

Value Architects Asset Management LLC

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ADV Part 2A, Brochure

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This Brochure provides information about the qualifications and business practices of Value Architects Asset Management LLC. If you have any questions about the contents of this Brochure, please contact us at 201-222-9930 or vfillet@valuearchitects.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Value Architects Asset Management LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Value Architects Asset Management LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

Since the March 15, 2017 annual update filing, this ADV Part 2A Brochure has not been materially amended.

Value Architects Asset Management LLC’s Chief Compliance Officer, Victoria Fillet, remains available to address any questions that a client or prospective client has about this Brochure.

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Item 4 **Advisory Business**

- A. Value Architects Asset Management LLC (“Registrant”) is a limited liability company formed in Delaware in 2001, with an office located in Hoboken, New Jersey. Registrant registered as an investment adviser with the U.S. Securities and Exchange Commission on February 24, 2006. Registrant is principally owned by Richard Harold Konrad, who is also the Registrant’s Managing Member and Chief Investment Officer.
- B. As discussed below, Registrant offers to its clients investment advisory services and retirement plan consulting services. The Registrant **does not** provide financial planning and consulting services. Rather, as described in Item 10.C. below, Registrant will refer clients seeking financial planning and consulting services to Blueprint Financial Planning LLC, an SEC-registered investment adviser firm under common control with the Registrant.

INVESTMENT ADVISORY SERVICES

The client can engage Registrant to provide discretionary or non-discretionary investment advisory services on a *fee-only* basis. Registrant’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Registrant’s management. Before engaging Registrant to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement with Registrant setting forth the terms and conditions of the engagement.

Before Registrant provides investment advisory services, an investment adviser representative will work with each client to determine their investment objectives. Then, Registrant will allocate or recommend that the client allocate investment assets consistent with their designated investment objectives. Once allocated, Registrant provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives, and may rebalance or recommend rebalancing the account based on these reviews.

Registrant provides investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client’s investment objective(s). Thereafter, Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on Registrant’s services.

TRIZIC PROGRAM

When consistent with a client’s investment objectives, Registrant may determine to provide portfolio management services through the Trizic online platform (the “Trizic Program”). Through the Trizic Program, Registrant offers clients a range of investment strategies and manages each client account according to a model portfolio comprised of exchange traded funds (“ETFs”) and cash or cash equivalents. The client’s portfolio is held in a brokerage account opened by the client at TD Ameritrade Inc., member FINRA/SIPC (“TD Ameritrade”).

Registrant has contracted with Trizic. to provide it with the technology platform and related trading and account management services for the Trizic Program. This platform enables Registrant to make the Trizic Program available to clients online and includes a system that automates certain key parts of Registrant’s investment process (the

“System”). The System includes an online questionnaire that helps Registrant determine the client’s investment objectives, risk tolerance, and select an appropriate investment strategy consistent with one or more model portfolios. Based on the client’s responses to the online questionnaire, the System maps the client to a model portfolio. The System also enables Registrant to review its model portfolios and update or rebalance the models in its discretion. Clients do not pay fees to TD Ameritrade or Trizic, Inc. in connection with the Program, but Registrant does charge clients a fee for its services as described below under Item 5 Fees and Compensation.

The Registrant’s services in the Trizic Program differ from its full-service investment advisory services offering. The Registrant only provides one hour of financial planning to clients in the Trizic Program, either in person or by phone. In addition, the Trizic Program is limited to investing in ETFs, and the Registrant’s other investment advisory services provide additional investment alternatives and strategies.

RETIREMENT PLAN CONSULTING SERVICES

The Registrant also provides non-discretionary retirement plan consulting services, pursuant to which it assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. In addition, to the extent requested by the plan sponsor, the Registrant shall also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The terms and conditions of the engagement shall generally be set forth in a Retirement Plan Consulting Agreement between the Registrant and the plan sponsor.

MISCELLANEOUS

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Registrant) will be profitable or equal any specific performance level(s).

Limitations of Non-Investment Consulting/Implementation Services. To the extent requested by the client, Registrant may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither Registrant, nor any of its representatives, serves as an attorney, accountant, or insurance agent, and no portion of Registrant’s services should be construed as legal, accounting, or insurance implementation services. Accordingly, the Registrant does not prepare estate planning documents, tax returns, or sell insurance products. To the extent requested by a client, Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Registrant. If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Non-Discretionary Service Limitations. Clients that determine to engage Registrant on a non-discretionary investment advisory basis must be willing to accept that Registrant cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that Registrant would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, the Registrant will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

Retirement Plan Rollovers. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest if the Registrant will earn an advisory fee on the rolled over assets. **No client is under any obligation to roll over retirement plan assets to an account managed by Registrant. Registrant's Chief Compliance Officer, Victoria Fillet, remains available to address any questions that a client or prospective client may have regarding its prospective engagement and the corresponding conflict of interest presented by such engagement.**

In conformity with the requirements of the Department of Labor's Fiduciary Rule, to the extent that you are: (1) a participant or beneficiary of a Retirement Plan subject to Title I of the Employee Retirement Income Security Act ("ERISA") or described in section 4975(e)(1)(A) of the Internal Revenue Code (the "Code"), with authority to direct the investment of assets in his or her Plan account or to take a distribution; (2) the beneficial owner of an Individual Retirement Account ("IRA") acting on behalf of the IRA; or (3) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Code, then we represent that we and our investment adviser representatives ("IARs") are fiduciaries under ERISA or the Code, or both, with respect to any investment advice provided by us or our IARs or with respect to any investment recommendations regarding a Retirement Plan subject to ERISA or participant or beneficiary account.

Client Obligations. The Registrant will not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely on the information in its possession. Clients are responsible for promptly notifying the Registrant if there is ever any change in their financial situation or investment objectives so that the Registrant can review, and if necessary, revise its previous recommendations or services.

Disclosure Statement. A copy of Registrant's written disclosure statement as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement or Retirement Plan Consulting Agreement.

- C. See discussions above in Item 4.B about how the Registrant tailors its services to each client.

- D. Registrant does not offer a wrap fee program for its investment advisory services. However, Registrant is a participating investment adviser in certain unaffiliated wrap and managed account fee programs. The programs for which Registrant manages investment advisory accounts on a discretionary basis are sponsored by Stifel Nicolaus & Company Incorporated (the “Program Sponsor”). Clients pay fees directly to the Program Sponsor who pays a portion of those fees to Registrant. The advisory fees paid to Registrant are based upon an annual percentage of assets under management as calculated by the Program Sponsor on either a quarterly basis or a monthly basis, which are disclosed to clients as in the Program Sponsor’s Wrap Fee Program Brochure.

The Program Sponsor arranges for the investor participant to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Registrant is unable to negotiate commissions and transaction costs. As a result, clients may pay higher commissions, transaction costs or spreads, and as a result receive less favorable net prices on transactions for their account than would otherwise be the case through alternative clearing arrangements recommended by Registrant. Higher transaction costs adversely impact account performance. **Registrant’s Chief Compliance Officer, Victoria Fillet, remains available to address any questions that a client may have regarding participation in a wrap fee program.**

- E. As of December 31, 2017, Registrant had \$97,935,265 in assets under management on a discretionary basis and \$9,217,889 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

A. INVESTMENT ADVISORY SERVICES

Registrant’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Registrant’s management as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
The First \$250,000	1.50%
Additional Assets between \$250,001 and \$1,000,000	1.25%
Additional Assets between \$1,000,001 and \$2,000,000	1.00%
Additional Assets between \$2,000,001 and \$5,000,000	0.80%
Additional Assets exceeding \$5,000,000	Negotiable

Registrant’s annual investment advisory for the Trizic Program is 0.5% of the value of assets allocated to the Trizic Program.

Registrant generally requires a \$250,000 minimum asset level for investment advisory services, and a \$5,000 minimum asset level to participate in the Trizic Program.

The Registrant’s fees and minimum asset levels are negotiable at its discretion, depending upon objective and subjective factors. These factors include, but are not limited to: the amount of assets managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings; related accounts; future earning capacity; anticipated future additional assets; the professionals rendering

service; prior relationships with the Registrant and/or its representatives, and negotiations with the client. Because of these factors, similarly situated clients could pay different fees, the services to be provided by the Registrant to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth above.

RETIREMENT PLAN CONSULTING SERVICES

If a client determines to engage the Registrant to provide retirement plan consulting services, the terms and conditions of the engagement shall generally be set forth in a Retirement Plan Consulting Agreement between the Registrant and the plan sponsor. The Registrant charges a negotiable annual fee for retirement plan consulting services, which generally ranges from 0.55% to 0.75% of plan assets depending on the level and scope of services requested, the individual(s) rendering the service, and the size of the plan.

- B. Clients may elect to have Registrant's fees deducted from their custodial accounts. The applicable form of Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of Registrant's fees and to directly remit that fee to Registrant in compliance with regulatory procedures. In the limited event that Registrant bills the client directly, payment is due upon receipt of Registrant's invoice. Registrant deducts and/or bills clients for its fees quarterly in arrears, based upon the market value of the assets on the last business day of the previous quarter. Upon termination, Registrant will debit the account or bill the client for the pro-rated portion of the unpaid advanced advisory fee based upon the number of days that services were provided during the billing quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Registrant generally recommends that TD Ameritrade Institutional, a division of TD Ameritrade Inc., member FINRA/SIPC/ ("TD Ameritrade") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as TD Ameritrade charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity transactions, and mark-ups and mark-downs are charged for fixed income transactions). In addition, client accounts may invest in open-end mutual funds (including money market funds) and ETFs that have various internal fees and expenses (i.e. management fees), which are paid by these funds but ultimately borne by clients as a fund shareholder. These internal fees and expenses are in addition to the fees charged by the Registrant. Client assets can be invested in a share class of a mutual fund with internal fees and expenses that are higher than one or more other available share classes of the fund.
- D. Registrant's investment advisory and retirement planning fees are prorated and paid quarterly, in arrears, based on the value of the assets on the last business day of the previous quarter. The applicable form of client agreement with the Registrant will continue in effect until terminated by either party by written notice in accordance with the terms of such agreement. Upon termination, Registrant will debit the client account or bill the client for the pro-rated portion of the unpaid advanced fee based upon the number of days that services were provided during the billing quarter (as applicable).
- E. Neither Registrant, nor its representatives, accepts compensation from the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither Registrant, nor any supervised person of Registrant, accepts performance-based fees.

Item 7 Types of Clients

Registrant's clients shall generally include individuals, high net worth individuals, pension and profit sharing plans, charitable organizations, and insurance companies.

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

A. Registrant may utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts);
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices); and
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices).

Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year);
- Short Term Purchases (securities sold within a year);
- Trading (securities sold within thirty (30) days); and

Please Note: Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Registrant) will be profitable or equal any specific performance level(s).

B. Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis Registrant must have access to current/new market information. Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term

investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

- C. Currently, Registrant primarily allocates client investment assets among various individual equities (stocks, including preferred stock), bonds, closed end funds, Real Estate Investment Trusts (“REITs”), publically traded business development corporations, exchange traded funds, and positions that are designed to perform in an inverse relationship to certain market indices on a discretionary and non-discretionary basis in accordance with the client’s designated investment objective(s).

REIT Risks. Investing in securities of companies in the real estate industry subjects a fund to the risks associated with the direct ownership of real estate. Real Estate Investment Trusts (“REITs”) involve additional risk factors including poor performance by a REIT’s manager, changes to the tax laws, and failure by the REIT to qualify for tax-free distribution of income or exemption under the Investment Company Act of 1940. Investments in REITs may also be subject to complete loss of principal and liquidity constraints, which means that an investor may not be able to access their funds when they need them. A complete discussion of the risk factors associated with each REIT is set forth in their offering documents, which are provided to each client for review and consideration.

Turnover Risk. Certain of the Registrant’s investment programs involve above-average portfolio turnover, which means that the securities in your account are purchased and sold frequently. Taxable accounts will be subject to tax consequences, which could negatively impact upon the net after-tax gain experienced by an individual client.

Inverse/Enhanced Market Strategies. The Registrant uses leveraged or inverse ETFs. Leveraged ETFs are securities that attempt to replicate multiples of the performance of an underlying financial index. Inverse ETFs are designed to replicate the opposite direction of these same indices, often at a multiple. These ETFs often use a combination of futures, swaps, short sales, and other derivatives to achieve these objectives. Most leveraged and inverse-leveraged ETFs are designed to achieve these results on a daily basis only. This means that over periods longer than a trading day, the value of these ETFs can and usually does deviate from the performance of the index they are designed to track. Over longer periods of time or in situations of high volatility, these deviations can be substantial. There can be no assurance that any such security will be profitable or achieve its objective. In light of these enhanced risks, a client may direct the Registrant, in writing, not to employ any or all leveraged or inverse ETFs.

Registrant generally allocates client assets, on a discretionary basis, among one or more asset allocation models. A brief description of each of Registrant’s asset allocation models follows. However, please note that the Registrant may modify the allocations for a model as applied to a particular client’s investment objectives and restrictions:

All-Cap Equity Asset Allocation Model

This asset allocation model is comprised of at least 20 and a maximum of 35 individual equities utilizing a “bottom-up fundamental approach.” The investable universe of this model consists largely of companies in the Russell 3000 index with market capitalization rates greater than \$200 million, as well as some international companies based in developed countries. In this respect, Registrant seeks companies that it believes are: misjudged, whose future prospects are not widely or accurately recognized, and/or companies whose stock has overreacted to news or a temporary disruption in earnings potential. In addition, Registrant selects equities for this model that it anticipates will: generate free cash flow in excess of operational needs; exhibit a sustainable competitive advantage; and/or is priced at a discount to Registrant’s estimate of intrinsic value.

Balanced Asset Allocation Model

This asset allocation model is comprised of equities and fixed income securities to align with the client’s responses to an investment risk questionnaire. The questionnaire responses may be used to tailor the appropriate asset mix for each client. The criteria for equity selection are identical to the All-Cap Equity Asset Allocation Model described immediately above. In addition, for the Balanced Asset Allocation Model, Registrant selects fixed income securities from a broad universe of securities including bonds, closed-end funds, REITS, Preferred Stocks, and Business Development Corporations. The goal of the fixed income portfolio segment is to achieve a level of diversification that allows the client to obtain a total return greater than the return of an intermediate term corporate bond. If successful, such a strategy would allow clients to capture higher yields by taking advantage of securities that are mispriced by the market based on their expected cash flow stream.

Trizic Program Models

Client assets allocated to the Trizic Program are generally invested in the following model portfolios. A brief description of each model follows, but are subject to change at any time and without notice.

Conservative

This model is comprised of mostly of fixed income ETFs although it may also include exposure to fixed rate and variable rate preferred stocks or vehicles investing in these securities. This strategy is designed for investors with substantial risk aversion and minimizing volatility as a priority over growth. This model may be appropriate for a client with a relatively short time investment horizon (under 5 years), with a need for more predictable income, or a longer time horizon with a high sensitivity to short-term volatility.

Income & Growth

This model is comprised of mostly fixed income ETFs, with a small remainder investing in equity ETFs. This strategy is designed for investors with an acceptance of a greater degree of risk and volatility compared to the Conservative model to seek some degree of appreciation. The emphasis is on current income and future capital appreciation is secondary. Principal risk and fluctuation is expected and acceptable over the intended investment time horizon (at least 5 years).

Balanced

This model is comprised of an approximately even allocation of exposure to equity and fixed income investments through ETFs. Investments are made in equity ETFs and fixed

income and preferred stock ETFs. This strategy is designed for investors that are comfortable with short-term fluctuations in the value of their account in exchange for seeking long-term appreciation. The emphasis is on both current income and future capital appreciation.

Growth & Income

This model is comprised of mostly equity ETFs and a small remainder of fixed income ETFs. This strategy emphasizes future capital appreciation, with income generation being a secondary goal. This strategy is designed for investors who value higher long-term returns and willing to accept significant risk. Clients allocating investment assets to this model may typically expect to endure large losses in favor of potentially higher long-term returns.

Growth

This model is comprised of approximately 100% equity ETFs. This strategy is designed for investors who value maximum returns and are willing to accept substantial risks. This strategy emphasizes the potential for maximizing long-term returns over protecting principal. Clients allocating investment assets to this model may typically expect to endure volatility and potential losses over the intended long-term investment time horizon (in excess of 5 years).

Yield Maximization

This model is designed for investors who seek income and are less concerned about capital appreciation, but still need some inflation protection afforded by equities. The model provides exposure to preferred stock ETFs in order to seek a substantial yield. Both fixed coupon and variable rate preferred securities are used to provide a balance of high yield yet reduced interest-rate sensitivity. This model also provides exposure to senior bank loans and high-dividend yield equity ETFs.

Socially Responsible

This model invests in domestic, international and emerging market ETFs that have positive environmental, social and governance (“ESG”) characteristics based on ESG ratings provided by MSCI on 37 different industry-specific issues. The ETFs are designed to over-weight companies with high ESG ratings and under-weight companies with low ratings. The model also seeks exposure to a Gender Diversity ETF that provides exposure to US companies that have greater gender diversity within senior leadership than their peers.

Item 9 Disciplinary Information

Registrant has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

- B. Neither Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Other Investment Adviser.** Registrant is under common control with Blueprint Financial Planning LLC, an SEC-registered investment adviser firm that solely provides financial planning and consulting services (SEC # 801-76694). If a client seeks financial planning and consulting services, the Registrant or its representatives will refer that client to Blueprint Financial Planning LLC for such services. The recommendation by Registrant or its representatives that a client seek financial planning services from Blueprint Financial Planning LLC presents a conflict of interest, as Registrant could have the incentive to make such a recommendation based on fees received from that client, rather than on a particular client's need. Clients are not under any obligation to pursue services from Blueprint Financial Planning LLC. **Registrants' Chief Compliance Officer, Victoria Fillet, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
- D. Except for Blueprint Financial Planning LLC, Registrant does not receive, directly or indirectly, compensation from investment advisers that it recommends or selects for its clients.

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

- A. Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Registrant or any person associated with Registrant.

- B. Neither Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which Registrant or any related person of Registrant has a material financial interest.
- C. Registrant and/or representatives of Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Registrant and/or representatives of Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Registrant's clients) and other potentially abusive practices.

Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Registrant's "Access Persons".

Registrant's securities transaction policy requires that an Access Person of Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Registrant selects; provided, however that at any time that has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Registrant and/or representatives of Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Registrant and/or representatives of Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment advisory accounts be maintained at TD Ameritrade. Prior to engaging Registrant to provide investment advisory services, the client will be required to enter into a formal Investment Advisory Agreement with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending TD Ameritrade (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment advisory fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant receives

from TD Ameritrade (or another broker-dealer/custodian investment platform, unaffiliated investment manager, and/or product/fund sponsor) without cost (and/or at a discount) support services and products. Certain of these products and services assist the Registrant to better monitor and service client accounts maintained at these institutions. The support services that Registrant obtains can include investment-related research; pricing information and market data; compliance or practice management-related publications; discounted or free attendance at conferences, educational or social events; or other products used by Registrant to further its business operations.

Certain of the support services or products received may assist the Registrant in managing and administering client accounts. Others do not directly provide this assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected or assets maintained at a Schwab or other broker-dealers and custodians because of these arrangements. There is no corresponding commitment made by the Registrant to any broker-dealer or custodian or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products because of the above arrangements.

TD Ameritrade Institutional Advisor Program

Registrant participates in the institutional advisor program (the "TD Ameritrade IA Program") offered by TD Ameritrade Institutional, which is a division of TD Ameritrade. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Registrant receives some benefits from TD Ameritrade through its participation in the TD Ameritrade IA Program; and Registrant may recommend TD Ameritrade to clients for custody and brokerage services. Please refer to Item 14 below for more details regarding the TD Ameritrade IA Program.

Registrant's Chief Compliance Officer, Victoria Fillet, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the conflicts of interest they create.

2. Registrant does not receive referrals from broker-dealers.
3. Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or

transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

Registrant's Chief Compliance Officer, Victoria Fillet, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Registrant decides to purchase or sell the same securities for several clients at approximately the same time. Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by Registrant's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Registrant on an annual basis.
- B. Registrant may conduct account reviews on an other-than-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A above, the Registrant may receive indirect economic benefits from TD Ameritrade including support services and/or products without cost (and/or at a discount). Registrant's clients do not pay more for investment transactions effected and/or assets maintained at TD Ameritrade because of this arrangement. There is no corresponding commitment made by the Registrant to TD Ameritrade or any other entity

to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products because of the above arrangement.

TD Ameritrade Institutional Advisor Program

As indicated in Item 12 above, Registrant participates in the TD Ameritrade IA Program”) offered by TD Ameritrade Institutional, which is a division of TD Ameritrade. TD Ameritrade offers to independent investment advisors services, which include custody of securities, trade execution, clearance and settlement of transactions. Registrant receives some benefits from TD Ameritrade through its participation in the TD Ameritrade IA Program; and Registrant may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Registrant’s participation in the TD Ameritrade IA Program and the investment advice it gives to its clients, although Registrant receives economic benefits through its participation in the TD Ameritrade IA Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Registrant by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Registrant’s related persons. Some of the products and services made available by TD Ameritrade through the TD Ameritrade IA Program may benefit Registrant but may not benefit its client accounts. These products or services may assist Registrant in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Registrant manage and further develop its business enterprise. The benefits received by Registrant or its personnel through participation in the TD Ameritrade IA Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Registrant endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Registrant or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Registrant’s choice of TD Ameritrade for custody and brokerage services.

Registrant’s Chief Compliance Officer, Victoria Fillet, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest this arrangement creates.

- B. If a client is introduced to the Registrant by either a solicitor, Registrant may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any referral fee is paid solely from the Registrant’s investment advisory fee, and will not result in any additional charge to the client. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor will provide each prospective client with a copy of the current version of this Brochure and a separate written

disclosure statement disclosing the terms of the arrangement between the Registrant and the solicitor, including the compensation to be paid by the Registrant to the solicitor.

Item 15 Custody

Registrant shall have the ability to have its investment advisory and planning fee for each client debited by the custodian on a monthly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Registrant may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Registrant with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Registrant's investment advisory and planning fee calculation.

Item 16 Investment Discretion

The client can determine to engage Registrant to provide investment advisory services on a discretionary basis. Prior to Registrant assuming discretionary authority over a client's account, the client shall be required to execute an Investment Advisory Agreement, naming Registrant as the client's attorney and agent in fact, granting Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Registrant on a discretionary basis may, at any time, impose restrictions, **in writing**, on Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Registrant's use of margin, etc.).

Item 17 Voting Client Securities

- A. Unless the client directs otherwise in writing, the Registrant is responsible for voting client proxies. However, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits. The Registrant shall vote proxies in accordance with its Proxy Voting Policy. The Registrant shall monitor corporate actions of individual issuers and investment companies consistent with the Registrant's fiduciary duty to vote proxies in the best interests of its clients. Although the factors which Registrant will consider when determining how it will vote differ on a case by case basis, they may, but are not limited to, include a review of recommendations from issuer management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation. With respect to individual issuers, the Registrant may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate

responsibility. With respect to investment companies (e.g., mutual funds), the Registrant may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers.

Mediant Communications Inc. (“Mediant”) is used by the Registrant in the coordination and voting of proxies for clients. The services provided by Mediant include timely delivery of meeting and record date information; access to an electronic web-based vote execution platform; and detailed recordkeeping needs.

Clients may contact the Registrant to request that a proxy be voted in a specific manner.

The Registrant shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2(c)(2) under the Advisers Act.

The Registrant’s Proxy Voting Policy and information pertaining to how the Registrant voted on any specific proxy issue is available upon request by contacting the Registrant’s Chief Compliance Officer, Victoria Fillet.

- B. As indicated above, the Registrant has authority to vote client proxies.

Item 18 Financial Information

- A. Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Registrant 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.
- C. Registrant has not been the subject of a bankruptcy petition.

ANY QUESTIONS: Registrant’s Chief Compliance Officer, Victoria Fillet, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.