershing does not assess a ticket charge to VFA have higher costs to clients than those investment products for which Pershing charges a ticket charge to VFA. The avoidance of ticket charges is a conflict of interest for VFA, as it incentivizes VFA to select Strategists for inclusion in these programs that choose investments without ticket charges, which results in higher overall costs for the client, rather than selecting Strategists based upon perceived client need. VFA addresses this conflict of interest by identifying and disclosing this conflict of interest to you, and by reviewing Strategists for these programs to ensure their appropriateness.

### **THIRD PARTY MONEY MANAGER PROGRAM FEES**

Fees for the Third Party Money Manager Programs may be negotiated but generally range from 0.75 to 2.50%, depending on the third party money manager program selected, the size of the account and the services provided. Under some programs, an inclusive fee covers account management, brokerage, clearing, custody and administrative services. In other programs, the account may be charged separately for these services. The amount of the fees, the services provided, the payment structure, termination provisions, account minimums, and other aspects of each program are detailed and disclosed in the unaffiliated third party money manager's disclosure document. VFA may share in the fee.

VFA charges its IARs a fee for the IAR's clients' assets held at third party money managers. This is a conflict of interest, as it creates a disincentive for your IAR to recommend third party money manager programs to you.

From time to time, VFA may add or remove third-party asset management programs to or from its investment advisory program platform. During such transitions, VFA may offer incentives to customers in the form of discounts or other incentives on certain programs, to either encourage adoption of those certain program(s) or to ameliorate potential costs of such removals. VFA may also provide increased compensation to IARs who use those certain program(s) for customers whose previous program(s) have been removed. This increased compensation creates a conflict of interest for your IAR by incentivizing the choosing of one program over another.

### **FINANCIAL PLANNING AND CONSULTING SERVICES FEES**

VFA's financial planning or consulting services fee is determined based on the nature of the services provided and the complexity of each client's circumstances. All fees are agreed to prior to entering into the Financial Planning or Consulting Services Agreement with any client. You should discuss fees and services with your advisor as the fees may be negotiable.

Financial planning or consulting fees are calculated on either a flat fee or an hourly basis. Fees are generally based on the complexity of the client's situation and/or the amount of time necessary to prepare a financial plan or provide the services as agreed upon in writing by the client. If you are charged hourly,

your IAR will provide an estimate of the total hours at the time of signing of the financial planning agreement.

The one-time financial planning or consulting services fee may be payable at the time the client signs the agreement, within 30 days of delivery of the completed plan or services, or a portion of the fee may be collected at the time the agreement is signed with the remaining portion of the fee due within thirty days of the delivery and/or presentation of the plan or services. Annual planning or consulting service fees are billed and due monthly, quarterly, or annually, in advance, for the services agreed upon.

The agreement contains payment installment options that the client may select. Please review the financial planning agreement carefully prior to signing.

Client may terminate without penalty within five business days of entering into the agreement. Upon termination of any agreement after the initial five-day period, any one-time fees collected will be reimbursed in full if the financial plan or agreed-to services have not been delivered. Any prepaid, unearned annual planning fees will be promptly refunded. In calculating a client's reimbursement of annual planning fees, VFA will pro rate the reimbursement according to the number of days remaining in the billing period.

### **FINANCIAL PLANNING SEMINAR FEES**

Seminar fees are set by the IAR who is conducting the seminar and may be up to \$500 per person. IARs that have been given approval may charge the corporate sponsors of their seminars a fixed fee, not to exceed \$10,000, to hold seminars for the corporation's employees. This fee is not tied to a per-employee attendance count.

### **ADDITIONAL POTENTIAL FEES**

**Mutual Fund Fees:** All fees paid to VFA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. The fees and expenses of mutual funds and ETFs are described in each fund's prospectus. These fees will generally include a management fee and other fund expenses and may include asset based sales charges, service fees, and/or distribution fees ("12b-1 fees"). In most cases, mutual fund companies offer multiple share classes of the same mutual fund. Some share classes of a fund charge a higher internal expense, including but not limited to 12b-1 fees, whereas other share classes of the same fund charge a lower internal expense, with or without 12b-1 fees.

Different share classes of the same mutual fund represent the same underlying investments. Since different share classes have different costs, the overall costs of owning each share class differ. This means that one share class of a particular mutual fund will be more costly than other share classes of the same fund over time. This increased cost negatively affects the investment return for that particular share class over time.

Institutional and investment advisory share classes typically have lower expense ratios, do not charge 12b-1 fees, and are less costly for a client to hold than Class A shares or other share classes that are eligible to purchase in an investment advisory account. Mutual funds that offer institutional share classes, investment advisory share classes, and other share classes with lower expense ratios are available to clients who meet specific eligibility requirements that are described in the mutual fund's prospectus or in its statement of additional information. These eligibility requirements include, but may not be limited to, investments meeting certain minimum dollar amount thresholds and accounts that the fund considers qualified, fee-based programs.

VFA receives 12b-1 fees from certain share classes of mutual funds with respect to the following accounts: (1) accounts that are managed on a non-discretionary basis ("Non-Discretionary Accounts"); and (2) accounts that are both managed on discretionary basis and are not Retirement Accounts ("Discretionary Non-Retirement Accounts"). The receipt of 12b-1 fees presents a conflict of interest



because it gives VFA and its IARs an incentive to recommend mutual funds for accounts based on the compensation received rather than on a client's needs. You should be aware of this conflict and discuss with your IAR whether mutual funds selected or to be selected for your account pay a 12b-1 fee. You should consider 12b-1 fees when negotiating fees with your IAR. In the event that VFA receives 12b-1 fees for funds, VFA will credit the account for such fees. If the fund also imposes sales charges, a client may pay an upfront or deferred sales charge.

The lowest-cost mutual fund share class for a particular fund may not be offered through VFA or made available by VFA for purchase within specific types of investment advisory program accounts. Clients should never assume that they will be invested in the share class with the lowest possible expense ratio or cost. VFA urges clients to discuss with their IAR whether a lower-cost share class is available for their particular account, and why the particular fund(s) or other investments that will be purchased or held in their account are appropriate for them considering their expected holding period, investment objective, risk tolerance, time horizon, financial condition, amount invested, trading frequency, the amount of the advisory fee charged. Clients should also ask their IAR whether the client will pay transaction charges for fund purchases and sales, whether the client will pay higher internal fund expenses in lieu of transaction charges that could adversely affect long-term performance, and the relevant tax considerations of the mutual fund share class(es) or investment(s) selected for the client's account.

VFA, through its IARs, may recommend, select, or continue to hold a mutual fund share class that charges clients higher internal expenses than other available share classes for the same fund. For example, in certain circumstances, VFA may offer retirement share, or "R Share" classes to retirement plan customers, where available, and if the requirements for use of such class in the product's prospectus or statement of additional information are met, but does not offer R Share classes to non-retirement plan customers, despite R Shares being available, in certain circumstances, to non-retirement plan customers and generally being less costly than the share classes VFA offers to investment advisory customers. Other mutual fund share classes, such as "clean shares" are also available but not used by VFA because such mutual fund share classes do not pay additional revenue to VFA. Such other share classes are available to you through other investment firms, which would result in lower cost to you.

A client could invest in a mutual fund directly, without VFA's investment advisory services, 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 VFA's investment advisory fees to fully compare and understand the total amount of fees to be paid by the client and, therefore, evaluate the advisory services being provided.

Certain VFA IARs supervise the investment advisory activities of other IARs. VFA refers to these supervising IARs as "OSJs." In exchange for these supervisory services, OSJs receive a higher percentage of the fees that VFA earns in exchange for the investment advice and product recommendations VFA provides to clients, including those made by the OSJ him or herself. The fees that certain of these OSJs earn for supervisory services are higher for the Firm's investment advisory programs than the products offered by the Firm in its role as broker-dealer. This creates a conflict of interest, as it incentivizes such VFA OSJs to concentrate the sales, and the sales of the IARs that they supervise, on products and services offered by the Firm in its role as investment adviser.

**Wrap Fee Programs and Separately Managed Account Fees:** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by VFA. Such fees may include the investment advisory fees of the independent third party money managers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for investment advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charges in a wrap fee program. In evaluating the wrap fee program,

the client should also consider that, depending upon the level of the wrap fee charged by the third party investment adviser, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. The client's IAR will review with clients any separate program fees that may be charged to clients.

**Additional Fees and Expenses:** In addition to VFA's investment advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer for a third party investment adviser.

Clients may also interact with VFA in its role as a broker-dealer. Clients will pay commissions or other transaction charges for investments purchased through VFA in its role as a broker-dealer, but will not pay an investment advisory fee in connection with those investments. Please see item 10 of this Brochure for additional information regarding VFA's broker-dealer activities.

VFA's clearing firm, Pershing, charges VFA a paper surcharge for each paper statement per statement cycle (which could be monthly or quarterly depending on a client's investments, holdings, and activity) and for each trade confirmation issued to clients for transactions in an account. VFA adds a surcharge of \$0.25 and instructs Pershing to assess the entire \$1.00 fee on behalf of Voya to your account for each such paper statement and trade confirmation issued. You can avoid this \$1.00 per paper statement and trade confirmation surcharge by opting into electronic delivery of these statements and confirmations through Pershing's opt-in process. Note that opting into VFA's electronic delivery process does not opt a client into Pershing's process for statements and confirmations.

You may be subject to certain miscellaneous fees based on activity within your account. Such charges include, but are not be limited to, check fees, transfer fees, and termination fees. Fees are a combination of a fee charged by Pershing plus an associated fee by VFA. Not all programs charge miscellaneous fees, and certain fees may be applicable in some programs and not others. Although VFA has established the fee schedules described in this paragraph, VFA will, in its sole discretion, negotiate alternative fees or waive fees on a client-by-client basis. Please consult your investment advisory program agreement and any associated "Schedule of Miscellaneous Account and Service Fees" for more information regarding the fees payable in your Account.

### EPIC SERVICES FEES

Fees for the EPIC Services ("Fees") are negotiable. A description of the different types of fees for EPIC Services appears in the fee schedule below.

Fee Type	Fee Range
Asset based Fees (% of Plan assets)	Up to a maximum of 100 basis points
Hourly Rate	Up to a maximum of \$500 per hour
Flat Fee	Flat fees will be negotiated with and agreed upon by plan sponsor up to a maximum of \$100,000 per plan per year
How EPIC Services Fees May Be Paid	
The fees described above may be paid by the Plan record keeper directly from Plan assets, accounts or investments. Alternatively, fees for retirement plan services may be billed to the Plan Sponsor.	
How Asset Based Fees are Calculated	
<ul style="list-style-type: none"> <li>■ The initial Fee will be prorated based upon the number of days remaining in the initial quarterly period from the date of execution of the Agreement.</li> </ul>	

<ul style="list-style-type: none"> <li>■ The initial Fee will be based upon the market value of the plan assets at the close of business on the last business day of the initial quarterly period.</li> </ul>
<ul style="list-style-type: none"> <li>■ Thereafter, the quarterly portion of any annual asset-based Fees will be based upon the market value of the plan assets at the close of business on the last business day of the previous calendar quarter (without adjustment for anticipated withdrawals by plan participants or beneficiaries or other anticipated or scheduled transfers or distributions of assets)</li> </ul>
Calculation of Prorated Asset Based Fee (Upon Termination)
<ul style="list-style-type: none"> <li>■ If the Agreement is terminated prior to the end of a quarter, VFA will be entitled to a quarterly fee, prorated for the number of days in the quarter prior to the effective date of termination, and for asset-based fees, based on the market value of the plan assets at the close of business on the effective date of termination.</li> </ul>

Plan Sponsors receiving EPIC Services may pay more or less than a client might otherwise pay if purchasing the EPIC Services separately or through another service provider. There are several factors that determine whether the costs would be more or less, including, but not limited to, the size of the plan, the specific investments made by the plan, the number of locations of participants, the EPIC Services offered by another service provider, and the actual costs of EPIC Services purchased elsewhere. In light of the specific EPIC Services offered by VFA the Fees charged may be more or less than those of other similar service provider.

All fees paid to VFA for EPIC Services are separate and distinct from the fees and expenses charged by mutual funds, variable annuities and exchange traded funds to their shareholders. These fees and expenses are described in each investment's prospectus. These fees will generally include a management fee, other expenses, and possible distribution fees. If the investment also imposes sales charges, a client may pay an initial or deferred sales charge. The EPIC Services provided by VFA may, among other things, assist the client in determining which investments are most appropriate to each client's financial condition and objectives and to provide other administrative assistance as selected by the client. Accordingly, the client should review both the fees charged by the funds, the fund manager, the plan's other service providers and the fees charged by VFA to fully understand the total amount of fees to be paid by the client and to evaluate the EPIC Services being provided.

No increase in the Fees will be effective without prior written notice. While not necessarily related to the Services, various vendors, product providers, distributors and others provide non-monetary compensation by paying some expenses related to training and education, including travel expenses, and attaining professional designations. VFA might receive payments to subsidize its own training programs. Certain vendors invite VFA IARs to participate in conferences, on-line training or provide the Firm publications that may further its IARs and employees' skills and knowledge. Some product sponsors occasionally provide VFA IARs gifts, meals and entertainment of reasonable value consistent with industry rules and regulations. Such payments and non-monetary compensation reflect a conflict of interest for your IAR and VFA because they may incentivize VFA or your IAR to use certain vendors over others.

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

VFA does not charge performance-based fees, so there are no situations where accounts with performance-based fees are managed side-by-side with accounts subject to the fees described in Item 5.

## **Item 7 Types of Clients**

VFA provides investment advisory services to the following types of clients:

- Individuals, including high net worth individuals
- Pension and profit sharing plans (and plan participants)
- Municipalities and other government entities

- Charitable organizations and other tax exempt enterprises
- Corporations, trusts, or other entities not listed above

Certain investment advisory programs offered through VFA are subject to account minimums. The minimums applicable to each program are disclosed in Item 5 of this Brochure. IARs may choose not to accept an investment advisory relationship due to the assets, or lack thereof, that the potential client is proposing to invest with VFA.

Certain account types are only available through the Firm in certain investment advisory programs. The Firm offers donor advised funds, but does so at this time only through the Firm's Unified Managed Account Program. This is a conflict of interest, as the Firm restricts donor advised funds to the Unified Managed Account Program to support its own business model, instead of client preference. Donor advised funds are available at other broker dealers and investment advisers for less cost.

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

Most of the advisory services we provide involve the purchase or liquidation of securities. All investing involves the risk of loss, including the loss of your entire principal value. This risk varies based on the type of the security purchased. All securities sold have disclosure documentation that discusses these risks. The initial disclosure document is commonly referred to as a prospectus, but may be called something else depending on the type of security you have purchased. Publicly-traded companies also maintain periodically updated disclosure documents that are useful in evaluating the potential benefits and risks of that publicly-traded company's securities. In any case, it is extremely important that you read these documents in their entirety. If you have any additional questions regarding your investments, please speak with your IAR immediately.

### **Methods of Analysis**

IARs use a variety of methods to analyze a client's situation as well as economic factors to develop investment advice. IARs may use one or more of the following methods of analysis to formulate investment advice and/or manage client assets.

**Charting:** The IAR reviews charts of market and security activity to discern trends in market movements in an attempt to potentially predict future market trends.

**Fundamental Analysis:** IARs evaluate economic and financial factors to determine if a security may be underpriced, overpriced or fairly priced.

**Technical Analysis:** IARs analyze past market movements and apply that analysis to the present conditions in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

**Cyclical Analysis:** IARs analyze past market movements and apply that analysis in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movements.

**Quantitative Analysis:** IARs analyze mathematical models in an attempt to obtain more accurate measurements of a company's value to potentially predict changes to that data.

**Qualitative Analysis:** IARs subjectively evaluate non-quantifiable factors, and attempt to potentially predict changes to share price based on that data.

**Asset Allocation:** IARs attempt to identify an appropriate ratio of asset classes that are consistent with the client's investment goals and risk tolerance.

**Mutual Fund and / or ETF Analysis:** IARs evaluate a variety of factors in an attempt to potentially predict the future performance of the mutual fund or ETF. The IAR may consider, among other things, the experience, expertise, investment philosophy, and past performance to determine if the manager has demonstrated an ability to invest over a period of time and in different economic conditions. The IAR may monitor the manager's underlying holdings, strategies and concentrations.

**Third Party Money Manager Analysis:** The IAR may evaluate the experience, expertise, investment philosophies, and past performance of independent third party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. The IAR may monitor the manager's underlying holdings, strategies and concentrations.

### **Risks of Various Methods of Analysis**

There are risks inherent in each type of analysis described above. For example, a risk of any method of analysis that considers past performance as a predictor of future performance is that past performance is no guarantee of future results. Some methods of analysis, such as fundamental analysis, focus on identifying the value of the company, without considering external factors such as market movements. Failure to consider external factors presents a potential risk, as the price of a security may be impacted by the overall market, regardless of the economic and financial factors considered in evaluating the specific stock.

Other methods of analysis, such as technical analysis, evaluate external factors, but do not consider the underlying financial condition of a company. Failure to consider a company's underlying value presents a risk that a poorly-managed or financially unsound company may under-perform regardless of positive market movements.

A risk of investing with a third party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as VFA does not control the underlying investments in a third party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for clients. Moreover, as VFA does not control the manager's daily business and compliance operations, VFA may not be aware of any lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Most methods of analysis require the IAR to make one or more assumptions or subjective judgments. If any of the assumptions or judgments are incorrect or are not realized, then the analysis may be inaccurate. Finally, all of the methods of analysis described above rely on the assumption that all publicly-available sources of information are accurate and that the analysis is not compromised by inaccurate or misleading information.

### **Investment Strategies**

The following strategies may be used in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases:** IAR recommends the purchase of securities with the idea of holding them in the client's account for a year or longer. Typically this strategy is used when the IAR believes the securities may be currently undervalued, and/or the IAR wants exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, the IAR may not take advantage of short-term gains that could be profitable to a client. Moreover, if the strategy is incorrect, a security may decline sharply in value before the IAR makes the recommendation to sell. Additionally, although historical data indicates that the purchase and holding of securities over a long

period of time can produce a positive return, the approach tends to be more successful for investors who have a significant period of time to invest, such as ten to twenty years, in order to be able to withstand market fluctuations. Investors who need access to their assets may be forced to sell assets in a declining market, and may be subject to many of the risks experienced by short-term investors. See the discussion of risks in the section on "Short-term purchases" below.

**Short-term purchases:** When utilizing this strategy, IAR recommends securities with the strategy of selling them within a relatively short time (typically a year or less) in an attempt to take advantage of conditions that the IAR believes could soon result in a price swing in the securities recommended. Short-term purchases may enable a client to take advantage of market volatility. However, there are costs and risks associated with short-term trading. Frequent trading can increase the transaction costs associated with a portfolio, and reduce the client's overall return. Frequent trading can also lead to undesirable tax consequences and complex reporting obligations. It is possible to lose money if an investment declines in value. The risk of loss is amplified if the client's portfolio is leveraged.

**Margin transactions:** A margin account is an account where you may borrow funds for the purpose of purchasing additional securities. With the client's prior authorization, securities may be purchased for the client's portfolio through a margin loan. Purchasing securities on margin allows the client to purchase more than he or she would be able to with available funds and allows the purchase of additional securities without having to sell other holdings. The use of a margin loan creates a conflict of interest in that portfolio risk, indebtedness and the investment advisory fee paid may be higher than if such a strategy were not used. Also, since the client is taking out a loan to purchase securities the client is charged interest on the margin loan balance. Pershing assess interest on your margin debit balances, and shares a portion of that interest with VFA. This is a conflict of interest, as VFA is incentivized to open margin accounts for the interest that it receives. Please consult the 10b-16 disclosure provided to you at account opening and your account statement for information regarding the amount of interest you pay for margin debit balances.

Margin investing is not right for every investor. Margin borrowing increases an investor's level of market risk; a declining market may result in even greater losses than if the client invested without margin. A client must repay a margin loan, regardless of the underlying value of the securities purchased. If the value of the margined securities in a client's account falls below the minimum maintenance requirements, Pershing will issue a maintenance call requiring the client to deposit additional cash or acceptable collateral. If a client fails to meet a maintenance call, Pershing may be forced to sell some or all of the securities in the account to protect its loan, even if the client is not able to provide prior approval.

**Option writing:** With the client's prior authorization and VFA's approval, IARs may recommend options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell a security at a specific price on or before a certain date. An option is a type of security, just like a stock or bond. An option is also a derivative, because it derives its value from the value of an underlying asset. Options can be used to speculate on the possibility of a sharp price swing. They can also be used to provide a "hedge" against the purchase of the underlying security. Options can be used to limit the potential upside and downside fluctuations of a security in a portfolio.

Option strategies involve risk, and they are not suitable for every investor. Many options strategies are designed to minimize risk by hedging existing portfolios. Such strategies can also prevent upside appreciation in a security. Options carry no guarantees. It is possible to lose all of the principal amount invested, and sometimes more can be lost as well. Gains earned on an option can be realized very quickly, but losses can mount quickly as well. It is important to understand all the risks associated with holding, writing, and trading options before including them in an investment portfolio.

**Risk of Loss:** Investing in securities involves risk of loss that clients should be prepared to bear. Any of the following risks, among others, could affect performance or cause an investment to lose money or to underperform market averages.

*Diversification:* Allocation among different asset classes does not guarantee a profit or protect against risk of loss.

*Equities:* The price of a given company's stock could decline or under perform for many reasons including, among others, poor management, financial problems, or business challenges. If a company declares bankruptcy or becomes insolvent, its stock could become worthless.

*Fixed Income:* Fixed income products are affected by a number of risks, including fluctuations in interest rates, credit risk, and prepayment risk. In general, as prevailing interest rates rise, fixed income prices will fall. Bonds face credit risk if a decline in an issuer's credit worthiness causes a bond's price to decline. Finally, fixed income products may be subject to prepayment risk; when interest rates fall, a borrower may choose to borrow money at a lower rate, while paying off previously issued bonds. High yield bonds are subject to additional risks, such as increased risk of default and greater volatility.

*International Investments:* International investing may not be suitable for every investor and is subject to additional risks, including currency fluctuations, political factors, tax withholding, lack of liquidity, absence of adequate financial information, and exchange control restrictions impacting foreign issuers. These risks may be magnified for foreign issuers in emerging markets.

*Market Capitalization:* Stocks fall into three broad market capitalization categories - large, mid and small. Investing primarily in one category carries the risk that, due to current market conditions, that category may be out of favor with investors. If valuations of large capitalization companies appear to be greatly out of proportion to the valuations of mid or small capitalization companies, investors may migrate to the stock of mid and small capitalization companies, causing an investment in these companies to increase in value more rapidly than an investment in larger, fully-valued companies. Investing in mid and small capitalization companies may be subject to special risks associated with narrower product lines, more limited financial resources, smaller management groups, and a more limited trading market for their stock as compared with larger companies. As a result, stock of mid and small capitalization companies may decline significantly in market downturns.

*Past Performance:* Past performance is no guarantee of future results.

*Stock Prices:* Stock prices are volatile and are affected by the real or perceived impacts of such factors as economic conditions and political events. The stock market tends to be cyclical, with periods when stock prices generally rise and periods when stock prices generally decline. Any given stock market segment may remain out of favor with investors for a short or long period of time, and stocks as an asset class may underperform bonds or other asset classes during some periods.

Securities investments fluctuate and are not guaranteed and clients may lose the principal invested.

## **Item 9                      Disciplinary Information**

The following are disciplinary events relating to VFA and/or VFA's management personnel that are material to an evaluation of VFA's investment advisory business and the integrity of VFA's management:

1) The Financial Industry Regulatory Authority (FINRA) alleged that, between March 2018 and September 2019, Voya Financial Advisors, Inc. ("Firm") paid approximately \$2.9 million in compensation to an unregistered entity in connection with the sale of variable universal life insurance ("VUL"), a securities product. The unregistered entity was a limited liability company primarily owned by an insurance agent who was not registered with FINRA. The Firm and the unregistered entity were parties to a Variable Marketing Agreement, which provided that the unregistered entity would provide services to facilitate the VUL sales such as distributing sales materials and assisting with sales promotional activities. FINRA alleged that these transactions violated FINRA Rules 2040 and 2010. Without admitting or denying FINRA's findings, the Firm accepted and consented to the described findings and to the entry of a

censure and fine in the amount of \$500,000 by agreeing to a Letter of Acceptance, Waiver and Consent (“AWC”) with FINRA. FINRA accepted the AWC on January 25, 2024.

2) Voya Financial Advisors, Inc. (“Firm”) submitted an offer of settlement that the Securities and Exchange Commission (“SEC”) agreed to accept. The Firm agrees, without admitting or denying the findings, that it violated Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder by breaching its fiduciary duty to its investment advisory clients in connection with (a) Firm’s mutual fund share class selection practices and the financial benefits it received for advising clients to purchase and hold mutual fund share classes that paid fees pursuant to Investment Company Act Rule 12b-1 (“12b-1 fees”); (b) Firm’s receipt of compensation in connection with certain client cash sweep accounts; and (c) Firm’s policy requiring investment advisory clients to pay an upfront brokerage commission when purchasing illiquid alternative investment products (“Illiquid Alts”) when the same investment was available to investment advisory clients with the brokerage commissions waived. From January 13, 2013 through December 31, 2018, Firm received 12b-1 fees when a lower-cost share class was available, and in some instances avoided paying certain transaction fees, when it purchased, recommended, or held mutual funds for investment advisory clients, without providing adequate disclosure. From January 13, 2013 to December 31, 2018 the unaffiliated clearing broker the Firm used for client accounts (the “Clearing Broker”) paid Firm a portion of the revenue Clearing Broker received from client balances in cash sweep products, which payments the Firm failed to adequately disclose. From January 13, 2013 through July 28, 2017, the Firm caused certain investment advisory clients to pay higher fees in the form of upfront commissions when purchasing Illiquid Alts when those same products were available with commissions waived, which practice the Firm failed to adequately disclose. Without admitting or denying these findings, the Firm consented to the entry of an Order Instituting Administrative and Cease and Desist Proceedings (“Order”). The Firm agreed to a censure and disgorgement of \$11,547,820, prejudgment interest of \$2,371,335 and a civil monetary penalty of \$9,000,000. The Firm agreed to cease and desist from committing or causing any violations or future violations of Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. The Firm further agreed to comply with the following undertakings: notify affected investment advisory clients within 30 days of the Order, retain an independent compliance consultant within 30 days of the Order to conduct a review of the Firm’s compensation receipt and disclosure practices with respect to advisory client investments, and adopt all of recommendations contained in the independent compliance consultant’s reports. The Firm will certify its compliance with the previous undertakings no later than sixty days from the completion of the undertaking. The Order was executed on December 21, 2020.

3) The Financial Industry Regulatory Authority (FINRA) alleged that Voya Financial Advisors, Inc. (Firm) disadvantaged certain retirement plan and charitable organization customers that were eligible to purchase Class A shares in certain mutual funds without a front-end sales charge (Eligible Customers) between January 1, 2009 and May 26, 2016. Eligible Customers were instead sold Class A shares with a front-end sales charge or Class B or C shares with back-end sales charges and higher ongoing fees and expenses. FINRA also alleged that during this period, the Firm failed to reasonably supervise the application of sales charge waivers to mutual funds transactions by Eligible Customers, failed to maintain written supervisory procedures designed to assist financial advisors in determining whether a customer was eligible for a sales charge waiver, and failed to notify and train its financial advisors regarding the availability of mutual fund sales charge waivers for Eligible Customers. FINRA alleged that these supervisory violations resulted in the Firm violating NASD Conduct Rule 3010 (for violations before December 1, 2014), FINRA Rule 3110 (for violations after December 1, 2014), and FINRA Rule 2010. Without admitting or denying these findings, the Firm entered into a Letter of Acceptance, Waiver and Consent (AWC) with FINRA, in which it consented to the entry of censure, and agreed to provide remediation to Eligible Customers who qualified for, but did not receive, the applicable mutual fund sales-charge waiver. The Firm further agreed to provide FINRA with i) a schedule of Eligible Customers identified for remediation, and a detailed plan to remediate Eligible Customers based on specific details



within 60 days of the AWC's acceptance, and ii) a satisfactory proof of payment of restitution to Eligible Customers by a registered principal of the Firm no later than 180 days from the AWC's acceptance. The Firm estimates that Eligible Customers were overcharged by \$125,982. FINRA accepted the AWC on 4/23/2019.

4) The Securities and Business Investments Division of the Connecticut Department of Banking ("Division") alleged that Voya Financial Advisors, Inc. ("Firm") violated Section 36b-31-6(f) of the Regulations of Connecticut State Agencies (the "Regulations") by failing to enforce and maintain a system for supervising the activities of its agents, investment adviser agents and Connecticut office operations that was reasonably designed to achieve compliance with applicable securities laws and regulations. The allegations pertain to former Firm agent Dale Quesnel's ("Quesnel") sale of unregistered securities to investors in Connecticut and other states ("Investors"). The Division found, through a March 3, 2016 order against Quesnel, that Quesnel participated in private securities transactions without providing prior written notice to the Firm. The Firm acknowledged the Division's allegations against it and, without admitting or denying them, entered into a Consent Order (the "Order") in which it consented to the entry of the following sanctions: a) the Firm shall cease and desist from directly or indirectly violating the Connecticut Securities Act or any regulation, rule, or order adopted or issued thereunder, including, without limitation, any activity in or from Connecticut that violates Section 36b-31-6(f) of the Regulations; b) an administrative fine, payable to the Treasurer of the State of Connecticut, of \$100,000; c) the establishment and administration of a fund (the "Fund") to reimburse Investors in the amount of \$915,000, and the use of all reasonable efforts to confirm that the contact and address information for the Investors is up to date; d) no later than thirty days from the Order, distribution of a copy of the Order and a written notice, preapproved by the Division Director, to Investors stating that the Investor or its estate is entitled to a payment from the Fund if he or she responds to the Firm within sixty days and provides distribution instructions sufficient to make a payment, and e) no later than ninety days from the Order, disbursement of money owed from the Fund, according to the amounts identified by the Division, to the Investors that replied, and provide proof of disbursement to the Division via a copy of the check or wire transfer to each Investor. The Firm agreed to immediately notify the Division if any Investor cannot be located after a diligent search, fails to provide sufficient disbursement instructions, fails to timely respond to the notice, or unequivocally denies disbursement in writing. The Order was entered on March 11, 2019.

5) Voya Financial Advisors, Inc. ("Firm") has submitted an offer of settlement that the Securities and Exchange Commission ("SEC") has agreed to accept. The Firm agrees, without admitting or denying such findings, that it violated Rule 30(a) of Regulation S-P (the "Safeguards Rule") and Rule 201 of Regulation S-ID (the "Identity Theft Red Flags Rule") by failing to adopt written policies and procedures reasonably designed to protect customer records and information, and failing to develop and implement a written Identity Theft Prevention Program. Over six days in April, 2016, one or more persons impersonating the Firm's independent contractor representatives called the Firm's technical support line, in two instances using phone numbers the Firm had previously identified as associated with fraudulent activity, and requested a reset of three representatives' passwords for the web portal used to access Firm customer information. The portal was serviced and maintained by the Firm's parent company, Voya Financial, Inc. The intruders used the Firm's independent contractor representatives' usernames and passwords to log in to the portal and gain access to personal identifying information ("PII") for at least 5,600 Firm customers, and subsequently obtained account documents containing PII of at least one Firm customer. The intruders used customer information to create new voya.com customer profiles, giving them access to PII and account information of two additional customers. There have been no known unauthorized transfers of funds or securities from Firm customer accounts as a result of the attack. The Firm violated the Safeguards Rule because its policies and procedures to protect customer information and to prevent and respond to cyber security incidents were not reasonably designed to meet these objectives. In particular, the Firm's policies and procedures with respect to resetting the Firm's

independent contractor representatives' passwords, terminating web sessions in its proprietary gateway system for such representatives, identifying higher-risk representatives and customer accounts for additional security measures, and creation and alteration of voya.com customer profiles, were not reasonably designed. The Firm violated the Identity Theft Red Flags Rule because it did not review and update its Identity Theft Prevention Program in response to changes in risks to its customers, or provide adequate training to its employees. Additionally, the Identity Theft Prevention Program did not include reasonable policies and procedures to respond to identity theft red flags, such as those detected by the Firm during the April 2016 intrusion. The Firm consented to the entry of an Order Instituting Administrative and Cease and Desist Proceedings ("Order"), a censure, and civil money penalty in the amount of \$1,000,000. The Firm agreed to cease and desist from committing or causing any violations or future violations of Rule 30(a) of Regulation S-P and of Rule 201 of Regulation S-ID. The Firm further agreed to comply with the following undertakings. The Firm shall retain an independent compliance consultant ("Consultant") to conduct a comprehensive review of the Firm's policies and procedures for compliance with Regulation S-P and Regulation S-ID. The Firm will fully cooperate with the Consultant, and require the Consultant submit a written Initial Report to the Firm and the SEC within ninety days of this Order. The Firm agrees to adopt the recommendations from the Initial Report, subject to adoption of alternative policies, procedures, or systems, within 90 days of its issuance. The Consultant shall complete its review and issue a written Final Report within nine months of the Order, and the Firm shall take necessary and appropriate steps to implement all recommendations and alternative policies, procedures or systems. The Firm will certify its compliance with each of the previous undertakings. The Order was executed on September 26, 2018.

6) The Commonwealth of Massachusetts Securities Division alleged that Voya Financial Advisors, Inc. ("Firm") violated the Massachusetts Uniform Securities Act, Mass. Gen. Laws Ch. 110A ("Act"), by failing to register two (2) of its investment adviser representatives who had a place of business in Massachusetts and provided investment advisory services to residents of the Commonwealth between August 24, 2012 to January 30, 2017 (the "Relevant Period"). The Firm admitted to the facts described but neither admitted nor denied any violations of law. The Firm consented to the entry of a Consent Order that found that the Firm violated sections 201(c) and 201(d) of the Act. The Firm agreed to i.) cease and desist from any violations of sections 201(c) and 201(d) of the Act in the Commonwealth, ii.) register its investment adviser representatives in the Commonwealth prior to them providing investment advisory services in the Commonwealth, iii.) review its written supervisory policies and procedures with respect to, and provide compliance with sections 201(c) and 201(d) of the Act, iv.) pay restitution of all asset management fees paid by clients located in the Commonwealth to the representatives in question during the Relevant Period ("Eligible Clients"), which was determined to amount to \$10,936.47, v.) memorialize its restitution in a letter ("Restitution Letter") to each Eligible Client within thirty (30) days of the Consent Order, and vi.) provide the Restitution Letter to the Division at least ten (10) days prior to the sending of the Restitution Letter to Eligible Clients. The Firm further agreed to reimburse the asset management fees to each Eligible Client within forty-five (45) days of the Consent Order, and submit to the Division a report detailing the distribution of all funds to Eligible Clients within ninety (90) days of the Consent Order. The Firm paid a fine of \$75,000. This matter was resolved on July 31, 2017.

7) The Securities and Exchange Commission ("SEC") alleged that Voya Financial Advisors, Inc. ("Firm"), in its role as a Registered Investment Adviser, failed to disclose to its clients the compensation it received through an arrangement with a third party broker-dealer ("Clearing Firm"), and conflicts of interest arising from that compensation. Through an addendum to the fully-disclosed clearing agreement between Clearing Firm and the Firm, Clearing Firm shared with the Firm certain revenues it received from the mutual funds in Clearing Firm's no-transaction-fee mutual fund program ("NTF Program"). In a separate agreement, Clearing Firm agreed to pay the Firm a certain percentage of service fees that Clearing Firm received from certain mutual funds in the NTF Program in exchange for the Firm performing certain administrative services on Clearing Firm's behalf. The SEC alleged that these payments created a conflict of interest in that they provided a financial incentive for the Firm to favor the mutual funds in the NTF Program over other investments when giving investment advice to its advisory clients. The SEC

alleged that the Firm did not disclose the aforementioned arrangements or the resulting conflict of interest to its advisory clients, resulting in a violation of Sections 206(2) and 207 of the Advisers Act. The SEC also alleged that, by not adequately implementing policies and procedures reasonably designed to ensure proper disclosure of conflicts of interests, the Firm violated Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. Without admitting or denying these findings, the Firm consented to the entry of an Order Instituting Administrative and Cease and Desist Proceedings ("Order"). The Firm agreed to a censure and disgorgement of \$2,621,324, prejudgment interest of \$174,629.78 and a civil monetary penalty of \$300,000. The Firm agreed to cease and desist from committing or causing any violations or future violations of Sections 206(2), 206(4) and 207 of the Advisers Act and Rule 206(4)-7 thereunder. The Firm further agreed to comply with the following undertakings: the Firm will provide a copy of the Order to each of the Firm's existing advisory clients within forty-five days of the entry of the Order and further comply with all disclosure obligations concerning the Order under the Advisers Act. The Firm will certify its compliance with the previous undertaking no later than sixty days from the completion of the undertaking. The Order was executed on March 8, 2017.

8) The Financial Industry Regulatory Authority ("FINRA") alleged that Voya Financial Advisors, Inc. ("Firm") failed to report to TRACE 100 transactions in TRACE Agency/Securitized Products ("SP") within the time permitted by FINRA Rule 6730, constituting 26.25 percent of the transactions in TRACE-eligible SP (381) that the Firm reported to TRACE during the fourth quarter of 2015. This conduct constituted separate and distinct violations of FINRA Rule 6730(a) and a pattern or practice of late reporting without exceptional circumstances in violation of FINRA Rule 2010. Without admitting or denying FINRA's findings, the Firm accepted and consented to the described findings and to the entry of a censure and fine in the amount of \$7,500 by agreeing to a Letter of Acceptance, Waiver and Consent ("AWC") with FINRA. FINRA accepted the AWC on March 1, 2017.

9) The Financial Industry Regulatory Authority ("FINRA") alleged that Voya Financial Advisors, Inc. ("Firm") failed to (a) implement a supervisory system and procedures designed to reasonably ensure suitability of its multi-share class variable annuities sold to customers, (b) identify and investigate red flags in variable annuity sales, (c) supervise variable annuity sales, and (d) implement an adequate supervisory system and procedures for variable annuity exchange transactions. The Firm's failures included, but were not limited to supervision and oversight, and the maintenance of policies and procedures regarding the sale of L-share variable annuities with Long-Term Income riders and no persistency credits to investors with long-term time horizons. Without admitting or denying FINRA's findings, the Firm accepted and consented to the entry of findings and the sanctions described below by agreeing to a Letter of Acceptance, Waiver and Consent ("AWC") that was accepted by FINRA on November 2, 2016. The AWC included a Firm censure and fine in the amount of \$2,750,000. The Firm agreed to pay restitution to customers in accordance with a plan not unacceptable to FINRA in an amount that will total not less than \$1,800,000. The Firm additionally agreed to review and revise, as necessary, its systems, policies and procedures and training with respect to multi-share class variable annuity sales. The Firm will certify to FINRA that it has established policies and procedures that are reasonably designed to achieve compliance with applicable FINRA and NASD rules.

10) The Commonwealth of Massachusetts Securities Division (the "Division") alleged that the Firm violated Section 204(a)(2)(J) of the Massachusetts Uniform Securities Act by failing to include specific policies regarding voting shareholder proxies in its written supervisory procedures or other manuals. The Division found that two Firm representatives voted shareholder proxies on behalf of customers despite VFA's position that it does not permit registered representatives to vote shareholder proxies on behalf of customers. VFA entered into a Consent Order with the Division on June 22, 2016. VFA admitted the Division's Statement of Facts but neither admitted nor denied the Violations of Law contained therein. VFA was censured and paid an administrative fine of \$100,000.00 to the Commonwealth of Massachusetts. VFA was also required to certify that it had reviewed its written supervisory policies and procedures with respect to broker-dealer representative proxy voting. VFA agreed to report to the Division within thirty (30) days of the Consent Order regarding the steps taken by VFA during its review, along with conclusions and recommendations resulting from the review.

11) The Florida Office of Financial Regulation alleged that Voya Financial Advisors, Inc. ("Firm") was in violation of Rule 69W-600.013(1)(h)(1), Florida Administrative Code, - by violating NASD Rule 3010(b)(1), by failing to enforce its written supervisory procedures in the supervision of variable annuity purchases. Without admitting or denying the findings, the Firm consented to the described sanctions and to the entry of a Final Order. In the Final Order, the Florida Office of Financial Regulation stated that the Firm's trade review principals failed to request additional information to determine suitability for six (6) customer annuity purchases, failed to obtain full documentation of variable annuity purchases for four (4) customer files, and failed to adequately review surrender charges on twenty-two (22) annuity transactions, of which fourteen (14) were identified by the Firm. - The Firm agreed to cease and desist from violations of Chapter 517, Florida Statutes, and the Office's rules promulgated thereunder, and agreed to strictly comply with all provisions of Chapter 517, Florida Statutes, and the Office's rules promulgated thereunder. The Firm paid an administrative fine of \$50,000. This matter was resolved on February 25, 2016.

12) The Financial Industry Regulatory Authority ("FINRA") alleged that Voya Financial Advisors, Inc. ("Firm") failed to identify and apply volume discounts to certain customers' eligible purchases of Real Estate Investment Trusts ("REITs") and Business Development Companies ("BDCs"), resulting in customers paying excessive sales charges of approximately \$42,000. The Firm has paid restitution in the amount of \$42,166.56, in addition to interest in the amount of \$3,519.65. Also, it was found the Firm failed to establish, maintain and enforce a supervisory system and written supervisory procedures with respect to the sale of REITs and BDCs. The FINRA findings also stated that the Firm failed to identify and apply sales charge discounts to certain customers' eligible purchases of Unit investment Trusts ("UITs"). Specifically, the Firm failed to supply discounts resulting in the customers paying excessive sales charges of \$322,000. The Firm has already paid restitution to all affected customers. Also, the Firm failed to establish, maintain and enforce a supervisory system and written supervisory procedures reasonably designed to ensure customers received sales charge discounts on eligible UIT purchases. Without admitting or denying FINRA's findings, the Firm consented to the described sanctions and to the entry of findings by agreeing to a Letter of Acceptance, Waiver and Consent with FINRA on July 20, 2015, which included a Firm censure and fine in the amount of \$325,000.

13) The Financial Industry Regulatory Authority ("FINRA") alleged that Voya Financial Advisors, Inc. and four control affiliates (Directed Services, LLC, Voya America Equities, Inc., Voya Financial Partners, LLC, and Voya Retirement Advisors, LLC) collectively known as ("Respondent Firms"), were involved in violations of the supervision and email retention requirements of FINRA rules and federal securities laws over an extended period of time. Without admitting or denying FINRA's findings, the Respondent Firms consented to the described sanctions and to the entry of findings by agreeing to a Letter of Acceptance, Waiver and Consent with FINRA. The Respondent Firms were censured and fined in the aggregate amount of \$1.2 million, of which Voya Financial Advisors, Inc. was responsible for \$347,394.96. In the Acceptance, Waiver and Consent, FINRA acknowledged that the Respondent Firms self-reported the email issues described herein and undertook an internal review of their supervisory policies, procedures and systems relating to these issues. FINRA stated that the sanctions reflect the credit that the Respondent Firms have been given for self-reporting these issues, and for the substantial assistance they provided to FINRA during its investigation by, among other things, providing information obtained as a result of their internal investigation. The Respondent Firms further agreed to comply with the following undertakings: the Respondent Firms will each conduct a comprehensive review of their systems and procedures for the capture, retention and review of email to determine that those systems and procedures are reasonably designed to achieve compliance with the recordkeeping and supervisory requirements of FINRA rules and the federal securities laws.

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

### **Affiliations:**

VFA is indirectly owned by Voya Financial, Inc. and is under common control with the following insurance companies: Voya Retirement Insurance and Annuity Company ("VRIAC"), ReliaStar Life Insurance Company and ReliaStar Life Insurance Company of New York.

As required, any affiliated investment advisers are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. Part 1 of VFA's Form ADV can be accessed by following the directions provided on the Cover Page of this Brochure.

In addition to VFA being a registered investment adviser, VFA is a broker-dealer member of the Financial Industry Regulatory Authority ("FINRA"). A list of affiliated broker dealers is specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1, which can be accessed by following the directions provided on the Cover Page of this Firm Brochure.

As discussed in Items 4 and 5 of this Brochure, affiliates of VFA offer products and services that VFA offers to its customers. In particular, VFA offers a) investment model portfolios and mutual funds created, advised, and/or managed by Voya IM, b) custodial mutual fund products created, managed, and administered by VRIAC and VITC, and c) equity and fixed income securities issued by Voya Financial, Inc. VFA phone-based IARs may refer clients to services offered by affiliated investment adviser Voya Retirement Advisors, LLC (VRA), which is factored into compensation for these IARs as described by Item 5, above. VFA has a conflict of interest in offering these products to you, as affiliates of VFA earn revenue by your investment in these products. VFA addresses this conflict of interest by identifying and disclosing this conflict of interest to you, and by reviewing the recommendations and transactions made by IARs to clients to ensure their appropriateness.

Pursuant to an agreement between VFA and Voya IM, Voya IM makes model portfolios available to VFA's IARs at no additional cost to clients. These model portfolios contain an asset allocation that VFA IAR's can utilize to develop their investment recommendations and advice to clients. This is a conflict of interest, as VFA's use of Voya IM's services is due, in part, to the fact that Voya IM does not charge VFA for the services, rather than solely the nature and quality of the services provided.

VFA IARs service VRIAC's tax-exempt market and corporate retirement plan business in their roles as registered representatives of VFA ("RAD Channel IAR"). While VFA generally keeps a portion of the compensation generated from product sales, the Firm pays its RAD Channel IARs 100% of the compensation generated in connection with each particular RAD Channel IAR's sales and servicing of Voya tax-exempt market retirement plans (e.g., 401(a), 403(b) and 457 plans) and both qualified and non-qualified corporate retirement and deferred compensation plans. This creates a conflict of interest as it incentivizes RAD Channel financial professionals to sell Voya retirement plan products as opposed to non-Voya retirement plan products, for which they will receive less compensation. Further, RAD Channel IARs earn additional compensation from the Firm's affiliate, VRIAC, and VFA in the following ways:

1. RAD Channel IARs that meet a certain threshold of sales of VRIAC products for the prior two out of three years are eligible to become classified as statutory employees of VRIAC, which affords such RAD Channel IARs benefits such as health insurance and retirement plan benefits. The status of a RAD Channel financial professional as a statutory employee of VRIAC is reassessed annually and this status is extended through the upcoming calendar year.
2. RAD Channel IARs who transition out of statutory employee status are eligible for a fixed dollar bonus based on the prior year's weighted mix of retail and plan sponsor sales. Additionally, a select number of RAD Channel IARs are eligible for a fixed dollar bonus based on sales of VRIAC products.
3. Individual RAD Channel IARs, or a group of RAD Channel IARs, who meet a certain threshold of prior-year sales for select VRIAC Healthcare, Education, and Government lines of business, are eligible to receive additional Supplemental Bonus Compensation based on a percentage of assets in eligible plans.

The arrangements described in 1-3 above create a conflict of interest, as they incentivize RAD Channel IARs to concentrate their activities on selling and servicing VRIAC products, as opposed to selling retail investment products.

4. Certain RAD Channel IARs are on a tiered payment plan based on 12 months of rolling retail and retirement plan sales. These RAD Channel IARs will earn a higher percentage of compensation from VFA if their sales increase above a certain threshold. A RAD Channel IAR whose sales exceeds a threshold will qualify for a higher tier level, and remain at the higher tier level until the end of the year. The IAR will receive a one-time bonus payment from VFA for the difference in the amount of compensation paid to the IAR at the lower tier level compared to what the IAR would have received at the higher tier level as if the IAR had been at the higher tier level for the entire year. This arrangement creates a conflict of interest, as it provides an incentive for the IAR to sell more products in order to reach a higher tier level and receive more compensation.

#### **Broker-Dealer Registrations of IARs:**

IARs of VFA are separately registered with VFA as registered representatives. They may also be independent insurance agents appointed with various insurance companies. As such, IARs are able to receive separate, yet customary, commission compensation resulting from implementing brokerage and insurance product transactions on behalf of investment advisory clients. Clients, however, are not under any obligation to engage these individuals in their role as a registered representative of a broker-dealer or insurance agent.

Firm policies make certain financial products available only through a commission-based transaction, in which the IAR receives commissions in his or her role as a registered representative. Purchasing such products through the Firm in its role as broker-dealer will result in the client receiving fewer shares for the same purchase price than the customer would receive if purchased in an investment advisory account. Since offering such financial products only in the Firm's capacity as a broker-dealer creates a conflict of interest, the Firm has an obligation to notify clients of, and to obtain informed consent for recommendations of these financial products at the time of sale.

While VFA and its IARs must place the interest of the clients first as part of VFA's fiduciary obligation, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and affects the judgment of IARs when making recommendations. VFA takes the following steps to address this conflict:

- VFA discloses material conflicts of interest to clients, including the potential for VFA and IARs to earn compensation from advisory clients in addition to advisory fees;
- VFA discloses to clients that they are not obligated to purchase recommended investment products from IARs or affiliated companies;
- VFA collects, maintains and documents accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- VFA requires that IARs seek prior approval of any outside business activity so that VFA may confirm that any conflicts of interests in such activities are properly addressed;

As previously disclosed, IARs recommend the services of various third party money managers to VFA clients. In exchange for this recommendation, VFA receives referral fees from the selected third party money managers. The fee received by VFA is typically a percentage of the fee charged by that third party money manager to the referred client. VFA and its IARs will only recommend third party money managers that pay a referral fee.

Certain VFA IARs are licensed as insurance agents, and also own licensed insurance agencies (“IAR-Owned Agencies”). VFA maintains contractual arrangements with IAR-Owned Agencies, as well as Voya Insurance Solutions, Inc. (“VIS”) and nonaffiliated insurance agencies (together with IAR-Owned Agencies and VIS, “Insurance Agencies”) to perform certain application processing functions with respect to fixed indexed annuity contracts that clients can purchase. In exchange for performing certain functions, the Insurance Agencies receive a portion of the compensation earned from the fixed indexed annuity contract sale. This creates a conflict of interest, as IARs who own the IAR-Owned Agencies are incentivized to sell you a fixed indexed annuity contract, as they and entities they own earn more compensation, in certain circumstances, for fixed indexed annuities as opposed to other products available on VFA’s investment advisory platform. Further, VFA is incentivized to recommend fixed indexed annuity contracts to you so that VIS and the nonaffiliated insurance agencies with which VFA maintains contractual relationships receive additional compensation.

VFA follows the rules of the Investment Advisers Act of 1940, as amended, and state law regarding the receipt of referral fees for solicitation of investment advisory clients. Registered representatives of VFA may provide investment advisory services to you without being registered as an IAR under exemptions to registration that exist in certain states’ laws.

VFA IARs may recommend the services of Savvi Financial, LLC. (“Savvi”), a third party investment advisory firm, to generate investment and general financial recommendations to clients. The Client may then decide whether to implement the recommendations made by Savvi, either through VFA or through another financial intermediary. VFA pays a fee to Savvi for Savvi’s services to VFA’s clients and potential clients. Further, VFA’s parent organization, Voya Financial, Inc., maintains an investment in Savvi, with an option to increase its ownership percentage. This creates a conflict of interest, as use of Savvi by VFA clients, or customers of VFA affiliates, will increase the value of Savvi, which increases the value of Voya Financial, Inc.’s ownership share of Savvi. Clients are not obligated to utilize Savvi’s services. VFA addresses this conflict of interest by identifying and disclosing this conflict of interest to you

**With the exception of the Voya Insured Bank Deposit Program (as discussed in Item 14, below) products and services offered by VFA are not insured by the Federal Deposit Insurance Corporation, National Credit Union Share Insurance Program, or any agency of the United States or state governments. As such, they may fluctuate in value and are subject to investment risk, including potential loss of the principal amount invested.**

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

VFA has adopted a Code of Ethics which sets forth high ethical standards of business conduct required of our employees and IARs, including compliance with applicable federal securities laws. A copy of VFA’s Code of Ethics is available to advisory clients and prospective clients. A copy may be requested by email sent to [voyafacompliance@voya.com](mailto:voyafacompliance@voya.com), or by calling 800-356-2906.

VFA’s Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of VFA’s employees and IARs will not interfere with (i) making decisions in the best interests of investment advisory clients, and (ii) implementing such decisions while, at the same time, allowing employees and IARs to invest for their own accounts. VFA’s Code of Ethics requires its IARs to report holdings and transactions in securities. IARs must submit information related to their securities holdings within 10 days of employment or engagement with VFA and annually thereafter within thirty days of the end of each annual period. Transactions in securities performed by IARs at certain brokerage or financial services firms are captured and fed daily to VFA for surveillance. For accounts where transactions in securities are not automatically fed to VFA electronically, IARs must submit quarterly reports detailing said transactions. These reports must be submitted within thirty days of the close of the quarter in a manner approved by VFA

VFA's Code of Ethics includes the Firm's policy prohibiting the use of material non-public information. All registered employee access persons and IARs are reminded that such non-public information may not be used in a personal or professional capacity. Among other things, VFA's Code of Ethics requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) and prohibits investing in an initial public offering ("IPO") and an initial coin offerings ("ICO"). The Code also provides for oversight, enforcement and record keeping provisions. VFA and its IARs may buy securities for the Firm or for themselves from VFA investment advisory clients, or sell securities owned by the Firm or the individual(s) to investment advisory clients. We will ensure, however, that such transactions are conducted in compliance with all the provisions under Section 206(3) of the Advisers Act governing principal transactions to investment advisory clients.

VFA may, at times, effect an agency cross transaction for an investment advisory client, provided that the transaction is consistent with the Firm's fiduciary obligation to the client and that all requirements are met. An agency cross transaction is a transaction where VFA acts as an investment adviser in relation to a transaction in which VFA or any person controlled by or under common control with VFA acts as broker for both the investment advisory client and for another person on the other side of the transaction.

Client funds may be invested in shares of mutual funds for which an affiliate of VFA serves as an investment manager ("Affiliated Funds"). The affiliate will receive a management fee, outlined in the prospectus, from the Affiliated Fund. Assets invested in Affiliated Funds are included in the asset-based fee charged to the client. In addition, IARs are required to report all personal securities transactions conducted in Affiliated Funds.

VFA may aggregate trades of employees, associated persons and IARs with client transactions where possible and when in compliance with VFA's obligation to seek best execution for our clients. When trades are aggregated, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the cases where there is a partial execution of a particular batched order, VFA will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to VFA clients, VFA has established the following policies and procedures for implementing the Code of Ethics to ensure VFA complies with its regulatory obligations and provides its clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No VFA IAR may place his or her own interest above the interest of an investment advisory client.
2. No IAR may purchase or sell securities for their personal portfolio(s) where their decision is a result of information received due to his or her association with VFA unless the information is also available to the investing public.
3. No person associated with VFA may purchase or sell any security prior to a transaction(s) being implemented for an investment advisory client account. This prevents such individuals from benefiting from transactions placed on behalf of investment advisory client accounts.
4. VFA requires prior approval for any private placement investments by IARs of the Firm.
5. VFA maintains a record of all reportable securities holdings of its IARs. These holdings are reviewed on a regular basis by our Firm's Chief Compliance Officer or his/her designee.
6. VFA has established procedures for the maintenance of all required books and records.
7. Clients may choose to decline to implement any advice given, except in situations where the client has authorized VFA to use discretionary authority when purchasing or selling securities.



8. VFA and its IARs must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

9. VFA requires delivery and acknowledgement of the Code of Ethics by each VFA associated person.

10. VFA has established policies requiring the reporting of Code of Ethics violations to senior management.

11. Any individual who violates any of the above restrictions may be subject to disciplinary action, up to and including termination.

As disclosed in Item 10 of this Brochure, IARs are separately registered as registered representatives of VFA and/or are licensed as an insurance agent/broker of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## **Item 12 Brokerage Practices**

VFA has a fully disclosed clearing agreement with Pershing. Pershing maintains and holds funds and securities for the UMA Programs, all Morningstar Wealth Management / Morningstar Wealth Management Tax Sensitive Model Portfolio Program, GPMM, any IIS-managed model currently or historically offered through VFA, and Voya Choice Advisory accounts held by VFA.

Factors considered in selecting Pershing include its expertise as a clearing firm, the existing broker dealer clearing relationship VFA has with Pershing, its financial strength, reputation, reporting, technology, and ability to work with broker dealers and investment advisers who have independent contractors, and execution pricing.

Pershing is the only firm with which VFA has a fully disclosed clearing agreement. Therefore, VFA can only execute your transactions through Pershing for its non-Third Party Money Manager programs. Further, VFA would incur costs and expenses in the event that it decided to terminate its clearing arrangement with Pershing. This exclusivity and costs that VFA would incur in terminating the arrangement or adding another clearing firm creates a conflict of interest, as VFA routes your orders through Pershing for its own contractual arrangements, including the compensation arrangements described herein, without regard to whether your transaction could be executed for less cost and on better terms at another clearing firm. Other clearing firms offer less expensive execution of customer transactions, and in certain circumstances, execution of customer transactions on better terms. The fees charged by VFA and Pershing, or any other designated custodians are exclusive of and in addition to VFA's investment advisory fees.

Pursuant to an agreement with Pershing, Pershing reimburses the Firm for transition fees incurred in moving new customer assets to the Pershing platform. Additionally, with respect to Individual Retirement Accounts ("IRA") held on the Pershing platform, the Firm is credited \$5.00 of each annual maintenance fee for IRAs that hold general securities, and \$2.50 for IRAs that hold only mutual funds as revenue sharing. This reimbursement and credit creates a number of conflicts of interest. First, it incentivizes the Firm to custody assets, including IRA accounts, on the Pershing platform as opposed to another custodian that neither reimburses the Firm for transition fees nor credits the Firm a portion of the annual IRA maintenance fee. Second, the Firm is incentivized to open IRA accounts that are not limited to mutual funds, as opposed to those that are limited to mutual funds, as a means to receive the higher revenue sharing amount.

Through an agreement with Pershing, VFA is paid a percentage fee by Pershing on all assets (mutual funds, exchange traded funds, equities, bonds and other assets) above a certain threshold custodied at Pershing by VFA customers. Pershing pays VFA a higher percentage if the assets VFA holds at Pershing meet certain thresholds. VFA receives this percentage fee payment from Pershing in addition to any payments it may receive on such assets from its Product Partner firms described above. In addition,

Pershing pays VFA a per account fee for each customer account of VFA held at Pershing. These payments create a conflict of interest between VFA and its customers, as these payments provide VFA with an incentive to recommend investing through Pershing as opposed to another investment program that does not provide VFA with such fees. You are able to purchase the same or other similar securities, products and services at another broker-dealer or investment adviser, but for a lower cost.

Pershing also exempts the Firm from payment of 5% of the VFA's total inactive account fees, and reimburses VFA a portion of each annual fee for Pershing Corestone checking features placed on customer accounts. The exemption and reimbursement are conflicts of interest. VFA earns compensation via cost avoidance with respect to inactive account fees and therefore has an incentive not to trade in client investment advisory accounts, and is incentivized to recommend customers add Corestone checking features to their account due to Pershing's reimbursement of a portion of the Corestone fees.

VFA financial professionals may recommend mutual funds that participate in Pershing's FundVest mutual fund program (the "FundVest Program") to clients that meet certain purchase requirements. The FundVest Program was established and is maintained by Pershing. In the FundVest Program, ticket charges are waived for purchases of funds that would normally carry a ticket charge. Pershing, in its sole discretion, may add or remove mutual funds from the FundVest Program without prior notice. Share classes of certain funds in the FundVest Program are more expensive than the share classes of the same or other similar funds offered outside of the FundVest program, or through other investment advisers. As discussed in Item 5, above, VFA's financial professionals are incentivized to avoid ticket charges in VFA's investment advisory programs where the financial professional is assessed the ticket charges associated with your investment by concentrating his or her recommendations to or investment selections for clients on mutual funds that participate in the FundVest Program. This is a conflict of interest, as the financial professional is incentivized to choose investments based on avoided costs for the financial professional, rather than the client's needs and the ultimate cost of the investment to the client.

VFA also participates in Pershing's FundVest No Transaction Fee Exchange Traded Fund Program (the "NTF ETF Program"). The NTF ETF Program was established and is maintained by Pershing. In the NTF ETF Program, ticket charges are waived for purchases of exchange traded funds that would normally carry a ticket charge. Pershing, in its sole discretion, may add or remove exchange traded funds from the NTF ETF Program without prior notice. Exchange traded funds in the NTF ETF program are generally more expensive than exchange traded funds outside of the NTF ETF Program that contain similar investment objectives and underlying investments, and those offered through other investment advisers. VFA's IARs are incentivized to avoid ticket charges in VFA's investment advisory programs where the IAR is assessed the ticket charges associated with your investment by concentrating his or her recommendations to or investment selections for clients on exchange traded funds that participate in the NTF ETF Program. This is a conflict of interest, as the IAR is incentivized to choose investments based on avoided costs for the IAR, rather than the client's needs and the ultimate cost of the investment to the client.

Further, Pershing charges VFA an asset-weighted fee in instances where clients are charged an asset-weighted fee. However, Pershing's calculation of the asset-weighted fee charge to VFA excludes securities that participate in the FundVest program, while VFA's assessment of the asset-weighted fee to clients includes those securities. This is a conflict of interest, as VFA is incentivized to choose FundVest securities for client accounts to minimize its costs paid to Pershing, while not passing that reduction in costs to clients. In other words, VFA makes more money on trades in which VFA or an IAR recommends or utilizes a FundVest fund. Other investment advisers may not charge customers an asset-weighted fee in similar circumstances.

VFA will hold customers' checks made payable to third parties, such as insurance companies, investment companies, and VFA's clearing broker-dealer, Pershing, LLC (Pershing) in connection with subscription-way (directly held) transactions, to rollover funds from a qualified retirement plan, and the opening of a new account with VFA and Pershing. VFA holds such checks during the pendency of its principal review of the transaction or the new account in accordance with applicable FINRA and SEC guidance and rules. Each check held by VFA is safeguarded in accordance with VFA's procedures. VFA may hold a check for

no more than seven (7) business days. If the VFA principal reviewer approves the transaction or new account, the check will be forwarded to the product issuer or Pershing, respectively, no later than Noon on the business day following approval of the transaction or new account. If the VFA principal reviewer rejects the transaction or new account, the check will be returned to the customer no later than Noon on the business day following rejection of the transaction or new account.

## **Item 13     Review of Accounts**

### **INVESTMENT SUPERVISORY SERVICES MODEL PORTFOLIO MANAGEMENT**

**Morningstar Wealth Management / Morningstar Wealth Management Tax Sensitive Model Portfolio Program, Voya Global Perspectives Market Models Series, Voya Choice Advisory, The Fidelity Program, and Unified Managed Account Program**

**Reviews:** VFA periodically reassess, but does not continuously monitor, the performance of the selected registered investment adviser(s). If VFA or the IAR determines that a particular selected registered investment adviser(s) is not managing the client's portfolio in a manner consistent with the client's IPS, or the client's investment objectives and situation changes, the IAR may recommend a different registered investment adviser(s). If your IAR has discretion with respect to your account, the advisor will not monitor the performance of your account on a day-to-day basis.

The IAR will offer to meet at least annually with the client to review performance, changes in the client's net worth, income, goals and investment objectives, to determine if there are material changes to the client's financial condition, and to discuss if the client wishes to impose any reasonable management restrictions on the account

**Reports:** Clients have access to monthly statements and confirmations of transactions from Pershing. Clients also have access to quarterly performance reports summarizing account performance, balances and holdings provided by request from FolioDynamix, Inc.

### **THIRD PARTY MONEY MANAGERS**

**Reviews:** Clients of third party money managers should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reviews provided by that independent registered investment adviser. VFA periodically reassess, but does not continuously monitor, the performance of the selected third-party money managers. If VFA or the IAR determines that a particular selected third-party money manager is not managing the client's portfolio in a manner consistent with the client's IPS, or the client's investment objectives and situation changes, the IAR may recommend a different third party money manager. Under this scenario, the IAR assists the client in selecting a new registered investment adviser and/or program. However, the decision to move to a new registered investment adviser and/or program is solely at the discretion of the client. If your IAR has discretion with respect to your account, the advisor will not monitor the performance of your account on a day-to-day basis.

**Reports:** These clients should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reports provided by that independent registered investment adviser. VFA does not typically provide reports in addition to those provided by the independent registered investment adviser selected to manage the client's assets.

### **FINANCIAL PLANNING AND CONSULTING SERVICES**

**Reviews:** Reviews may occur at different stages depending on the nature and terms outlined in the financial planning or consulting services agreement, however, typically no formal reviews will be

conducted for clients unless otherwise specifically stated in the agreement. Typically, the agreement ends with the delivery of the financial plan, except as may be specifically stated in the financial plan.

**Reports:** Clients receive a completed financial plan or written summary of the services provided. Additional reports are not typically provided unless otherwise specifically stated in the agreement.

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

It is VFA's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to VFA.

VFA offers clients different investment options in its various products sponsored by many different companies, focusing on some of the largest product providers that offer a broad spectrum of investment products.

### **Product Partners Program**

VFA sponsors the Product Partners Program. This program enables participating investment product providers ("Product Partners") to receive services and value from VFA through reporting, marketing/sponsorship/engagement opportunities with VFA and its registered representatives and investment adviser representatives ("IARs"), enhanced communication, education, access to key contacts at VFA, and relationship management. Participation in the Product Partners Program is contingent upon the products offered by the potential Product Partner meeting VFA's product standards and, generally, the payment of fees to VFA, as discussed below. Affiliates of VFA may be Product Partners. Product Partners may also participate in Pershing's FundVest program.

Product Partners attend or sponsor education and training meetings for an additional fee to VFA through the Voya Engagement Program. Non partners are also permitted to attend sponsor education and training meetings through the Voya Engagement Program in exchange for a fee, at the sole discretion of VFA.

In general, for a product to be included on VFA's approved product shelf, the product sponsor must participate in the Product Partners Program by paying the applicable fee, as described below. There are, however, product sponsors that do not pay to participate in the Product Partners Program, and whose products are permitted on the VFA approved product shelf. Additionally, not all share classes of products for a given Product Partner pay additional revenue to VFA. Further, VFA's calculation of the fees a Product Partner owes will exclude certain kinds of accounts and products, depending upon the agreement between the Product Partner and VFA. VFA reserves the right to not include product sponsors on its product shelf, therefore not permitting you to purchase certain products through VFA, if the product sponsor does not participate in the Product Partners Program. This creates a conflict of interest, as VFA chooses which products to make available to you based on the remuneration paid to VFA by the sponsors of those products. This conflict results in VFA recommending financial products and services to you that are more expensive than similar products and services you could obtain elsewhere.

Product Partners pay a fee to VFA to compensate VFA for the opportunities offered through the Product Partners Program. The total fees paid by a Product Partner are the greater of (1) a minimum flat fee or (2) the total fees applicable to a relevant product type ("Product Type Fees"). The Product Type Fees paid to VFA vary by product type and are based on the following factors: (1) the amount of VFA customer assets held in the Product Partner's products; (2) the amount of sales of Product Partner's products to VFA customers; and/or (3) in the case of exchange-traded funds sold to VFA customers, a flat annual fee. The additional compensation VFA receives in connection with the sale of Product Partner products poses a conflict of interest for VFA to promote such products over other products as to which VFA does not receive such additional compensation. However, Clients are able to purchase, through other firms, Product Partner products, other products and services offered through VFA, or similar products and services, for a lower cost.

VFA from time-to-time adds or removes specific firms from its Product Partners Program. Certain products offered by the Product Partners listed are not offered through the Firm's investment advisory program. Below is the current list of Product Partners:

**Mutual Fund/Exchange Traded Fund Product Partners:**

- Alger Funds
- American Century Investments
- Amundi Pioneer Asset Management
- Aquila Group of Funds
- Buffalo Funds
- Davis Funds / Selected Funds / Clipper Funds
- Federated Investors
- Fidelity Institutional Asset Management
- First Trust
- Franklin Templeton Investments
- Invesco Funds
- Lord Abbett Funds
- Mainstay Funds (NY Life)
- MassMutual Funds
- Morgan Stanley Investment Management
- Neuberger Berman Funds
- PIMCO Funds
- Principal Funds
- Prudential Global Investment Management
- T. Rowe Price Funds
- Thornburg Investment Management
- Transamerica Mutual Funds
- Victory Capital Management
- Virtus Investment Partners
- WisdomTree Exchange Traded Funds

**Insurance Product Partners:**

- Athene
- Allianz
- Brighthouse Financial
- Equitable Insurance
- Great American Insurance Group (MassMutual Ascend)
- Jackson National Life Insurance
- Nationwide Life and Annuity Company
- Protective Life Insurance Company
- Pruco Life insurance Company (Prudential)
- Sammons Financial (Midland National Life Insurance Company and North American Life)
- Transamerica Life Insurance Company

**Third Party Platform Partners:**

- Flexible Plan Investments Ltd.
- SEI Investment Management

VFA has entered into arrangements outside of the Product Partners Program for the following product sponsors:

**Voya IM:** While Voya IM receives opportunities similar to those received by non-affiliated Product Partners, Voya IM's arrangement with VFA is not subject to the Product Partners Program. VFA receives compensation from Voya IM based on a percentage of assets invested in funds for which Voya IM acts as investment manager. Though the amount of compensation paid to VFA by Voya IM will vary each year, the compensation will represent a sum of up to 0.51% of VFA customer assets held in funds for which Voya IM acts as investment manager, subject to certain exceptions based upon the fund, the share class of the fund, or the account type in which the fund is held.

**VRIAC:** While VRIAC receives opportunities similar to those received by non-affiliated Product Partners, VRIAC's arrangement with VFA is not subject to the Product Partners Program. VFA receives compensation from VRIAC based upon a) new sales of Voya Select Advantage Advisory accounts, and b) VFA customer assets invested in Voya Select Advantage Advisory accounts. Though the amount of compensation paid to VFA by VRIAC will vary each year, the annual compensation will represent a sum of 0.10% of VFA customer assets held in Voya Select Advantage Advisory accounts.

### **VFA Strategic Partner Program**

Prior to January 1, 2018, VFA maintained the Strategic Partner program. VFA is still subject to certain Strategic Partner agreements and will continue to receive payments from product sponsors participating in the Strategic Partner Program. VFA expects to accrue payments from the following product sponsors under the Strategic Partner Program:

### **Mutual Fund Sponsors**

- BlackRock Investment Management
- DWS Funds (Deutsche Asset Management)
- Hartford Funds
- JP Morgan Asset Management

### **Variable Annuity Sponsors**

- Corebridge
- Hartford Life Insurance
- Lincoln Financial Group
- Venerable Annuity

### **Third Party Platform Sponsors**

- Buckingham Strategic Partners, LLC

As a Client of VFA, you may be invited to attend seminars or training and educational meetings. If you attend a training or educational meeting with your IAR and a product sponsor is present, you should assume that the product sponsor has paid for all or a portion of the cost of the meeting or event, including the cost of travel to the event, and any meals or accommodations offered. Additionally, product sponsors may provide business entertainment or nominal gifts to VFA IARs and employees. Payments by the product sponsor to cover all or a portion of the cost of a meeting or event, as well as the receipt of business entertainment or nominal gifts by VFA personnel from product sponsors are conflicts of interest, as they incentivize VFA and its IARs to recommend and select investments based on the value of the meetings, events, business entertainment, or nominal gifts offered by the product sponsor, rather than the client's investment needs.

From time to time, product sponsors will reimburse VFA's IARs for the purchase of software that the IAR uses in conducting securities business. This reimbursement creates a conflict of interest as it incentivizes the IAR to recommend the products of the product sponsor offering reimbursement.

Companies that are not Product Partners may at times send VFA payments and/or non-cash compensation in recognition of VFA's efforts in educating its IARs regarding such companies' products, which payments and/or non-cash compensation pose a conflict of interest for VFA to promote such products over other products.

VFA and VRIAC offer incentive programs through which VFA's IARs are eligible to receive awards, including but not limited to trips, cash bonuses, and non-cash items. These incentive programs are based on client engagement activities, client service ratings, total securities product sales or assets retained through and on behalf of VFA or VRIAC. From time to time, VFA and VRIAC will weight certain products or services more heavily in its calculations for purposes of qualifying for such incentives. For example, VFA may weigh investment advisory programs assets under management more heavily than other sales. Such weighting provides incentives for your IAR to recommend such weighted products or services over others with less weighting. The existence of these incentive programs and the possibility of receiving incentive awards create a conflict of interest, as they incentivize IARs to sell customers products through VFA and VRIAC, and retain customer assets with VFA and VRIAC. In addition, VRIAC provides more qualifying spots on awards trips to RAD Channel IARs for sales of tax-exempt retirement products than it does for sales of retail financial products. This creates a conflict of interest, as it incentivizes RAD Channel IARs to focus on tax-exempt market product sales and asset retention.

The Select Advantage Advisory IRA Program, issued by an affiliate of VFA, does not charge IARs a platform fee for holding client assets. However, assets held in the Select Advantage Advisory IRA Program are included in the calculation to determine the incentive awards described in the previous paragraph. This creates a conflict of interest, as it incentivizes VFA's IARs to place client assets in the Select Advantage Advisory IRA Program, thereby avoiding a platform fee and continuing to include such assets in the calculation for incentive awards. Further, VFA has a conflict of interest in not charging platform fees to IARs for Select Advantage Advisory IRA Program assets, as it incentivizes increased assets to be held with an affiliate of VFA.

The Firm holds competitions throughout the course of the calendar year that award tuition rebates and prizes to the top five IARs based on assets under management. Tuition rebates and prizes provided to the top five IARs are worth between \$400-\$500 and \$500 respectively for each adviser. The existence of such content(s) create a conflict of interest for your advisor, as it incentivizes your IAR to increase his or her assets under management to qualify for the prizes associated with the contest(s).

As part of its due diligence of new products and services to offer to clients, the Firm will, from time to time, send its employees to product sponsor or service provider offices or other locales. The product sponsor or service provider will cover the cost of such travel. This is a conflict of interest, as VFA is incentivized to offer the products and services of sponsors and providers that cover the cost of any due diligence travel, as opposed to those sponsors and providers that do not cover the cost of such travel.

VFA advisors may use the AssetMark Platform, which may allow VFA, subject to negotiation with AssetMark, to receive certain allowances, reimbursements or services from AssetMark in connection with VFA investment advisory services to its clients. In addition to the fee reductions and/or allowances granted VFA by AssetMark, AssetMark may agree to provide VFA or its advisers with organizational consulting, education, training and marketing support. This creates a conflict of interest, as it incentivizes VFA and its IARs to recommend the AssetMark Platform instead of other third party money manager programs.

VFA's phone service employee IARs (commonly referred to as the "Investor Channel") may engage prospective and current customers, including those Clients with existing VFA retail accounts or Voya retirement plan participants who have separated from their employer-sponsored plan offered by our affiliates, VRIAC and Voya Institutional Plan Services, LLC, to offer the opportunity to participate in the

Select Advantage Advisory Program or other affiliated programs or products. VFA does not pay the Investor Channel IARs any portion of the investment advisory fee VFA earns. Rather, Investor Channel IARs earn a salary and monthly incentive payouts based on individual performance factors, which differ depending on the IAR's role. These factors include achieving individual and department annual sales goals, client engage activity, client retention, and customer satisfaction. This compensation model creates a conflict of interest, as Investor Channel IARs are incentivized to sell products and services, and retain assets with VFA and its affiliates to increase their incentive compensation.

Sales of such managed account services that are produced by VFA's phone service IARs may generate referral payments to the agent of record for the existing Voya product. Where that is the case, VFA and the agent of record may enter into rules of engagement that govern how rollover sales opportunities will be allocated between VFA's phone service IARs and the agent of record. Typically, low balance rollover opportunities are allocated to VFA's phone service IARs and higher balance opportunities are allocated to the agent of record. VFA, through its IARs, concentrates its rollover sales efforts on certain proprietary products and services. Other products and services are available through other distributors.

As described in Items 4 and 5, Morningstar provides capital market assumptions to VFA at no additional cost as part of the suite of services it provides. For information concerning VFA's relationship with Morningstar, please consult Items 4 and 5 of this Brochure.

Non-employee IARs are required to pay a platform fee to VFA to access the Firm's systems, and a separate platform fee to access third party money manager programs. The fee is calculated as a percentage of the IARs assets under their management with the Firm plus a fixed fee for each account in the ISS Individual Portfolio Management program. Additionally, IARs are charged a small account platform fee for accounts under \$50,000 of assets in the aforementioned programs that are not part of a larger "household" of assets. With the exception of the third party money manager programs, as an IAR's assets under management increases, the percentage used to calculate the platform fee decreases. VFA's platform fee structure creates a number of conflicts of interest. It (i) incentivizes the IAR to increase the amount of assets under their management to pay a lower platform fee, (ii) disincentivizes the use of the ISS Individual Portfolio Management program based on the fees assessed to the IAR in those programs, (iii) incentivizes IARs to not accept investment advisory accounts of less than \$50,000, and (iv) incentivizes the IAR to choose which platform and investment advisory product to recommend to you based on the fees that the IAR will incur, rather than your investment needs.

VFA provides forgivable loans to certain IARs as an incentive to join or remain with the Firm. The loans are offered to IARs at VFA's discretion and vary in amount and terms. Principal amounts loaned to IARs are based, in part, on the amount of customer assets that the Firm anticipates will be transferred to VFA by the IAR or the perceived profitability to the Firm of the IAR's business. For financial professionals recruited to the Firm, the principal amounts are loaned either upon joining the Firm, or partly upon joining, with the remaining amount loaned upon either the passage of a threshold period of time or a certain threshold of assets being moved to the Firm. Loaned amounts pursuant to a loan are forgiven at regular intervals based on a IAR's continued affiliation in good standing with the Firm. A IAR is responsible for paying back any amounts owed if he or she fails to abide by the terms of the loan, including but not limited to failure to maintain securities licensure or affiliation with the Firm. The Firm offering forgivable loans to IARs creates a conflict of interest, as it incentivizes IARs to select the Firm to service your account(s), and remain with VFA for the duration of the loan's forgiveness terms, instead of another firm that may not offer loans, but may offer the same or similar services of VFA for a lower cost.

Client cash positions in VFA investment advisory accounts will be deposited into VFA's cash sweep program, the Voya Financial Advisors Insured Bank Deposit Account ("VIBD"), subject to certain exceptions. Effective April 1, 2024, Cash balances, including those deposited in VIBD, are not subject to



VFA's applicable advisory fees and other asset-based fees, and VFA does not include such cash balances in its calculation of the fees payable by the client for investment advisory services. Also, effective April 1, 2024, VFA includes balances in money market sleeves in its calculation of VFA's applicable Advisory Fees, including Custody Fees and Administrative Fees, for UMA Programs.

VFA determines the interest rate payable to you in VIBD in accordance with a formula that considers: (1) the Weighted Average Total All-In Cost of Funds published by IntraFi Network, (2) fees paid to service providers in connection with the VIBD program, and (3) a percentage of the overall interest rate VFA retains for providing the VIBD program. VFA also considers the prevailing interest rates available to customers through bank deposit cash sweep accounts at other broker-dealer and investment advisory firms, which VFA deems to be peer firms in its sole discretion, as approved by VFA's Investment Product Due Diligence Committee. Further, VFA is compensated on cash balances in VIBD by retaining a portion of the fee that the banks pay for assets for which each bank acts as custodian. The total amount of the fee that VFA receives affects the amount of interest payable to customers on cash balances in VIBD. Therefore, VFA has a conflict of interest with regard to the VIBD program. First, it is incentivized to move customer cash balances to VIBD to earn its fee, and second, any increase in the fee VFA chooses to receive will decrease the amount of interest received by customers. A copy of the VIBD Disclosure Booklet is available at the following internet address: [www.voyafinancialadvisors.com/banksweep](http://www.voyafinancialadvisors.com/banksweep).

While VFA's default cash sweep option for clients is VIBD, certain clients will, depending upon account type and other circumstances, have another cash sweep option. VFA offers VIBD to customers due to the remuneration it receives in connection with the program. This presents a conflict of interest, as VFA is incentivized to place client cash sweep balances in VIBD, both for the remuneration it receives and for circumstances relating to VFA's investment advisory business model, rather than individualized client circumstances. Other cash sweep programs and investments, including those that VFA can offer, but chooses not to, present higher 7-day yields of up to 4.04% (as of December 31, 2023), with lower overall costs, for you, the client.

Given current fees paid by the Banks, it is important that clients understand that VFA retains a monthly target of 49% of the available interest rate VFA receives on assets held in the VIBD program, with the client receiving the remaining 51%. While the goal of VFA is to maintain a 51% client and 49% VFA split of the available interest rate VFA receives on assets held in the VIBD program, actual interest paid by banks through the program fluctuates daily, so the split ratio could vary, with the client's daily interest being lower or higher than 51%.

## **Item 15 Custody**

With the exception of client accounts holding the Select Advantage Advisory IRA Program, VFA does not have actual or constructive custody of client accounts. VFA, through its clearing firm, Pershing, directly debits investment advisory fees from client accounts. VFA has constructive custody of client assets in the Select Advantage Advisory IRA Program because its affiliate, VITC is the asset custodian for the Select Advantage Advisory IRA Program. VFA is operationally independent from VITC.

VITC, for the Select Advantage Advisory program, and Pershing, for all other non-third party manager programs, sends clients a quarterly account statement showing all activity, including deposits and withdrawals of funds, purchases and sales of securities, transfers, securities positions and charges within the account during the reporting period.

VFA calculates the amount of the investment advisory fee to be deducted. Therefore it is important for clients to carefully review their account statements to verify the accuracy of the calculation, among other things. Clients should contact VFA directly if they believe that there are any errors in their statement.

FolioDynamix, Inc, on behalf of VFA, also provides clients access to performance reports on a quarterly basis. Clients should carefully compare the information provided on these statements to confirm that all account transactions, holdings and values are correct and current. VFA statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities, so clients are advised to contact VFA and the custodian with questions.

## **Item 16 Investment Discretion**

Clients may authorize their VFA IAR to exercise discretion when executing transactions in their accounts. When an IAR is authorized by the client to exercise discretion, he or she may execute trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Only IARs who have received written authorization from both the client and VFA may exercise discretion in clients' accounts. This discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the price and amount of the security to buy or sell; and/or
- determine the time to buy or sell the security

Clients give IARs discretionary authority when they sign a discretionary agreement with VFA, and may terminate this authority by giving VFA written instructions. VFA exercises discretion in its wrap fee programs.

Discretion by VFA in wrap fee programs is limited to effecting transactions in the client's account to align to the model portfolio(s) selected by the client. Further information regarding the extent of VFA's discretionary authority in wrap fee programs is contained in Appendix 1, wrap fee program brochure for each wrap fee program, and each wrap fee program's account agreement. No separate approval is required for VFA IARs to utilize wrap fee programs.

## **Item 17 Voting Client Securities**

As a matter of Firm policy, VFA does not vote proxies on behalf of clients and does not offer any consulting assistance regarding proxy issues to clients. Therefore, although VFA may provide investment advisory services relative to client investment assets, clients maintain the right and exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investments. Clients are responsible for instructing each custodian to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

## **Item 18 Financial Information**

VFA may require or solicit payment of fees in excess of \$1200 per client more than six months in advance of the investment advisory services rendered under an annual financial planning agreement. Therefore, VFA is required to include a financial statement. A current audited balance sheet can be found at the conclusion of this brochure.

As a registered investment adviser that maintains discretionary trading authority for client accounts, VFA is also required to disclose any financial condition that is reasonable likely to impair its ability to meet its contractual obligations. To the best of VFA's knowledge and belief, VFA has no financial circumstance that is reasonably likely to materially adversely affect its ability to provide investment advisory services to its clients, and has not been the subject of a bankruptcy proceeding.

STATEMENT OF FINANCIAL CONDITION

Voya Financial Advisors, Inc.

*December 31, 2023*

*with Report of Independent Registered Public Accounting Firm*

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

ANNUAL REPORTS  
FORM X-17A-5  
PART III

OMB APPROVAL
OMB Number: 3235-0123
Expires: Nov. 30, 2026
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FACING PAGE

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/23 AND ENDING 12/31/23  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Voya Financial Advisors, Inc.

TYPE OF REGISTRANT (check all applicable boxes):

- ☒ Broker-dealer ☐ Security-based swap dealer ☐ Major security-based swap participant  
☐ Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

One Orange Way

(No. and Street)

Windsor

CT

06095

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Kristin Hultgren

860-580-1798

kristinl.hultgren@voya.com

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

Ernst & Young

(Name – if individual, state last, first, and middle name)

20 Church Street

Hartford

CT

06103

(Address)

(City)

(State)

(Zip Code)

October 20, 2003

42

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

FOR OFFICIAL USE ONLY

\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.



## OATH OR AFFIRMATION

I, Kristin Hultgren, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Voya Financial Advisors, Inc., as of 12/31, 2023, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

Sara A. Kircaldie  
Notary Public



Signature: KH

Title:

Financial Operations Principal

### This filing\*\* contains (check all applicable boxes):

- ☒ (a) Statement of financial condition.
- ☒ (b) Notes to consolidated statement of financial condition.
- ☐ (c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income (as defined in § 210.1-02 of Regulation S-X).
- ☐ (d) Statement of cash flows.
- ☐ (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- ☐ (f) Statement of changes in liabilities subordinated to claims of creditors.
- ☐ (g) Notes to consolidated financial statements.
- ☐ (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- ☐ (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- ☐ (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- ☐ (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- ☐ (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- ☐ (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- ☐ (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- ☐ (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- ☐ (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- ☒ (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- ☐ (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (t) Independent public accountant's report based on an examination of the statement of financial condition.
- ☐ (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- ☐ (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- ☐ (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- ☐ (z) Other: \_\_\_\_\_

\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

**Voya Financial Advisors, Inc.**  
**Statement of Financial Condition**  
**December 31, 2023**

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## Report of Independent Registered Public Accounting Firm

To the Stockholder and Board of Directors of Voya Financial Advisors, Inc.

### Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Voya Financial Advisors, Inc. (the Company) as of December 31, 2023, and the related notes (the “financial statement”). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company at December 31, 2023, in conformity with U.S. generally accepted accounting principles.

### Basis for Opinion

This financial statement is the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A handwritten signature in black ink that reads 'Ernst &amp; Young LLP'. The signature is written in a cursive, flowing style.

We have served as the Company’s auditor since 2001.

Hartford, CT  
February 26, 2024

**Voya Financial Advisors, Inc.**  
**Statement of Financial Condition**  
**December 31, 2023**

**Assets**

Cash	\$ 52,254,969
Securities owned, at fair value	765,619
Commissions and concessions receivable	2,171,692
Accounts receivable, net of allowance of \$2,690,549	2,254,398
Prepaid expenses	3,291,204
Receivables from affiliates	5,235,660
Notes receivable, net of allowance of \$51,387	269,781
Deferred tax asset, net of valuation allowance of \$647,701	9,481,484
Other assets	2,067,507
Total assets	<u>77,792,314</u>

**Liabilities and stockholder's equity**

**Liabilities:**

Commissions and concessions payable	8,104,208
Accounts payable and other accrued liabilities	2,761,822
Payable to affiliates, including \$429,608 payable under tax sharing agreement	4,746,989
Other liabilities	1,125,541
Total liabilities	<u>16,738,560</u>

**Contingencies (Note 6)**

**Stockholder's equity:**

Common stock (\$10 par value; 5,000 shares authorized; 1,500 issued and outstanding)	15,000
Additional paid-in capital	64,471,647
Accumulated Deficit	(3,432,893)
Total stockholder's equity	<u>61,053,754</u>
Total liabilities and stockholder's equity	<u>\$ 77,792,314</u>

*The accompanying notes are an integral part of these financial statements.*



## **1. Nature of Business and Ownership**

Voya Financial Advisors, Inc. (the "Company") is an indirect, wholly-owned subsidiary of Voya Holdings Inc. ("Parent"), and ultimately of Voya Financial, Inc. ("Voya"). The Company is registered with the Securities and Exchange Commission ("SEC") as a broker-dealer pursuant to Section 15 of the Securities Exchange Act of 1934, and as a Registered Investment Adviser pursuant to the Investment Adviser's Act of 1940. The Company is a member of the Financial Industry Regulatory Authority ("FINRA"), Securities Investor Protection Corporation ("SIPC") and is also registered with the appropriate U.S. jurisdictions, U.S. territories, and state securities authorities as a broker-dealer.

The Company is a fully disclosed broker-dealer and clears all brokerage securities transactions through an unaffiliated clearing broker. The Company does not carry customer accounts and is not required to make periodic computation of reserve requirements for the exclusive benefit of customers. Therefore, the Company is exempt from SEC Rule 15c3-3..

## **2. Summary of Significant Accounting Policies**

### *Basis of Presentation*

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

### *Use of Estimates*

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### *Cash*

Cash represents cash on deposit.

### *Securities Owned*

Marketable securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities. Trading securities are carried at fair value.

### *Accounts Receivable*

Accounts receivable are reported in the Statement of Financial Condition at net realizable value. Management estimates the credit loss allowance for accounts receivable using a factor based method of probability of default which incorporates relevant information from internal sources relating to past events. Included in the factor based method are the terminations of registered representatives and any collections after termination.

### *Prepaid Expenses*

The Company classifies expenses that are paid before the benefit is received as prepaid expense in the Statement of Financial Condition. This prepaid expense is charged to operations ratably over the period of benefit.

*Notes Receivable*

Notes receivable are reported in the Statement of Financial Condition at net realizable value. Management estimates the credit loss allowance for promissory notes using a factor-based method of probability of default and loss given default which incorporates relevant available information from internal sources relating to past events. Included in the factor-based method are the value of new loans issued, terminations of registered representatives, and any recoveries after default.

The allowance for credit losses is a valuation account that is deducted from the notes receivable balance to present the net realizable value. There was an \$51,387 allowance for bad debt relating to these loan agreements as of December 31, 2023.

*Income Taxes*

The Company uses certain assumptions and estimates in determining (a) the income taxes payable or refundable to/from Voya for the current year, (b) the provision for income taxes and (c) the deferred income tax assets and liabilities.

The provision for income taxes is based on income and expense reported in the financial statements after adjustments for permanent differences between our financial statements and consolidated federal income tax return. Permanent differences include the dividends received deduction. As a result of permanent differences, the effective tax rate reflected in the financial statements may be different than the actual rate in the income tax return.

Temporary differences between our financial statements and income tax return create deferred tax assets and liabilities. Deferred tax assets represent the tax benefit of future deductible temporary differences, net operating loss carryforwards and tax credit carryforwards. The Company's deferred tax assets and liabilities are measured at the balance sheet date using enacted tax rates expected to apply to taxable income in the years the temporary differences are expected to reverse. The Company evaluates and tests the recoverability of its deferred tax assets. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence, it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. Considerable judgment and the use of estimates are required in determining whether a valuation allowance is necessary and, if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance, the Company considers many factors, including the nature and character of the deferred tax assets and liabilities, the amount and character of book income or losses in recent years, projected future taxable income and future reversals of temporary differences, tax planning strategies the Company would employ to avoid a tax benefit from expiring unused, and the length of time carryforwards can be utilized.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not to be sustained under examination by the applicable taxing authority. The Company also considers positions that have been reviewed and agreed to as part of an examination by the applicable taxing authority. For items that meet the more-likely-than-not recognition threshold, the Company measures the tax position as the largest amount of benefit that is more than 50% likely to be realized upon ultimate resolution with the applicable tax authority that has full knowledge of all relevant information.

*Commissions and Concessions Receivable*

Commissions and concessions receivable reflect commissions earned but not yet received on products sold and fee income.

*Commissions and Concessions Payable*

Commissions and concessions payable reflect the compensation to be paid to agents for products sold and advisory services.

*Financial Instruments with Off-Balance Sheet Risk*

The securities transactions of the Company's customers are introduced on a fully disclosed basis with a clearing broker-dealer. The Company holds no customer funds or securities. The clearing broker-dealer is responsible for execution, collection of and payment of funds, and receipt and delivery of securities relative to customer transactions. Off-balance sheet risk exists with respect to these transactions due to the possibility that customers may be unable to fulfill their contractual commitments. In this event, the clearing broker-dealer may charge any related losses to the Company. The Company seeks to minimize this risk through procedures designed to monitor the creditworthiness of its customers and to ensure that customer transactions are executed properly by the clearing broker-dealer.

*Adoption of New Accounting Pronouncements*

The Company did not adopt any new accounting standards in 2023 that had a material impact to the Financial Statements.

*Future Adoption of Accounting Pronouncements*

ASU 2023-09, Improvements to Income Tax Disclosures. This standard, issued in December 2023, requires the following disclosures:

- A tabular rate reconciliation of (1) reported income tax expense/benefit from continuing operations, to (2) the product of the income/loss from continuing operations before income taxes and the statutory federal income tax rate, using specific categories, as well as disclosure of certain reconciling items based on a 5% threshold.
- Year-to-date net income taxes paid, disaggregated by federal, state, and foreign, as well as disaggregated information on net income taxes paid to an individual jurisdiction based on a 5% threshold.

The amendments are effective for annual periods beginning after December 15, 2024, and should be applied prospectively, with retrospective application permitted. The Company is currently in the process of determining the impact of adoption of the provisions of ASU 2023-09.

*Subsequent Events*

Events occurring subsequent to the date of the Financial Statements were evaluated through February 26, 2024, the date the Financial Statements were available to be issued.

### 3. Income Taxes

The results of the Company's operations are included in the consolidated tax return of Voya Financial, Inc. Generally, the Company's financial statements recognize the current and deferred income tax consequences that result from the Company's activities during the current and preceding periods pursuant to the provisions of Income Taxes (ASC 740) as if the Company were a separate taxpayer rather than a member of Voya Financial, Inc.'s consolidated income tax return group with the exception of any net operating loss carryforwards and capital loss carryforwards, which are recorded pursuant to the tax sharing agreement. If the Company instead were to follow a separate taxpayer approach without any exceptions, there would be an additional \$9,481,484 income tax expense. Also, any current tax benefit related to the Company's tax attributes realized by virtue of its inclusion in the consolidated tax return of Voya Financial, Inc. would have been recorded directly to equity rather than income.

Under the tax sharing agreement, Voya Financial, Inc. will pay the Company for the tax benefits of ordinary and capital losses only in the event that the consolidated tax group actually uses the tax benefit of losses generated.

Deferred income taxes have been established by each member of the consolidated group based upon the temporary differences within each entity. Significant components of the Company's deferred tax asset at December 31, 2023 are as follows:

Deferred tax assets:

Federal loss carryforwards	\$	7,472,653
Compensation and benefits		909,654
State deferred tax assets		999,004
Other		747,874
Total gross deferred tax assets before valuation allowance		10,129,185
Less: valuation allowance		647,701
Deferred tax assets, net of valuation allowance	\$	9,481,484

The following table sets forth the federal and state loss carryforwards for tax purposes as of December 31, 2023:

Federal net operating loss carryforward	\$	35,584,062 <sup>(1)</sup>
State net operating loss carryforward		11,689,578 <sup>(2)</sup>

<sup>(1)</sup> \$13,197,569 not subject to expiration. \$22,386,493 expires between 2035 and 2036.

<sup>(2)</sup> \$2,519,175 not subject to expiration. \$9,170,403 expires between 2030 and 2042.

Valuation allowances are provided when it is considered more likely than not that some portion or all of the deferred tax assets will not be realized. Management believes that it is more likely than not that the benefit from unitary state net operating losses will not be realized. Accordingly, a valuation allowance of \$647,701 has been provided on the deferred tax assets relating to the unitary state net operating losses.

The Company has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with ASC Topic 740, *Income Taxes*, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Company.

*Tax Regulatory Matters*

For the tax years 2021 through 2023, the Company participated in the Internal Revenue Service ("IRS") Compliance Assurance Process ("CAP"), which is a continuous audit program provided by the IRS. For the 2023 tax year, the Company was in the Compliance Maintenance Bridge ("Bridge") phase of CAP. In the Bridge phase, the IRS did not conduct any review or provide any letters of assurance for that tax year.

*Tax Legislative Matters*

In August 2022, the Inflation Reduction Act was signed into law creating the corporate alternative minimum tax ("CAMT"). The IRS has only issued limited guidance on the CAMT, and uncertainty remains regarding the application of and potential adjustments to the CAMT. The Company is not subject to the CAMT based on this guidance and will continue to evaluate the applicability as more guidance is provided.

**4. Related-Party Transactions**

Receivables and payables with Voya Financial, Inc. and affiliated entities are settled at least quarterly in cash.

Amounts reported in the Statement of Financial Condition related to transactions and agreements with affiliates may not be the same as those recorded if the Company was not a wholly-owned subsidiary of Voya.

The Company sells variable life and annuity products and mutual funds issued by VRIAC and ReliaStar Life Insurance Company ("RLIC"), affiliates of the Company. The Company further facilitates payment of commissions from VRIAC and RLIC directly to its registered representatives. As of December 31, 2023, commission receivable of \$5,120,844 is included in Receivable from Affiliates on the Statement of Financial Condition from Voya Financial Partners the distributor and underwriter of these products and an affiliate of the Company.

The Company returned capital, in the amount of \$10,000,000, to its parent, Voya Holdings, Inc., on December 15, 2023. The withdrawal of capital was made pursuant to the Board of Directors' approval and with prior written notice to FINRA in accordance with Rule 15c3-1.

**5. Employee Benefits**

The employees of affiliated companies providing services to the Company are covered by a variety of employee benefit plans (401(k), pension and deferred compensation plans) that are administered by affiliates. The different plans have various eligibility standards, vesting requirements, and guidelines for matching. The Company had separate employee benefit plans in 2023 and relied on its affiliated companies to cover all eligible employees. All benefits paid by affiliates are charged back to the Company for reimbursement.

**6. Contingencies**

The Company is party to claims, lawsuits, and/or arbitrations arising in the course of its normal business activities. While it is not possible to forecast the outcome of such lawsuits/arbitrations, in light of existing insurance and established reserves, it is the opinion of management that the disposition of such lawsuits/arbitrations will not have a materially adverse effect on the Company's operations or financial position.

The Company and its affiliates periodically receive informal and formal requests for information from various state and federal governmental agencies and self-regulatory organizations in connection with inquiries and investigations of the products and practices of the Company, its affiliates or the financial services industry. Such investigations and inquiries could result in regulatory action against the Company. The potential outcome of any such action is

difficult to predict but could subject the Company or its affiliates to adverse consequences, including, but not limited to, settlement payments, penalties, fines and other financial liability.

For some matters, the Company is able to estimate a possible range of loss. For such matters in which a loss is probable, an accrual is made. For matters where the Company, however, believes a loss is reasonably possible, but not probable, no accrual is required. For matters for which an accrual is made, but there remains a reasonably possible range of loss in excess of the amounts accrued or for matters where no accrual is required, the Company develops an estimate of the reasonably possible range of losses in excess of reserves. As of December 31, 2023, the aggregate range of reasonably possible losses in excess of any amounts accrued for these matters as of such date, is not material to the Company.

For other matters, the Company is currently not able to estimate the reasonably possible loss range or range of loss. The Company is often unable to estimate the possible loss or range of loss until developments in such matters have provided sufficient information to support an assessment of the range of possible loss, such as quantifications of a damage demand from plaintiffs, discovery from plaintiffs and other parties, investigation of factual allegations, rulings by a court on motions or appeals, analysis by experts and the progress of settlement discussions. On an ongoing basis, the Company reviews relevant information with respect to litigation and regulatory contingencies and updates the Company's accruals, disclosures and reasonably possible losses or ranges of loss.

## **7. Fair Value of Financial Instruments**

ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC Topic 820), defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair Value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset occurs in the principal market for the asset or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by ASC Topic 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included in level 1) that are observable for the asset, either directly or indirectly.
- Level 3 are unobservable inputs for the asset and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.)

**Voya Financial Advisors, Inc.**  
**Notes to Statement of Financial Condition**

The following table presents the Company's fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Securities owned:				
Bonds	\$ 1	\$ —	\$ —	\$ 1
Equities	128	—	—	128
REITS	289,126	—	—	289,126

The Company assumed the ownership of certain REITS as a result of legal settlements. The REITS, in which the Company owns shares, are primarily engaged in the business of the acquisition and development of commercial real estate, the drilling of natural gas development wells, and the trading of futures in agriculture, metals energy and interest rates. The securities are held as trading securities by the Company.

REITS are comprised of two assets that are measured at fair value using NAV per share as a practical expedient and have not been classified in the fair value hierarchy. Franklin BSP Lending Corporation has a balance of \$454,169 and NorthStar Healthcare has a balance of \$22,195. Franklin BSP Lending Corporation provides financing solutions to a variety of industries. NorthStar Healthcare invests in a diversified portfolio of healthcare real estate.

REIT positions held by the Company are excluded from the Company's net capital.

## **8. Net Capital Requirements**

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital. The Company has elected to use the alternative method, permitted by the Rule, which requires that the Company maintain minimum net capital, as defined, equal to the greater of \$250,000 or 2% of aggregate debit balances arising from customer transactions, as defined.

As of December 31, 2023, the Company had net capital of \$37,758,183, which was \$37,508,183 in excess of the required net capital of \$250,000. The Company had no aggregate debit items at December 31, 2023.