

# **Van Clemens Wealth Management, LLC**

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**March 15, 2024**

## **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of Van Clemens Wealth Management, LLC. If you have any questions about the contents of this brochure, contact us at 612-758-9140. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Van Clemens Wealth Management, 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.

## **Item 2 Summary of Material Changes**

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

Since our firm's last Annual Updating Amendment, filed on March 14, 2024, we have the following material change to report:

### **Item 4 Advisory Services**

- Our firm changed from state registration to U.S. Securities and Exchange Commission registration.

### Item 3 Table of Contents

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

## Item 4 Advisory Business

Van Clemens Wealth Management, LLC ("Adviser") is a registered investment adviser based in Minneapolis, MN. This does not imply a level of skill or training. We began providing investment advisory services upon approval of our registration by the state of Minnesota on June 2, 2022. We are owned by Van Clemens Financial Corporation, which is also a dba of Adviser. Investment Adviser Representatives ("Advisory Representatives") of Adviser may work with clients under different business names for branding purposes.

Our firm filed for registration with the SEC on March 15, 2024.

### Portfolio Management Services

Adviser and our Advisory Representatives work with clients to gain an understanding of the client's investment objectives, risk tolerance, time horizon, income needs and any other factors that are integral to the client's financial profile. Our investment advice is then tailored to meet our clients' needs and investment objectives. Clients may not impose restrictions on investing in certain securities or types of securities. We offer both non-discretionary and discretionary portfolio management services.

If you participate in our non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis. Non-discretionary programs are offered through an agreement Adviser has with RBC Capital Markets, LLC and RBC Clearing & Custody ("RBC"). Van Clemens acts as an introducing broker/dealer to RBC and these programs are considered Wrap Fee programs. The two programs offered through RBC are RBC Advisor and RBC Unified Portfolios ("RBC UP"). RBC Advisor is a client-directed program where the Advisory Representative works with the client to create an individualized investment portfolio that may invest in stocks, fixed income, mutual funds, ETFs and eligible UITs.

If you participate in our discretionary portfolio management services, we require you to grant us discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without obtaining your approval prior to each transaction. We will also have discretion over the broker or dealer to be used for securities transactions in your account. Discretionary authority is granted by the investment advisory agreement you sign with our firm. Discretionary programs are offered through Charles Schwab ("Schwab") or Pontera.

### Third-Party Asset Managed Programs

As part of our portfolio management services, we may use one or more third-party managers ("TPM") to manage all, or a portion of your account, on a discretionary or non-discretionary basis. Through our agreement with Schwab, RBC, Adviser has access to over 500 TPMs. TPMs primarily offer equities, fixed income, and mutual fund products. After gaining an understanding of a client's financial situation, the Advisory Representative will make a recommendation to which program to place client assets with based upon compatibility with the client's objectives and financial profile, the TPM's performance, methods of analysis, and fees. We will monitor the TPM's performance to ensure its management and investment style remains aligned with your investment goals and objectives. Clients may not go directly to the TPM and must go through Adviser.

Discretionary TPMs are offered through Schwab. Here, we will select the TPM(s), regularly monitor the performance of your accounts managed by TPM(s) and may hire and fire any TPM without your prior approval.

Non-discretionary TPMs are offered through RBC UP. RBC UP is a unified managed account program through which your Account is professionally managed by using an Overlay Manager. The management of your Account may include tax overlay management services and/or personal conviction overlay screens. Tax overlay management services are available as an option for accounts utilizing model portfolios. With RBC UP, Advisory Representatives first evaluate several TPMs who offer a wide array of investment models and styles available. Advisory Representative will make a recommendation to place client assets with one or more TPM and the client can approve or reject the recommendation. Once selected and upon completion of any required documents, the TPM selects investments for the client and manages the client account on a discretionary basis, meaning the TPM makes investment decisions without prior approval from the client, and generally provides continuous management of client accounts and periodic reporting on the performance of the accounts. Advisory Representatives provide ongoing advice and act as the communication link between clients and TPM(s), and for this service, Adviser receives fees paid by the client for investment management services. Specific information about each TPM's investment objectives, philosophy, and portfolio management expertise can be found in RBC's Form ADV Part 2A brochure and the RBC Appendix 1 Wrap Fee Brochure. Clients should read these disclosure documents carefully to understand the investment process used by the TPMs, along with any fees or costs associated with the TPM's advisory services.

For more information on programs through RBC, including any minimum investment required, please refer to the RBC's Form ADV Part 2A and RBC's Wrap Fee Brochure.

### **Financial Planning Services**

We offer financial planning services on topics such as retirement planning, risk management, college savings, cash flow, debt management, work benefits, and estate and incapacity planning. These services can range from broad-based financial planning to consultative or single subject planning. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. Once we review and analyze the information you provide to our firm, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives. Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

In general, the financial plan will address any or all of the following areas of concern. The Client and advisor will work together to select specific areas to cover. These areas may include, but are not limited to, the following:

**Business Planning:** We provide consulting services for Clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.

**Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies.

**College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute.

**Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.

**Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts, and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

**Financial Goals:** We will help identify financial goals, develop a plan to reach them including what resources you will need to make it happen, how much time you will need to reach the goal, and how much to budget for your goal.

**Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile.

**Investment Analysis:** This may involve developing an asset allocation strategy to meet Clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian.

**Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments). If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

**Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance.

**Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with the consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

We also offer monthly planning services. Clients subscribing to this service will receive annually a written or an electronic report, providing the Client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. If a follow-up meeting is required, we will meet at the Client's convenience. The plan and the Client's financial situation and goals will be monitored throughout the year and follow-up phone calls and emails will be made to the Client to confirm that any agreed upon action steps have been carried out. Any needed updates will be implemented at that time.

Upon the Client's express and written request, Adviser may recommend the services of other professionals for certain noninvestment implementation purposes (i.e. attorneys, accountants, tax preparer, insurance agent, etc.). No compensation is received by Adviser for these recommendations.

### **Estate Planning**

Our firm offers Estate Planning services to our clients that consists of education on estate planning topics and the collection of general information necessary to complete a new estate plan or review a current estate plan. We also assist the client in gathering the required information needed to provide outside estate planning firms so that an estate plan can be created or updated. Any and all fees paid

by the client for outside referred services will be paid to those service providers directly. Clients are not required to utilize any third-party products, services or referrals that we may recommend and can select the service provider of their choice.

### **Retirement Plan Consulting Services**

Our firm specializes in providing non-fiduciary retirement plan consulting services to ERISA plan clients. Our primary goal is to assist our clients in designing, implementing, and maintaining retirement plans that meet their specific needs. Our services are tailored to cater to a wide range of clients, from small businesses to large corporations, offering services to both defined contribution and defined benefit plans. Our retirement plan consulting services include, but are not limited to, the following:

**Participant Education and Engagement:** We believe that informed participants are crucial for the success of a retirement plan. Hence, we provide educational sessions and materials to help participants understand their retirement savings options, the importance of contributing to their retirement, and how to manage their investments.

**Benchmarking Services:** Advisory Representatives will provide Client with comparisons of Plan data (e.g., regarding fees, services, participant enrollment and contributions) to data from the Plan's prior years and/or a benchmark group of similar plans.

**Fee Analysis:** Advisory Representatives will assist client in identifying the fees and other costs borne by the Plan for, as specified by client, investment management, recordkeeping, participant education, participant communication and/or other services provided with respect to the Plan.

**Vendor Management and Selection:** We assist in the selection and management of plan vendors, ensuring that they provide quality services at competitive prices. This includes negotiating terms with vendors, monitoring their performance, and ensuring they meet service expectations.

Our retirement plan consulting services are designed to be flexible, accommodating the unique needs and circumstances of each client. We pride ourselves on our commitment to providing high-quality, personalized service, aimed at helping our clients achieve successful retirement outcomes for their employees. For a more detailed description of the non-fiduciary services provided, the ERISA plan client should refer to the investment advisory agreement.

### **IRA Rollover Recommendations**

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Prudent Advice: Meet a professional standard of care when making investment recommendations
- Loyal Advice: Never put our financial interests ahead of yours when making recommendations
- Avoid misleading statements about conflicts of interest, fees, and investments
- Follow policies and procedures designed to ensure that we give advice that is in your best interest
- Charge no more than is reasonable for our services
- Give you basic information about conflicts of interest



We benefit financially from the rollover of your assets to an account we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

### **Assets Under Management**

As of January 30, 2024, we provide continuous management services for \$102,385,686 in client assets on a discretionary basis, and \$3,468,585 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Portfolio Management Services**

Our annual fee for portfolio management services is up to 2% of the market value of your assets under management and negotiable depending on individual client circumstances. Fees are assessed as a flat fee or tiered fee. With flat fees, the fee remains constant on all assets until a different asset level is obtained which then changes the flat fee. With tiered fees, the fee rate applies to each level of assets which results in a blended fee. RBC wrap programs do not allow for fee bands or tiered fees so a flat fee is the only option. Assets in all accounts with Adviser will be automatically combined as a household through our third-party billing system for any account utilizing a fee-band or a tiered fee schedule. Each new account is reviewed by the Adviser to determine if fees are reasonable based on the services provided, and to ensure similarly situated clients will not be charged disproportionately higher fees.

For discretionary accounts through Schwab and RBC, portfolio management fees are charged monthly in arrears based on average daily balance. Discretionary accounts through Pontera are charged quarterly in arrears. Accounts through U.S. Bank are billed monthly in arrears based upon the value of assets in the account as of the last business day of the month. For non-discretionary accounts, fees are charged quarterly in advance based upon the value of assets in the account as of the last day of the preceding quarter.

Advisory fees charged by TPMs are separate and apart from our advisory fees. Advisory fees that you pay to the TPM are established and payable in accordance with the brochure provided by each manager to whom you are referred. Fees are not negotiable and are paid via direct deduction from the client's account. You should review the recommended TPM's brochure and take into consideration the TPM's fees along with our fees to determine the total amount of fees associated with this program. RBC wrap fees depend on the program and services selected, are determined based on account size, range from .10% to .45%, and are disclosed to client prior to engagement. Wrap fees and TPM fees are in addition to the advisory fee; however, the total fee will not exceed 2%.

If the portfolio management agreement is executed at any time other than the first day of a calendar month/quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the month/quarter for which you are a client. We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. No other method of payment is accepted. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian;
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts disbursed from your account including the amount of the advisory fee paid directly to our firm.



You may terminate the portfolio management agreement upon Written notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the month/quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Financial Planning Services**

We charge a fixed fee, in advance, for financial planning services, which generally ranges between \$0 - \$10,000. We also offer ongoing monthly planning services. The fee for this service can include a fixed fee and then a monthly fee between \$100 and \$1000 billed and payable in advance. Our fees are negotiable and determined by the estimated number of hours to complete the plan based on the complexity and scope of the plan, your financial situation and your objectives, and then multiplied by an hourly rate (rate may vary depending on the advisory representative the client is working with but will not exceed \$300 per hour). Fees for financial planning services are due upon the execution of our financial planning agreement, and can be paid through check, bank ACH or credit card. If the Agreement is terminated before the services are complete, the refund will be calculated by taking the hourly rate multiplied by time spent prior to termination, less any prepaid amount. Adviser will then provide to client all completed deliverables.

Clients have the option to purchase investment products that Adviser recommends through other brokers or agents that are not affiliated with Adviser.

### **Retirement Plan Consulting Services**

Our firm offers comprehensive retirement plan consulting services, and our fees are negotiable and our fee structure is and designed to be transparent, fair, and aligned with our clients' interests. Below is an overview of our fee arrangements and compensation for these services:

**Asset Based Fees:** Our primary fee structure is based on a percentage of the assets under management (AUM) in the retirement plan. This fee is calculated as a percentage of the total plan assets and is billed monthly or quarterly depending on the Plan Provider and outlined in the agreement between the Plan Sponsor and Plan Provider. The percentage rate is determined based on factors such as the size of the plan, complexity of the services required, and the level of assets under management. The annual fee shall be up to 2% of Plan assets under management ("AUM"). Client may pay a minimum annual fee up to \$2,500. This means that if 2% of the AUM results in a fee amount less than \$2,500, the Client will be required to pay the minimum fee of \$2,500.

**Flat or Fixed Fees:** In some cases, we may charge a flat or fixed fee for our consulting services. This fee structure is typically used for specific advisory projects or services, such as initial plan setup, plan redesign, or compliance reviews. The fixed fee is agreed upon in advance and is based on the scope and complexity of the services provided. The maximum fee is \$10,000.

**Additional Costs and Expenses:** In addition to our advisory fees, clients may incur additional costs related to the retirement plan. These can include investment management fees charged by mutual funds or other investment vehicles, custodial fees, and other administrative expenses. We strive to ensure that all fees and costs are fully transparent and understood by our clients.

**Billing and Payment:** Asset-based fees are typically deducted directly from the plan's assets, while flat or fixed fees are billed directly to the client or the plan, as agreed upon. Our billing procedures, including frequency and methods of payment, are detailed in our client agreements.

**Termination and Refund Policy:** Clients have the right to terminate our services at any time. In the event of termination, we will prorate our fees based on the time services were provided and refund any unearned portion of the fee.

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

Persons providing investment advice on behalf of our firm may be registered representatives with Van Clemens & Co., Inc., ("VCC") a securities broker-dealer, and a member of FINRA and SIPC. In their capacity as registered representatives, these persons receive compensation in connection with the purchase and sale of securities or other investment products, including asset-based sales charges and service fees that is separate and in addition to our advisory fees. This presents a conflict of interest because these representatives have an incentive to recommend investment products based on the compensation received rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

### **Compensation for the Sale of Insurance Products**

Our affiliate, Van Clemens Insurance Associates LLC, ("VCI") is licensed as an insurance agency. Additionally, some Advisory Representatives are licensed insurance agents through us, and have contracts and or appointments with various insurance companies. Advisory Representatives and VCI will be paid a commission by the insurance company who issues the policy. This creates a conflict of interest as there is an incentive for them to recommend insurance products based on the compensation received, rather than on your needs. We address our fiduciary duty by utilizing insurance products only where it is in the best interest of clients, and after consultation with the client.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a 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. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

Adviser services the investment management needs of individuals, trusts, estates, and institutional clients (corporations, partnerships, foundations or other business entities). Adviser does not require a minimum account size in order to establish an advisory relationship. In some cases, third party managers have account minimums that must be met before they will accept a client's assets and provide investment management services.

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

### **Methods of Analysis**

Adviser and our Advisory Representatives use a combination of methods when providing investment advice to you. Our methods will generally include, but are not limited to, the following:

**Modern Portfolio Theory:** A theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

**Risk:** Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

**Fundamental Analysis:** We evaluate a company's financial health by examining key financial ratios, balance sheets, income statements, and cash flow statements. We also examine the track record, experience, and vision of a company's management team to evaluate their ability to execute the company's strategies.

**Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Technical Analysis:** involves studying past price patterns, trends and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

**Risk:** The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

### **Third-Party Asset Managers**

With third-party asset management programs, Adviser analyzes a number of factors before recommending a TPM to its clients. The criteria will generally include, but are not limited to, the following: 1) Assets Under Management; 2) Management Team; 3) Disclosures; 4) Disciplinary History; 5) Historical Performance; 6) Investment Philosophy & Style; 7) Historical Volatility. For more information about the analysis methods and risks, please refer to the program materials or wrap fee brochure.

### **Types of Securities Recommended**

Adviser and our Advisory Representatives provide advice on the following types of securities:

**Equities (Stocks):** Stocks represent ownership in a company and can provide high returns, but they also come with a significant amount of risk. The value of a stock can fluctuate wildly based on the company's performance, market sentiment, economic factors, and more. Investors can lose the entire amount of their investment if the company goes bankrupt.

**Mutual Funds/Exchange Traded Funds (ETFs):** These investment products come with the risks inherent in the underlying securities they hold. Additionally, they come with management risk, where poor decisions by the fund manager could lead to losses, and liquidity risk, particularly for ETFs that track less liquid markets or sectors.

**Bonds:** Bonds are considered safer than stocks, but they are not without risk. Interest rate risk (bond prices fall when interest rates rise), credit risk (the issuer may not be able to make interest payments or repay the principal), and inflation risk (the returns may not keep up with inflation) are common risks associated with bonds.

**Real Estate Investment Trusts (REITs):** REITs invest in properties and mortgages and their risks include market risk (property values can fluctuate), interest rate risk, and specific business risks related to the management of the REIT.

Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

### **Investment Strategies**

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors.

We may recommend implementing one or more investment strategies including: asset allocation, dollar-cost averaging, long term purchases (held at least a year), short term purchases (held less than a year), active trading (held less than 30 days), or option writing (selling an option).

In addition, Adviser offers two specific strategies to our clients that can be used as a portion of the overall assets managed by Adviser or, when appropriate, the entire funds being managed.

### **Opportunities Model**

Our strategy aims to deliver above-average capital appreciation by investing primarily in small companies with strong growth prospects. We actively monitor and adjust the portfolio as needed to capitalize on emerging opportunities and manage risk. Our strategy focuses on a long-term investment horizon and can have above average concentration in one or many positions.

Investing in micro-cap and small-cap growth stocks involves a higher level of risk compared to investing in larger, more established companies. Concentrated risk can create an over-reliance on a specific investment or set of investments and can result in a greater potential for loss if there is a downturn in that area of the market.

### **Dividend & Income Model**

Our dividend and income investment strategy seeks to provide clients with a consistent and growing income stream by investing in a diversified portfolio of dividend-paying stocks and other income-producing assets. We actively monitor and adjust the portfolio as needed to capitalize on opportunities and manage risk, considering factors such as dividend growth, interest rates, and market conditions. Our strategy focuses on a long-term investment horizon, income generation and capital preservation and can have above average concentration in one or many positions.

Investing in dividend and income stocks carries certain risks, and clients should be aware that their investments may lose value. Concentrated risk can create an over-reliance on a specific investment or set of investments and can result in a greater potential for loss if there is a downturn in that area of the market.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance. All investment programs have certain risks that are borne by the investor. Our investment approach keeps the risk of loss in mind. However, as with all investments, clients face investment risks including the following: Loss of Principal Risk, Interest-rate Risk, Market Risk, Credit Risk, Inflation Risk, Currency Risk, Reinvestment Risk, Business Risk, Liquidity Risk, and Financial Risk.

**For more detailed information on our methods of analysis, investment strategies and types of risk please contact us at the telephone number or e-mail on the cover page of this brochure.**

## **Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

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

Per Item 5, we are affiliated through common control and ownership with Van Clemens & Co., Inc., a securities broker-dealer, Van Clemens Insurance Associates, LLC, an insurance agency, and Van Clemens & Associates Inc., an accounting firm that provides tax planning & filing services.

Referral arrangements with an affiliated entity present a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by an affiliated firm is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

Adviser mitigates these conflicts of interest by ensuring that client referrals are based solely on the suitability of their services for the client's needs and transparently disclosing our ownership and any financial benefits received. We are committed to adhering to all regulatory requirements and ethical standards in managing this conflict of interest. This includes ongoing monitoring and disclosure as required by law and industry standards. Clients are encouraged to contact us with any questions or concerns regarding this conflict of interest.

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

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

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. All our associates are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

**Adviser owes the client a fiduciary duty to put the Client's interest first which includes, but is not limited to, a duty of care, loyalty, obedience, and utmost good faith.**

## **Item 12 Brokerage Practices**

For convenience and flexibility, Adviser recommends to its clients the brokerage and custodial services of U.S. Bank, RBC Custody & Clearing Services ("RBC"), and Charles Schwab. Our selection of custodians are based on many factors, including the level of services provided, the custodian's financial stability, and the cost of services provided by the custodian to our clients, commissions, custody fees and other expenses.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and other clients.

### **Directed Brokerage**

Although U.S. Bank, RBC and Schwab are the recommended service providers, clients do not have to use either firm and other alternatives may result in a lower cost to the client. While we allow clients to direct brokerage, under these arrangements we may be unable to achieve the most favorable execution of client transactions. Directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because Adviser may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Economic Benefits**

Products or services offered through Schwab or RBC may aid us in managing and administering client accounts. Other services made available by our custodians are intended to help us manage and further develop our business enterprise. Van Clemens & Co. has a fully disclosed clearing arrangement with RBC Capital Markets and receives financial incentives from RBC. Clients should be aware that the receipt of economic benefits in and of itself creates a potential conflict of interest and may indirectly influence our recommendations of Schwab or RBC for custody and clearing services.

### **Aggregated Trading**

We may combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage ("aggregated trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Accounts owned by our firm or persons associated with our firm may participate in aggregated trading with your accounts; however, they will not be given preferential treatment.



If a client selects the RBC wrap program, that manager is granted authority to manage accounts on a discretionary basis. VCWM has no authority to cause any purchase or sale of securities in these accounts or to change the account in any manner other than previously authorized by the client. However, the client may place reasonable restrictions in the account.

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

Your Advisory Representative will monitor your accounts on an ongoing basis and will conduct account reviews at least annually, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals;
- year-end tax planning;
- market moving events;
- security specific events; and/or
- changes in your risk/return objectives.

Your Advisory Representative will review financial plans as needed, depending on the arrangements made with you at the inception of your advisory relationship to ensure that the advice provided is consistent with your investment needs and objectives. Generally, we will contact you periodically to determine whether any updates may be needed based on changes in your circumstances. We recommend meeting with us at least annually to review and update your plan if needed. Advisory Representatives are able to provide reports to their clients at the Adviser's discretion.

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

Adviser does not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Adviser and our Advisory Representatives may receive reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Although these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for which sales have been made or for which it is anticipated sales will be made. In addition, Advisory Representatives may qualify for incentives offered by the firm based on factors including, but not limited to, total revenue, new clients or new assets brought to the firm. These create a conflict of interest in that there is an incentive to recommend certain products and investments instead of what is in the best interest of our clients.

Adviser will receive an incentive of 4% of the wrap fees collected by RBC once total assets in RBC Wrap Programs are over \$100 million. For more information, please refer to your program's RBC Wrap Fee Brochure. In addition, Adviser is eligible to receive an incentive payment from RBC of \$60,000 for each \$100 million of new assets obtained. These incentives create a conflict of interest in that there is an incentive to recommend RBC. To mitigate this conflict, Adviser does not direct or mandate Advisory Representatives to use either RBC or Schwab and offers no incentives to the Advisory Representative for which custodian is used.



## **Item 15 Custody**

Your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review statements for accuracy.

### **Held Away Accounts**

We use a platform provided by Pontera to manage held away assets such as defined contribution plan participant accounts, with discretion. The Pontera platform allows us to avoid being considered to have custody of Client funds since we do not have direct access to or direct use of Client log-in credentials to affect trades. We are not affiliated with Pontera in any way and receive no compensation from Pontera for using their platform. For certain 401k accounts, plan participants can authorize us to place trades using Pontera. Those clients who do not provide us with such authorization must place any trades in the 401k accounts themselves through their plan provider.

A link will be provided to the Client allowing them to connect an account(s) to the platform provided by Pontera. Once a Client account is connected to the platform, we will review the current account allocations. When deemed necessary, we will rebalance the account, taking into consideration client investment goals and risk tolerance, and any change in allocations. Client account(s) will be reviewed at least quarterly and allocation changes will be made as we deem necessary. You will receive an email notification every time your account is reviewed.

## **Item 16 Investment Discretion**

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and any appropriate trading authorization forms.

For accounts using the RBC wrap fee platform, VCWM does not take independent discretionary authority over these client accounts.

## **Item 17 Voting Client Securities**

Adviser does not have authority to vote on proxy matters in connection with the client assets that are managed by us or third-party managers and does not vote proxies on behalf of any client account. Proxy materials are sent to clients directly from their custodian and clients are free to vote on proxy matters as they see fit. Clients can contact Adviser with questions about a particular solicitation. Proxy voting will be handled in accordance with the third-party managers' investment practices as disclosed in their Form ADV Part 2A, (RBC Appendix 1) and/or Investment Management Agreement.

## **Item 18 Financial Information**

Adviser does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you and has not filed a bankruptcy petition at any time in the past ten years. Adviser does not require the prepayment of more than \$1200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

## Item 19 Additional Information

### Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

### IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney. It is important that you understand whether a rollover is best for you. Prior to proceeding, if you have questions contact your Advisory Representative, or call our main number or e-mail listed on the cover page of this brochure.