

# VANTAGE FINANCIAL PARTNERS, LLC

## FORM ADV PART 2A, APPENDIX 1 WRAP FEE PROGRAM

### Item 1 – Cover Page

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This wrap fee program brochure provides information about the qualifications and business practices of Vantage Financial Partners, LLC. If you have any questions regarding the contents of this brochure, please contact our Chief Compliance Officer, Michelle McCarthy, by telephone at (513) 832-5447 or by email at [michelle.mccarthy@dinsmorecomplianceservices.com](mailto:michelle.mccarthy@dinsmorecomplianceservices.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Vantage Financial Partners, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training. Additional information about Vantage Financial Partners, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

Form ADV Part 2A requires registered investment advisers to amend their wrap fee program brochure when information becomes materially inaccurate. If there are any material changes to an adviser's wrap fee program brochure, the adviser is required to notify you and provide you with a description of the material changes.

The last annual update of our Firm Brochure occurred on March 29, 2023.

As part of this annual update, this Brochure was revised to reflect the following material changes:

No material changes made.

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#### **Item 4 – Services, Fees and Compensation**

Vantage Financial Partners, LLC (“VFP” or the “Firm”) is a limited liability company organized in the State of Delaware. VFP is an investment advisory firm registered with the United States Securities and Exchange Commission (“SEC”). VFP is owned by Jesse Niederbaumer, Andrew Meyer, Matthew Niederbaumer, and Jeremy Gardner. The VFP Wrap Fee Program (the “Program”) is an investment advisory program sponsored by VFP. This Brochure describes the Program as it relates to clients receiving services through the Program. The Program is only made available to clients of VFP who received advisory services from VFP personnel while such personnel were investment adviser representatives of a non-affiliated investment adviser (the “Transition Clients”). The provision of investment management services through the VFP Wrap Fee Program is limited to the Transition Clients.

In addition to the Program, the Firm offers a variety of advisory services, which include financial planning and consulting services, family office services and investment management services under different arrangements than those described in this Brochure. Information about these services is contained in the Firm’s Form ADV Part 2A. New clients of VFP, who are not Transition Clients, are not provided investment management and other services through the Program.

##### **A. Description of the Program**

VFP provides investment management services as the sponsor and manager of the Program. The Program utilizes registered mutual funds and exchange traded funds (“ETFs”), but will also utilize equity securities, corporate bonds, REITS, private funds/alternative investments and variable annuities, among others, if we determine such investments fit within a client’s objectives and are in the best interest of our clients. Under the Program the client pays a single fee (“Program Fee”) for VFP’s investment advice, custody and commissions for securities transactions executed through the Program custodian/broker-dealer, as described below. See Additional Fees and Expenses below for information regarding fees and expenses not included in the Program Fee.

As part of the Program, VFP may further recommend to clients that all or a portion of their investment portfolio be managed on a discretionary basis by one or more unaffiliated money managers or investment platforms (“External Managers”). The client may be required to enter into a separate agreement with the External Manager(s), which will set forth the terms and conditions of the client’s engagement of the External Manager. VFP generally renders services to the client relative to the discretionary selection of External Managers. VFP also assists in establishing the client’s investment objectives for the assets managed by External Managers, monitors and reviews the account performance and defines any restrictions on the account. The investment management fees charged by the designated External Managers, are exclusive of, and in addition to, the annual advisory fee charged by VFP. Commissions for securities transactions at the direction of an External Manager executed at Charles Schwab & Co. (“Schwab”), as defined below, are included in the Program Fee. Any commissions for securities transactions at the direction of an External Manager executed at a broker-dealer/custodian other than Schwab are in addition to the Program Fee.

Prior to receiving services under the Program, clients are required to enter into a written agreement with VFP setting forth the relevant terms and conditions of the advisory relationship. Client must also open a securities brokerage account and complete a new account agreement with Schwab which is a “qualified custodian” as that term is described in Rule 206(4)-2 of the Investment Advisers Act of 1940.

**Note for IRA and Retirement Plan Clients:** When VFP provides investment advice to you regarding your retirement plan account or individual retirement account, VFP is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way VFP makes money creates some conflicts with your interests, so VFP operates under a special rule that requires VFP to act in your best interest and not put VFP’s interest ahead of yours.

## **B. The Program Fee**

The Program Fee covers VFP’s advisory services, custody and commissions for securities transactions effected through Schwab, whether on the instruction of VFP or an External Manager. The Program Fee does not cover the investment management fees charged by the designated External Managers. The number of transactions made in clients’ accounts, the size of the accounts, and the securities used to construct a portfolio, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Participants in the Program may pay a higher or lower aggregate fee than if the investment management and brokerage services are purchased separately. VFP does not charge its clients higher advisory fees based on their trading activity, but clients should be aware that VFP may have an incentive to limit its trading activities in client accounts because VFP is charged for executed trades. VFP addresses this conflict of interest by this disclosure and by its policies and procedures which work to ensure that accounts are managed in accordance with clients’ goals and objectives without consideration of trading costs incurred by VFP.

### Cash Positions

At any specific point in time, depending upon perceived or anticipated market conditions or events (there being no guarantee that such anticipated market conditions/events will occur), VFP may maintain cash positions for defensive or other purposes. All cash positions (money markets, etc.) will be included as part of assets under management for purposes of calculating the Program Fee.

### Additional Fees and Expenses

In addition to the Program Fee, clients will be responsible for transfer taxes, odd lot differentials, exchange fees, interest charges, ADR processing fees and any charges, taxes or other fees mandated by any federal, state or other applicable law, retirement plan account fees (where applicable), electronic fund and wire fees. Furthermore, VFP fees do not cover transaction fees or “trade away” fees imposed for trades placed away from Schwab.

### Fee Schedule

VFP charges an annual Program Fee that is agreed upon with each client and set forth in an agreement executed by VFP and the client. The Program Fee is based on a percentage of the value of assets under management. The Program Fee is prorated and charged quarterly, in advance,

based upon the market value of the assets being managed by VFP on the last day of the previous quarter as determined by a party independent from the Firm (including the client's custodian or another third-party). The maximum annual Program Fee is 1.50%.

As described above, the Program is only made available to Transition Clients. The Program Fee for Transition Clients are a continuation of each individual Transition Client's fee schedule with the non-affiliate investment adviser through which VFP personnel previously provided investment advisory services pursuant to a wrap fee program. The Program Fee charged by the Firm will apply to all of the client's assets in the Program, unless specifically excluded in the client agreement. The Program Fee does not cover the investment management fees charged by the designated External Managers. Although VFP believes that its fees are competitive, clients should understand that lower fees for comparable services may be available from other sources and firms.

#### **C. Compensation for Recommending the Program**

VFP does not have any arrangements where it receives an economic benefit from a third party for recommending the Program.

### **Item 5 – Account Requirements and Types of Clients**

VFP offers investment advisory services to individuals, including high net worth individuals, and entities, including, but not limited to, family offices, trusts, estates, private foundations, and qualified retirement plans. VFP does not impose a minimum portfolio size or a minimum initial investment to open a Program account. However, VFP does reserve the right to accept or decline a potential client for any reason in its sole discretion. In addition, as described above the Program is only made available to Transition Clients.

### **Item 6 – Portfolio Manager Selection and Evaluation**

#### **A. Selection and Review of Portfolio Managers**

As referenced above, VFP may utilize the advisory services of External Managers. In utilizing External Managers as portfolio managers for the Program, VFP reviews External Managers based on the following factors:

- past performance;
- cost;
- investment philosophy;
- market outlook;
- experience of portfolio managers and executive team;
- opinions of third party analysts; and
- disciplinary, legal and regulatory histories of the firm and its associates.

VFP does not calculate External Manager's portfolio management performance. Instead, VFP relies upon the performance figures based on the client's account statements or reports provided to VFP by the External Managers. VFP does not verify the accuracy of such performance information or its compliance with presentation standards. As a result, performance information may not be calculated on a uniform and consistent basis.

## **B. Advisory Services Offered by VFP**

See Item 4 of this Wrap Fee Program Brochure for a full description of the Program. In addition to the Program, VFP provides investment management on a non-wrap fee basis, financial planning and consulting services, as well as investment management services to retirement plans.

### Investment Management Services

VFP offers investment management services on a discretionary basis and non-discretionary basis in a non-wrap fee format. All investment advice provided is customized to each client's investment objectives and financial needs. The information provided by the client, together with any other information relating to the client's overall financial circumstances, will be used by VFP to determine the appropriate portfolio asset allocation and investment strategy for the client. Financial planning services also are provided, depending on the needs of the client.

### Investment Management Services to Retirement Plans

VFP offers discretionary and non-discretionary advisory services to qualified plans, including 401k plans. These services include, depending upon the needs of the plan client, recommending, or for discretionary clients selecting, investment options for plans to offer to participants, ongoing monitoring of a plan's investment options, assisting plan fiduciaries in creating and/or updating the plan's written investment policy statements, working with plan service providers, and providing general investment education to plan participants.

### Financial Planning and Consulting Services

VFP offers personal comprehensive financial planning services to set forth goals, objectives and implementation strategies for the client over the long-term. Depending upon individual client requirements, the comprehensive financial plan will include recommendations for retirement planning, educational planning, estate planning, cash flow planning, tax planning and insurance needs and analysis. VFP prepares and provides the financial planning client with a written comprehensive financial plan and performs quarterly, semi-annual or annual reviews of the plan with the client, dependent on the client's needs in accordance with the financial planning agreement. In addition, VFP provides financial planning services that are completed upon the delivery of the financial plan to the client. In such situations, VFP does not provide any ongoing reviews of the client's financial plan. Clients should notify us promptly anytime there is a change in their financial situation, goals, objectives, or needs and/or if there is any change to the financial information initially provided to us.

Clients are under no obligation to implement any of the recommendations provided in their written financial plan. However, should a client decide to proceed with the implementation of the investment recommendations then the client can either have VFP implement those recommendations or utilize the services of any investment adviser or broker-dealer of their choice.

VFP cannot provide any guarantees or promises that a client's financial goals and objectives will be met.

## **C. Client Tailored Advisory Services**

Clients may impose reasonable restrictions on the management of their accounts if VFP determines, in its sole discretion, that the conditions would not materially impact the performance of a management strategy or prove overly burdensome for VFP's management efforts.

#### **D. The Program**

As described above, VFP and External Managers serve as the portfolio managers of the Program. VFP provides investment management services to Transition Clients through the Program. See Item 4 above for a description of the Program and the other advisory services offered by VFP. Clients may impose reasonable restrictions on the management of their accounts if VFP determines, in its sole discretion, that the conditions would not materially impact the performance of a management strategy or prove overly burdensome for VFP's management efforts. As described above in Item 4, VFP receives all of the Program Fee after the payment of the brokerage, execution and custodian fees and expenses. In addition, as described in Item 4, the Program Fee does not cover the investment management fees charged by the designated External Managers.

#### **E. Performance-Based Fees and Side-By-Side Management**

VFP does not charge performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. VFP's fees are calculated as described in Item 5 above.

#### **F. Methods of Analysis, Investment Strategies and Risk of Loss**

##### Methods of Analysis, Investment Strategies

A primary step in VFP's investment strategy is getting to know the clients – to understand their financial condition, risk profile, investment goals, tax situation, liquidity constraints – and assemble a complete picture of their financial situation. To aid in this understanding, VFP offers clients financial planning that is highly customized and tailored. This comprehensive approach is integral to the way that VFP does business. Once VFP has a true understanding of its clients' needs and goals, the investment process can begin, and the Firm can recommend strategies and investments that it believes are aligned with the client's goals and risk profile.

VFP primarily employs fundamental analysis methods in developing investment strategies for its clients. Research and analysis from VFP is based on numerous sources, including third-party research materials and publicly-available materials, such as company annual reports, prospectuses, and press releases.

VFP generally employs a long-term investment strategy for its clients, as consistent with their financial goals. At times, the Firm may also buy and sell positions that are more short-term in nature, depending on the goals of the client and/or the fundamentals of the security, sector or asset class.

Client portfolios with similar investment objectives and asset allocation goals may own different securities and investments. The client's portfolio size, tax sensitivity, desire for simplicity, income needs, long-term wealth transfer objectives, time horizon and choice of custodian are all factors that influence VFP's investment recommendations.



Investing in securities involves a risk of loss. A client can lose all or a substantial portion of his/her investment. A client should be willing to bear such a loss. Some investments are intended only for sophisticated investors and can involve a high degree of risk.

#### Material Risks Involved

Investing in securities involves a significant risk of loss which clients should be prepared to bear. VFP's investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions will not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of the client's account. There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made.

Generally, the market value of equity stocks will fluctuate with market conditions, and small- stock prices generally will fluctuate more than large-stock prices. The market value of fixed income securities will generally fluctuate inversely with interest rates and other market conditions prior to maturity. Fixed income securities are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities, or by a non-U.S. government or one of its agencies or instrumentalities; municipal securities; and mortgage-backed and asset-backed securities. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations and inflation-linked fixed income securities. The value of longer duration fixed income securities will generally fluctuate more than shorter duration fixed income securities. Investments in overseas markets also pose special risks, including currency fluctuation and political risks, and it may be more volatile than that of a U.S. only investment. Such risks are generally intensified for investments in emerging markets. In addition, there is no assurance that a mutual fund or ETF will achieve its investment objective. Past performance of investments is no guarantee of future results.

Additional risks involved in the securities recommended by VFP pursuant to the Program include, among others:

- *Stock market risk*, which is the chance that stock prices overall will decline. The market value of equity securities will generally fluctuate with market conditions. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Prices of equity securities tend to fluctuate over the short term as a result of factors affecting the individual companies, industries or the securities market as a whole. Equity securities generally have greater price volatility than fixed income securities.
- *Sector risk*, which is the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- *Issuer risk*, which is the risk that the value of a security will decline for reasons directly related to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods or services.
- *Non-diversification risk*, which is the risk of focusing investments in a small number of issuers, industries or foreign currencies, including being more susceptible to risks

associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.

- *Value investing risk*, which is the risk that value stocks not increase in price, not issue the anticipated stock dividends, or decline in price, either because the market fails to recognize the stock's intrinsic value, or because the expected value was misgauged. If the market does not recognize that the securities are undervalued, the prices of those securities might not appreciate as anticipated. They also may decline in price even though in theory they are already undervalued. Value stocks are typically less volatile than growth stocks, but may lag behind growth stocks in an up market.
- *Smaller company risk*, which is the risk that the value of securities issued by a smaller company will go up or down, sometimes rapidly and unpredictably as compared to more widely held securities. Investments in smaller companies are subject to greater levels of credit, market and issuer risk.
- *Foreign (non-U.S.) investment risk*, which is the risk that investing in foreign securities result in the portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies. Risks associated with investing in foreign securities include fluctuations in the exchange rates of foreign currencies that may affect the U.S. dollar value of a security, the possibility of substantial price volatility as a result of political and economic instability in the foreign country, less public information about issuers of securities, different securities regulation, different accounting, auditing and financial reporting standards and less liquidity than in the U.S. markets.
- *Interest rate risk*, which is the chance that prices of fixed income securities decline because of rising interest rates. Similarly, the income from fixed income securities may decline because of falling interest rates.
- *Credit risk*, which is the chance that an issuer of a fixed income security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that fixed income security to decline.
- *Exchange Traded Fund (ETF) risk*, which is the risk of an investment in an ETF, including the possible loss of principal. ETFs typically trade on a securities exchange and the prices of their shares fluctuate throughout the day based on supply and demand, which may not correlate to their net asset values. Although ETF shares will be listed on an exchange, there can be no guarantee that an active trading market will develop or continue. Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. ETFs are also subject to secondary market trading risks. In addition, an ETF may not replicate exactly the performance of the index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain securities in the secondary market, or discrepancies between the ETF and the index with respect to weighting of securities or number of securities held.
- *Management risk*, which is the risk that the investment techniques and risk analyses applied by VFP may not produce the desired results and that legislative, regulatory, or tax developments, affect the investment techniques available to VFP. There is no guarantee that a client's investment objectives will be achieved.
- *Real Estate risk*, which is the risk that an investor's investments in Real Estate Investment Trusts ("REITs") or real estate-linked derivative instruments will subject the investor to risks similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local and general economic conditions, supply

and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes and operating expenses. An investment in REITs or real estate-linked derivative instruments subject the investor to management and tax risks.

- *Investment Companies (“Mutual Funds”) risk*, when an investor invests in mutual funds, the investor will bear additional expenses based on his/her pro rata share of the mutual fund’s operating expenses, including the management fees. The risk of owning a mutual fund generally reflects the risks of owning the underlying investments the mutual fund holds.
- *Commodity risk*, generally commodity prices fluctuate for many reasons, including changes in market and economic conditions or political circumstances (especially of key energy-producing and consuming countries), the impact of weather on demand, levels of domestic production and imported commodities, energy conservation, domestic and foreign governmental regulation (agricultural, trade, fiscal, monetary and exchange control), international politics, policies of OPEC, taxation and the availability of local, intrastate and interstate transportation systems and the emotions of the marketplace. The risk of loss in trading commodities can be substantial.
- *Cybersecurity risk*, which is the risk related to unauthorized access to the systems and networks of VFP and its service providers. The computer systems, networks and devices used by VFP and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. Cybersecurity breaches cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or other compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issues of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers and other financial institutions; and other parties. In addition, substantial costs may be incurred by those entities in order to prevent any cybersecurity breaches in the future.
- *Alternative Investments / Private Funds risk*, investing in alternative investments is speculative, not suitable for all clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment, which can include:
  - loss of all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices;
  - lack of liquidity in that there may be no secondary market for the investment and none expected to develop;
  - volatility of returns;

- restrictions on transferring interests in the investment;
- potential lack of diversification and resulting higher risk due to concentration of trading authority when a single adviser is utilized;
- absence of information regarding valuations and pricing;
- delays in tax reporting;
- less regulation and higher fees than mutual funds;
- risks associated with the operations, personnel, and processes of the manager of the funds investing in alternative investments.
- *Closed-End Funds risk*, Closed-end funds typically use a high degree of leverage. They may be diversified or non-diversified. Risks associated with closed-end fund investments include liquidity risk, credit risk, volatility and the risk of magnified losses resulting from the use of leverage. Additionally, closed-end funds may trade below their net asset value.
- *Structured Notes risk* -
  - *Complexity*. Structured notes are complex financial instruments. Clients should understand the reference asset(s) or index(es) and determine how the note's payoff structure incorporates such reference asset(s) or index(es) in calculating the note's performance. This payoff calculation may include leverage multiplied on the performance of the reference asset or index, protection from losses should the reference asset or index produce negative returns, and fees. Structured notes may have complicated payoff structures that can make it difficult for clients to accurately assess their value, risk and potential for growth through the term of the structured note. Determining the performance of each note can be complex and this calculation can vary significantly from note to note depending on the structure. Notes can be structured in a wide variety of ways. Payoff structures can be leveraged, inverse, or inverse-leveraged, which may result in larger returns or losses. Clients should carefully read the prospectus for a structured note to fully understand how the payoff on a note will be calculated and discuss these issues with VFP.
  - *Market risk*. Some structured notes provide for the repayment of principal at maturity, which is often referred to as "principal protection." This principal protection is subject to the credit risk of the issuing financial institution. Many structured notes do not offer this feature. For structured notes that do not offer principal protection, the performance of the linked asset or index may cause clients to lose some, or all, of their principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, and/or market volatility.
  - *Issuance price and note value*. The price of a structured note at issuance will likely be higher than the fair value of the structured note on the date of issuance. Issuers now generally disclose an estimated value of the structured note on the cover page of the offering prospectus, allowing investors to gauge the difference between the issuer's estimated value of the note and the issuance price. The estimated value of the notes is likely lower than the issuance price of the note to investors because issuers include the costs for selling, structuring and/or hedging the exposure on the note in the initial price of their notes. After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity.

- *Liquidity.* The ability to trade or sell structured notes in a secondary market is often very limited, as structured notes (other than exchange-traded notes known as ETNs) are not listed for trading on securities exchanges. As a result, the only potential buyer for a structured note may be the issuing financial institution's broker-dealer affiliate or the broker-dealer distributor of the structured note. In addition, issuers often specifically disclaim their intention to repurchase or make markets in the notes they issue. Clients should, therefore, be prepared to hold a structured note to its maturity date, or risk selling the note at a discount to its value at the time of sale.
- *Credit risk.* Structured notes are unsecured debt obligations of the issuer, meaning that the issuer is obligated to make payments on the notes as promised. These promises, including any principal protection, are only as good as the financial health of the structured note issuer. If the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes.

There also are risks surrounding various insurance products that are recommended to VFP clients from time to time. Such risks include, but are not limited to loss of premiums. Prior to purchasing any insurance product, clients should carefully read the policy and applicable disclosure documents.

Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk. VFP does not guarantee the future performance of a client's portfolio, as investing in securities involves the risk of loss that clients should be prepared to bear.

Past performance of a security or a fund is not necessarily indicative of future performance or risk of loss.

## **G. Voting Client Securities**

VFP does not accept the authority to and does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for all and any securities maintained in client Program portfolios.

### **Item 7 – Client Information Provided to Portfolio Managers**

VFP and External Managers are the portfolio managers under the Program. External Managers have access to client information due to their access, for trading purposes, to the custodian's system. VFP does not provide information otherwise to the External Managers.

### **Item 8 – Client Contact with Portfolio Managers**

Clients may contact VFP personnel during regular business hours to discuss the Program and their Program accounts. Therefore, no restrictions are placed on a client's ability to contact or consult with VFP. Clients are not provided the opportunity to contact and consult with External Managers.

## **Item 9 – Additional Information**

### **A. Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of the adviser and the integrity of the adviser's management. VFP has no information applicable to this Item.

### **B. Other Financial Industry Activities and Affiliations**

#### Insurance Agent Activities

Advisory persons of VFP are licensed as insurance professionals. Such persons earn commission-based compensation for selling insurance products to clients. Insurance commissions earned by advisory persons who are insurance professionals are separate from and in addition to VFP's advisory fee. This practice presents a conflict of interest as an advisory person who is an insurance professional has an incentive to recommend insurance products for the purpose of generating commissions rather than solely based on client needs. VFP addresses this conflict through disclosure and strives to make recommendations which are in the best interests of its clients. Clients are under no obligation to purchase insurance products through any person affiliated with VFP. VFP clients should understand that lower fees and/or commissions for comparable services may be available from other insurance providers.

### **C. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

VFP has a Code of Ethics (the "Code") which requires VFP's employees ("supervised persons") to comply with their legal obligations and fulfill the fiduciary duties owed to the Firm's clients. Among other things, the Code of Ethics sets forth policies and procedures related to conflicts of interest, outside business activities, gifts and entertainment, compliance with insider trading laws and policies and procedures governing personal securities trading by supervised persons.

Personal securities transactions of supervised persons present potential conflicts of interest with the price obtained in client securities transactions or the investment opportunity available to clients. The Code addresses these potential conflicts by prohibiting securities trades that would breach a fiduciary duty to a client and requiring, with certain exceptions, supervised persons to report their personal securities holdings and transactions to VFP for review by the Firm's Chief Compliance Officer. The Code also requires supervised persons to obtain pre-approval of certain investments, including initial public offerings and limited offerings.

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

### **D. Review of Accounts**

While Program accounts are monitored on an ongoing basis, VFP's investment adviser representatives seek to have at least one annual meeting with each client to conduct a formal review of the clients' accounts. Program accounts are reviewed for consistency with the investment strategy and other parameters set forth for the account and to determine if any adjustments need to be made.

#### Other Reviews and Triggering Factors

In addition to the periodic reviews described above, reviews may be triggered by changes in a Program account holder's personal, tax or financial status. Other events that may trigger a review

of a Program account are material changes in market conditions as well as macroeconomic and company-specific events. Program clients are encouraged to notify VFP of any changes in his/her personal financial situation that might affect his/her investment needs, objectives, or time horizon.

#### Regular Reports

Written brokerage statements are generated no less than quarterly and are sent directly from the qualified custodian. These reports list the account positions, activity in the account over the covered period, and other related information. Clients are also sent confirmations following each brokerage account transaction unless confirmations have been waived.

VFP may also determine to provide account statements and other reporting to clients on a periodic basis. VFP also provides account reports during client meetings.

Clients are urged to carefully review all custodial account statements and compare them to any statements and reports provided by VFP. VFP statements and reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **E. Client Referrals and Other Compensation**

#### Client Referrals

VFP seeks to enter into agreements with individuals and organizations, some of whom may be affiliated or unaffiliated with VFP for the referral of clients to us. All such agreements will be in writing and comply with the applicable state and federal regulations. If a client is introduced to VFP by a solicitor, VFP will pay that solicitor a fee in accordance with the applicable federal and state securities law requirements. While the specific terms of each agreement may differ, generally, the compensation will be based upon VFP's engagement of new clients and the retention of those clients and would be calculated using a varying percentage of the fees paid to VFP by such clients until the account is closed by written authorization from the client. Any such fee shall be paid solely from VFP's fees, and shall not result in any additional charge to the client.

As described above, the Program is only made available to Transition Clients. Therefore, any referred "new" clients of VFP are provided investment management and other services pursuant to other programs and service models maintained by VFP.

#### Other Compensation

As described above, VFP requires that Program clients utilize Schwab as the custodian/broker-dealer for their Program account(s). In exchange for using or otherwise recommending the services of Schwab, VFP may receive without cost from Schwab administrative support, computer software, related systems support, as well as other third party support as further described below (together "Support") which allow VFP to better monitor client accounts maintained at Schwab and otherwise conduct its business. VFP receives the Support without cost because the Firm renders investment management services to clients that maintain assets at Schwab. The Support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The Support benefits VFP, but not its clients directly. Clients should be aware that VFP's receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits will influence the

Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services. In fulfilling its duties to its clients, VFP endeavors at all times to put the interests of its clients first and has determined that the recommendation of Schwab is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, VFP receives the following benefits from Schwab: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information.

Schwab also makes available to the Firm, at no additional charge, certain research and brokerage services, including research services obtained by Schwab directly from independent research companies, as selected by VFP (within specified parameters). These research and brokerage services are used by the Firm to manage accounts for which it has investment discretion. Without this arrangement, the Firm might be compelled to purchase the same or similar services at its own expense.

These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain amount of the advisor's clients' assets are maintained in accounts at Schwab. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by Schwab. Other potential benefits may include occasional business entertainment of personnel of VFP by Schwab personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist VFP in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Schwab while, as a fiduciary, VFP endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the



benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which creates a conflict of interest.

**F. Financial Information**

VFP is not required to disclose any financial information pursuant to this item due to the following:

VFP does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of rendering services;

VFP is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts; and

VFP has never been the subject of a bankruptcy petition.