

Virginia Global Asset Management, LLC

Registered Investment Advisor

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Form ADV Part 2A

June 1, 2012

This brochure provides information about the qualifications and business practices of Virginia Global Asset Management, LLC. If you have any questions about the contents of this brochure, please contact Mr. David Kenerson, Chief Compliance Officer, at (757) 962-7976.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about Virginia Global Asset Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov. Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD number, which is 143594.

While the firm and its associates may be registered with the Commonwealth of Virginia, that registration does not imply an endorsement by any regulatory authority, nor imply a certain level of skill or training on the part of the firm or its associated personnel.

Item 2 - Material Changes

The firm has amended its March 30, 2012 ADV Part 2A due to its conversion from an SEC to a state-registered investment advisor pursuant to amendments made to Rule 203A-1 of the Investment Adviser Act of 1940, as amended. No material changes have occurred.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Interested parties are able to download this brochure from the SEC's Website: www.adviserinfo.sec.gov or may contact our firm at (757) 962-7976 to request a copy at any time.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

Throughout this document, Virginia Global Asset Management, LLC shall also be referred to as the "firm," "our," "we" or "us." The client or prospective client may be also referred to as "you," "your," etc., and refers to a client engagement involving of a single *person* as well as two or more *persons*.

This brochure contains 23 pages and is not complete without all pages.

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Item 4 - Advisory Business

Description of the Firm

Virginia Global Asset Management, LLC was established in November, 2006, and has been actively managing client accounts since May 1, 2007. Prior to May 1, 2007, Virginia Global was acquiring equipment, operating licenses, and registrations in order to enter into business. There are no subsidiaries or parent companies of or to this firm.

The principal shareholder of Virginia Global is David R. Kenerson, Jr., who owns 99% of the business and is further described in the attached Part 2B Advisory Brochure.

Description of Advisory Services Offered

Virginia Global Asset Management, LLC manages individual, institutional, trust, and retirement account portfolios on a discretionary or non-discretionary basis as the client may choose. These may be invested solely in the United States (US), solely in non-US securities, or any combination thereof. The firm invests primarily in liquid assets traded on the world's recognized exchanges.

For portfolios valued at less than \$10 million, investment in the US will be through individual securities or sector funds, but non-US securities and US Treasury bonds may be purchased primarily through the use of exchange traded funds to attain diversity and efficiency for such portfolios.

To begin, an introductory interview is provided by a qualified representative of the firm to determine the scope of services for the engagement. During or prior to this meeting, the client will be provided with a current ADV Part 2A brochure, a statement with regard to the firm's privacy policy, as well as an ADV Part 2B - Brochure Supplement (Advisory Personnel) from the investment advisor representative who will be assisting the client. The firm will also ensure any material conflicts of interest are disclosed regarding the firm and its associates that could be reasonably expected to impair the rendering of unbiased and objective advice.

Should a prospective client wish to engage the firm for its services, parties must enter into a written agreement; thereafter, discussion and analysis will be conducted to determine financial need, goals, holdings, etc.

Financial Planning

The firm will provide financial planning to clients to help them identify the appropriate solutions to meet their objectives. Financial counseling may be focused on a particular problem such as retirement income planning or may be comprehensive including a review of not only investments but also estate planning, insurance, income tax planning, and company benefits.

Planning frequently focuses on retirement issues such as the client's required income at retirement adjusted for inflation, the required rate of return needed to achieve a portfolio sufficient to produce the desired income, and the feasibility of earning such a return given the client's tolerance for volatility. Estate planning offers a review of asset flows on death, and recommendations of specific changes in wills and trusts as well as property titles and beneficiary designations in order to achieve the client's objectives.

Usually a minimum of two, sometimes three meetings are required, and our recommendations are submitted in writing to the client. Recommendations with respect to any estate planning will be submitted directly to the client's attorney after review with the client.

Investment Advisory Services

Investment advisory services are tailored to the individual client's return requirements and risk tolerances so that portfolios are rarely exactly alike. We do so in several ways:

- We vary the amount that the client's portfolio is invested in stocks. Some clients may be 95% invested in stocks while others only 50% in the same market environment. The non-stock portion may be invested in 100% cash, money market funds, or bonds or any combination thereof.
- We vary the beta, or historical volatility, of the various stocks held in the portfolio. We not only vary the beta of stocks, but we also vary the number of such "higher beta" stocks held in a portfolio.
- We hold varying amounts of large capitalization seasoned companies versus the amount of younger, smaller, and less seasoned companies. These may or may not have a higher beta than some of the larger companies.
- We vary the allocation between bonds of various ratings, from BB to AAA in those cases where we have bond portfolios, or in the alternative we may invest in exchange traded funds investing in government or higher risk bonds depending on the needs and preferences of the client.
- We will vary the amount of foreign securities that a client may own.

The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.

Client-Tailored Services and Client-Imposed Restrictions

Broad-Based v. Modular Planning

A broad-based (sometimes termed "comprehensive") plan is an endeavor that requires detail, therefore, certain variables can affect the cost involved in the development of the plan: the quality of your own records, complexity and number of current investments, diversity of insurance products and employee benefits you currently hold, size of the potential estate, special needs of the client or their dependents, among others.

While certain broad-based plans may require less time, complex plans may require a longer period to complete. Alternatively, we may concentrate on reviewing only a specific area (modular planning) per request, such as college funding, portfolio allocation, or evaluating the sufficiency of your retirement plan. Note that when these services focus only on certain areas of your interest or need, your overall situation or needs may not be fully addressed due to limitations you may have established. Whether a broad-based or modular plan, we will present you with a summary of our recommendations, guide you in the implementation of some or all of them, and offer periodic reviews thereafter (see Item 13).

Investment Restrictions

Clients may also choose to impose restrictions on investing in certain types of securities, or may require us to continue to hold a security they already own, even though we might prefer to sell or reduce the size of that holding.

General Information

Virginia Global Asset Management, LLC does not provide traditional legal or accounting services. With the client's consent, we may work with your other advisors (estate planning attorney, accountant, etc.) to assist with

coordination and implementation of accepted strategies. Clients should be aware that these other advisors will charge the client separately for their services and these fees will be in addition to our firm's advisory fee.

The firm will use its best judgment and good faith effort in rendering its services to its clients. Virginia Global cannot warrant or guarantee any particular level of account performance, or that the account will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, the firm will not be liable to the client, heirs, or assigns for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by the firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from the firm's adherence to the client or their legal agent's direction; or any act or failure to act by a service provider maintaining an account. Notwithstanding the preceding statement, federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing contained in this document or a client agreement shall constitute a waiver of any rights that a client may have under such laws.

Wrap Fee Programs

Our firm does not sponsor or serve as a portfolio manager in any investment program involving wrap fees.

Client Assets Under Management

As of April 30th, 2012 the firm managed approximately \$37.9 million in client assets;¹ all 36 accounts under a discretionary account engagement (further defined in Item 16).

Item 5 - Fees and Compensation

Method of Compensation and Fee Schedule²

Financial Planning Fee

Financial planning fees are based on the time and personnel used for client who may wish only counseling and may or may not wish to continue with the firm's services after the counseling process is complete. The client will be billed directly for such charges after all such counseling is complete unless they instruct otherwise. Counseling clients will receive an estimate of costs in writing in advance. Charges will be as follows:

David Kenerson - \$200/hour

Assistant - \$60/hour

Credit of Counseling Fee - To encourage individuals who have received financial counseling from the firm to continue services as an investment advisory services client, a credit of one half the financial planning fee will be used to reduce the initial fee for investment services.

¹ The term "assets under management" and rounding to the nearest \$100,000 are as defined by the SEC's 2010 *General Instructions for Part 2 of Form ADV*.

² No fees will be charged on the accounts of firm principals and non-owner employees of Virginia Global Asset Management, LLC may manage their own accounts, or have their accounts managed by others in the firm for a fee that is 50% of the normal fee schedule.

Investment Advisory Fee

Virginia Global Asset Management, LLC's investment advisory fees are a percentage of up to one percent (1.00% or 100 basis points (bps)) annually on the market value of the assets under supervision. The schedule of investment advisory fees is:

For individuals, trusts, non-charitable institutions, and retirement accounts:

- 1.00% (100 bps) on the first million of assets;
- 0.75% (75 bps) on the next two million of assets;
- 0.50% (50 bps) on assets above \$3 million.

For charitable foundations and charitable trusts having no non-charitable beneficiary:

- 0.50% (50 bps) on all assets.

Aggregation of Accounts for Fee Purposes – For fee purposes, Virginia Global Asset Management, LLC may aggregate family accounts, including multiple accounts for the same individual or two or more spousal accounts (i.e., those of husband and wife) within the same family, or even accounts where one family member has a power of attorney over an incompetent sibling's, child's, or parent's account. However, where investment objectives are substantially different for any two or more accounts, requiring very different investment approaches for such accounts, our firm reserves the right to apply its fee schedule separately to each account as may be agreed upon with the client(s).

Negotiability of Fees

Fees on accounts above \$10 million are negotiable. However, special circumstances may warrant a reduction in the normal fee schedule for individuals, etc., as we have done for charitable foundations. These circumstances will be decided on a case-by-case basis. The services to be provided to you and their specific fees will be detailed in your engagement agreement. We strive to offer fees that are fair and reasonable in light of the experience of the firm and the services to be rendered. Similar services may be made available from other providers and potentially at a lower fee.

Client Payment of Fees

Financial Planning Fees

Fees may be paid by check or cashier's check from a US-based bank; cash, money orders, or similar forms of payment for our engagements are not accepted. Fees are generally due upon your receipt of our invoice. Non-continuous service engagements that are greater than three months in duration may be billed quarterly, in arrears.

Asset-Based Fees

Start Date – For fee, performance measurement, and investment responsibility purposes, the "start date" will usually be the date the agreement had been accepted by Virginia Global Asset Management, LLC on the engagement agreement retaining the firm for its services, unless otherwise specified or stated in the agreement or in subsequent correspondence, due to the particular circumstances such as excessive delay in receiving clients account assets. The starting valuation period shall be the valuation of the portfolio at the close of business on the U.S. market day prior to the start date.

Fee Assessment Period – Fees are charged **quarterly in advance** and are based on the market value of the account(s) on the close of business on the US market day prior to the inception or start date, or, for an account already in existence, on the last US market day of the **preceding calendar quarter**. In the case of a new account starting during the quarter, the account will be billed on a prorated basis for the days remaining in the quarter and may be billed for the next quarter as well if the client's start date is past mid quarter.

Account Valuation – Accounts will be assessed in accordance with those values disclosed on the statement the client receives from the custodian for the purpose of verifying the computation of the advisory fee. Generally, the valuation date shall be the close of business on the last US market day of a calendar quarter as stated in the previous section. In the absence of a market value, our firm may seek an independent third-party opinion or a good faith determination by a qualified associate of our firm.

Withdrawal of Investment Advisory Fees

By signing the firm's engagement agreement, as well as the selected custodian account opening documents, the client will be authorizing the withdrawal of transactional (see following section) and investment advisory fees from their account.

All fees will be noted on client statements and our firm will send the client a written notice of the fees to be deducted from their account; this includes the total fee assessed, covered time period, calculation formula utilized, and the assets under management on which the fee has been based. The withdrawal of these fees will be accomplished by the selected custodian, not by our firm, and the custodian will remit our investment services fees directly to our firm.

Should a client's investment advisory account be held by a custodian with whom our firm does not maintain an agreement, we will invoice the client for the fee payment. The invoice will include the total fee assessed, covered time period, calculation formula utilized, and the basis for the fee according to the agreement.

The client may choose either method of billing and payment.

In all instances, the client is responsible for verifying the accuracy of the invoice.

Additional Client Fees

Any custodial or transactional fees (sometimes termed *brokerage fees*) assessed by selected service providers, individual retirement account fees, or qualified retirement plan account termination fees will be borne by the account holder and are per those provided in current, separate fee schedules of any selected service provider.

Fees paid by a client to Virginia Global Asset Management, LLC for its advisory services are separate from any transactional charges a client may pay, as well as those for mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other investments of this type.

Further information about our firm's fees in relationship to its business practices are noted in Items 12 and 14 of this document.

Charged Prepayment of Client Fees

Advance Payment for Certain Services

Virginia Global Asset Management, LLC may require an initial deposit of up to one half of the engagement fee for financial planning services, which will be defined in the agreement. The firm requires asset-based fees to be paid quarterly and in advance of each period the account is under the firm's management.

Termination of Services

Either party may terminate the agreement at any time, which must be in writing, and is considered properly delivered by postal services, hand delivery, or facsimile. **Termination orally or by electronic mail is not sufficient.** It is preferable that cancellation by the client be faxed to our firm at the facsimile number noted on the cover page of this brochure so that a time stamp is available.

If Virginia Global Asset Management, LLC's ADV Part 2A brochure was not delivered to the client at least 48 hours prior to entering into the investment advisory contract, then the client has the right to terminate the engagement without penalty within five business days after entering into the agreement. Should a client terminate an engagement after this date, they will be assessed fees for any time or charges incurred by the firm in the preparation of a financial plan or investment allocation, and/or the number of days an investment account had been under the firm's supervision. We will promptly return any unearned amount upon receipt of a written termination notice. The firm may also, in its discretion, waive the right to any partial quarterly fee if the termination occurs soon after the end of the prior quarter.

Should Virginia Global Asset Management, LLC be the terminating party, it shall be entitled to its fee through the end of the month of termination, and shall be responsible for the management of the portfolio through the end of the month of termination. For those clients who terminate the account and have engaged the firm for investment advisory services, our firm will not be responsible for future allocations, transactional services or investment advice upon receipt of a termination notice.

Upon termination, it will be necessary that our firm inform the custodian serving the account that the relationship between our firm and the client has ended.

External Compensation for the Sale of Securities to Clients

Our firm and any associate are engaged for fee-only services and we will recommend "no load" or load-waived investments whenever appropriate. We do not charge or receive a commission or mark-up on your securities transactions, nor will the firm and our associates be paid a commission on your purchase of a securities holding that we recommend.

Virginia Global Asset Management, LLC does not receive "trailer" or SEC Rule 12b-1 fees from a recommended investment company. Fees charged by issuers are detailed in prospectuses or product descriptions and clients are encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges.

A client will always have the option to purchase recommended or similar investments through their selected service provider.

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

Virginia Global Asset Management, LLC advisory fees will not be based upon a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as “performance-based fees.” Performance-based compensation creates an incentive for a firm or their representatives to recommend an investment that may carry a higher degree of risk to a client. We do not use a performance-based fee structure because of the conflict of interest this type of fee structure poses.

Our advisory fee will not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not; this type of arrangement, and the conflict of interest it may pose, does not conform to our firm’s practices.

Item 7 - Types of Clients

Types of Clients – Virginia Global Asset Management, LLC provides advisory services to individuals, institutional, trusts, and retirement account portfolios on a discretionary or non-discretionary basis as the client may choose. Clients are expected to provide an adequate level of information and supporting documentation to the firm throughout the engagement. This allows the firm to determine the appropriateness of its financial planning and/or investment strategy for the client and/or account; source of funds and/or income levels; client or legal agent’s authority to act on behalf of the account, among others.

Minimum Account Size – The firm’s minimum account size is \$500,000 for individual accounts and \$1 million for charitable foundation accounts. Smaller accounts may be accepted under special circumstances, and applicable fees may be negotiated separately as well. We reserve the right to decline services to any prospective client for any non-discriminatory reason.

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

Methods of Analysis and Investment Strategies

For most of its clients Virginia Global Asset Management, LLC seeks to significantly outperform the S&P 500 Index (as an indicator of long term stock returns) over a market cycle. To do this we:

- Use fundamental analyses to identify countries, industries, and individual securities for purchase.
- Take a contrarian approach with much of its investing; looking to sell what’s “hot” and looking to purchase what’s “not”!
- (While not a market timer, particularly in the short term) we are prepared, in the context of “contrarian investing” to reduce or increase market exposures (risk) at extreme valuations.
- Concentrate investments in the three or four sectors of the S&P 500 Index that we believe will outperform the index over the next two to three years;
- (Within a market cycle) raise the risk level of a portfolio in the early part of the cycle and reduce it later in the cycle. In the case of the latter, we use cash (money market funds) as a desirable asset class whenever a defensive position is desired.
- Invest in fixed income securities to the extent they are needed to reduce risk in a client’s portfolio or provide a required stream of repeating cash flows or when the returns on bonds appear likely to exceed that of stocks.

Virginia Global Asset Management, LLC uses both top-down and bottom-up **fundamental analysis** for determining investment policy. Macro-economic and political forces are analyzed to determine whether investment conditions are likely to be favorable or unfavorable for various markets as well as industries in various countries. We will take into account the expected returns from currencies as well as the markets given our expectations for the evolution of relative economic growth and inflation. This work is applicable to fixed income and equity securities.

Investment Strategy and Method of Analysis Material Risks

We believe our strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, we cannot guarantee that an investment objective or planning goal will be achieved. As an investor you must be able to bear the risk of loss that is associated with your account, which may include the loss of some or all of your principal.

Equity Securities

Macroeconomic and political conditions suggest industries that should be examined, and we compare several companies in an industry to determine which ones we prefer for common stock investment. In selecting securities we usually have a two to three year investment horizon and are looking for significant investment returns of at least 10% or more annually.

Our firm examines company balance sheet and income statement ratios as well as other non-numerical data to make a decision. Lastly, we compare company earnings, their anticipated growth rates in light of their stock prices to make a judgment about peak cycle earnings and valuation that gives us a long term target price and estimated return from current values.

The risk of this methodology is that investors may be paying attention to other factors, such as take-over potential or technical considerations that may result in no return or negative returns for our investors in the short term. Another risk is simply that our judgment is wrong or that our judgments are correct but they are already reflected in the price of the stock. Finally, we may have assessed the economic/political environment incorrectly, or that it may change suddenly resulting in a loss for our investors.

We have a strong contrarian element in our investing, and we try to take advantage of investor emotion by exiting markets, currencies or stocks over which investors have become too excited, or by buying securities when investors are too bearish. The risk to contrarian strategies is that it may be several years before the benefits of the strategy are realized as investor sentiment, either positive or negative, may be justified for a considerable time.

We are not “market timers” on a short term basis but we will make judgments about extreme bearishness or bullishness found in the market place usually at cycle troughs and peaks respectively.

Concentration in a few sectors: It has been our firm’s experience that usually only about three of the nine sectors of the S&P 500 will outperform the S&P 500 Index (often our benchmark) during any given year. Thus **we are willing to concentrate our investments in relatively few sectors** and do not subscribe to the idea that an investor should have a little bit of everything! We try to identify which three sectors are likely to produce the best long term (two to three year) returns and tend to concentrate our investments (i.e., hold up to 25% of a portfolio in one sector) for a client in one or more of those sectors. There will be some sectors in which we are not invested at all. If we are wrong about our sector judgments, the client’s portfolio will underperform our benchmark.

Investing in securities is inherently risky and investors can be certain that they will lose some money some time. From time-to-time investors, were they to sell at the bottom, could easily experience 50% losses or more given the recent behavior of markets in the last two recessions.

The amount lost depends a great deal on the risk taken, and when it is taken. Our investment philosophy states that we may be 100% in stocks, bonds, or cash (money market funds) or any combination thereof. We follow a policy of taking greater risk early in an economic recovery and reducing it at the later stages of a recovery as valuations expand and potential gain shrinks.

The risk to such a policy is that too much risk may be taken too early, or the risk may not be reduced sufficiently in time to avoid the ravages of a bear market. Determining when a market has bottomed or has peaked can be very difficult.

In the end there is no “black box” or fixed formula for successful investment, it is always a matter of judgment.

Fixed Income Securities

Our firm tends to focus on the direction of interest rates rather than the level of these rates; making judgments about which part of the bond sector is likely to perform best under the anticipated circumstances, and which sector of the yield curve will benefit most in the evolution of the economic/inflation/interest rate environment.

General Discussion of Risk

When our research and analyses is based upon commercially available software, rating services, general market and financial information, or due diligence reviews, we are relying upon the accuracy and validity of the information or capabilities being provided by selected vendors, rating services, market data, and the issuers themselves. The firm makes every effort to determine the accuracy of the information received but it cannot foretell events or actions taken or not taken, or the validity of all information it has researched or provided which may or may not affect the advice to or investment management of a client account.

The material risks of each strategy are articulated above; there are no unusual risks, and the amount of risk taken will depend on the client’s individual risk tolerance.

We do not trade frequently and have an average holding period of at least three years or longer.

We invest in publicly traded, highly liquid securities, and believe we could sell all our clients portfolios within 24 hours without materially changing the prices of their securities under normal market conditions.

Item 9 - Disciplinary Information

Neither the firm nor any member of its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our firm’s advisory business or the integrity of our firm.

Item 10 - Other Financial Industry Activities and Affiliations

Virginia Global Asset Management, LLC policies require the firm and its associates to conduct business activities in a manner that avoids actual or potential conflicts of interest between the firm, its employees and clients, or that may be contrary to law. We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest which might reasonably compromise our impartiality or independence.

Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Our firm and its associates are engaged for fee-only advisory services. As such, neither the firm, management, nor its associates are registered or have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) introducing broker, or as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Virginia Global Asset Management, LLC and its management does not have a material relationship with any of the following types of entities:

- banking or thrift institution;
- accountant or accounting firm;
- lawyer or law firm;
- pension consultant;
- real estate broker or dealer;
- sponsor or syndicator of limited partnerships; or
- investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund).

Upon your request, we may provide referrals to various professionals, such as an accountant. We do not have an agreement with or receive fees from these professionals for these informal referrals. Any fees charged by these other entities for their services are completely separate from fees charged by our firm.

Recommendation or Selection of Other Investment Advisors and Conflicts of Interest

Our firm does not provide recommendation to another investment advisor.

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

Code of Ethics Description

Virginia Global Asset Management, LLC has adopted a Code of Ethics that sets forth the policies of ethical conduct for all personnel and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulation but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities. The firm's policies include the prohibition against insider trading, certain political contribution activities, among others.

The firm periodically reviews and amends its Code of Ethics to ensure currency; all firm access persons are required no less than annually to attest to their understanding and adherence.

Our firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

Privacy Policy

A copy of the firm's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of an engagement agreement.

The firm will provide you with its privacy policy on an annual basis per federal law and at any time, in advance, if firm privacy policies are expected to change.

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither our firm nor its associates are authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a "related person" (associates, their immediate family members, etc.) has a material financial interest, such as in the capacity as an underwriter, advisor to the issuer, etc.

Our associates are prohibited from borrowing from or lending to a client unless the client is an approved financial institution.

The firm recognizes that should it act as the advisor to the sponsor of an ERISA-qualified retirement plan (i.e., 401(k) or pension plan) and one of its investment advisor representatives serves in an advisory capacity to one or more of the plan's participants, a potential or implied conflict of interest may occur. The firm may require its employee to cease in this plan participant advisory capacity or, upon disclosure to and approval from the plan sponsor, allow the dual advisory role to continue and with consideration made to offset participant fees.

Our firm is able to provide a range of services to its clients, including financial planning and investment advisory services; we may be paid a fee for some or all of these services. Due to our firm and its associate's ability to offer two or more of these services and possibly be compensated for each aspect of the engagement, a potential conflict of interest may exist. Therefore, we note that you are under no obligation to act on our recommendations and, if you elect to do so, you are under no obligation to complete all of them through our firm or a service provider whom we may recommend.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Virginia Global Asset Management, LLC does not trade for its own account (e.g., proprietary trading). The firm's related persons (i.e., associates, immediate family, etc.) may buy or sell securities the same as, similar to, or different from, those we recommend to clients for their accounts. A recommendation made to one client may be different in nature or in timing from a recommendation made to a different client. Clients often have different objectives and risk tolerances. At no time, however, will our firm or any related party receive preferential treatment over a client.

In an effort to reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of a client's order, etc.), our policy requires that we restrict or prohibit related parties' transactions in specific securities. Any exceptions or trading pre-clearance must be approved by our firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

Please see our response in the previous section termed "Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest."

Item 12 - Brokerage Practices

Factors Used to Select Broker-Dealers for Client Transactions

Virginia Global Asset Management, LLC does not maintain physical custody of client assets (see Item 15). Client funds and securities must be maintained in an account at a "qualified custodian" (generally a broker/dealer, bank or trust company) that is frequently assessed for its capabilities to serve as a custodian by their respective industry regulatory authority. Our firm is not a custodian nor does it have an affiliate that is a custodian.

The firm is prepared to accept any broker/dealer the client may choose as their custodian and broker of record, and in the process of signing up a new client, we will ask the client if they have a preference. When a client has engaged the firm to provide investment supervisory services, we will frequently recommend the use of the institutional services division of Charles Schwab & Company, Inc. ("Schwab"), a FINRA and SIPC member,³ however, we will also be glad to use Vanguard Group, Inc. and several other firms whose combination of low transaction costs, quality of execution, back office support, and research availability benefit both the individual and, in the case of research availability, all clients. As stated earlier, our firm is independently owned and operated and is not legally affiliated with Schwab or any other firm we may recommend.

The majority of our client assets are maintained at Schwab and their firm will serve as account custodian, will hold the account in the client's name, and will buy and sell securities when our firm instructs them. The client's account with Schwab will be entered into via an agreement directly with Schwab. Therefore, Virginia Global Asset Management, LLC does not technically open the custodial account for the client but will assist the client in doing so.

The institutional platform services Schwab provides our firm include, among others, brokerage, custody, and other related services. Schwab services assist our firm in managing and administering clients' accounts include software and other technology that:

- provide access to client account data (such as trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide limited research, securities pricing and other market data;
- facilitate payment of fees from clients' accounts;
- online document storage of client accounts held at Schwab; and
- assist with certain back-office functions, recordkeeping and client reporting.

Schwab also offers other services intended to help our firm manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, industry publications, access to educational conferences and webinars, access to other third-party service providers that provide a wide array of business-related services and technology with whom the firm may directly contract. Many of Schwab's services are generally available on an unsolicited basis (our firm does not have to request them) and at no charge to our firm as long as we maintain client account assets with Schwab. Even under these circumstances, Schwab may charge accountholders transaction-related fees for certain securities trades executed through them.

Schwab provides our firm with certain brokerage and research products and services that may qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934. The availability

³ Our firm is not, nor required to be, a FINRA or Securities Investor Protection Corporation (SIPC) member. Interested parties may learn more about the SIPC and how it serves member firms and the investing public by going to its website at <http://www.sipc.org>.

of these services from Schwab benefits our firm because it does not have to separately produce or purchase them. Virginia Global Asset Management, LLC does not have to pay for these services as long as its clients maintain assets in accounts with Schwab. Beyond that, these services are not contingent upon our firm committing any specific amount of business to Schwab in trading commissions or assets in their custody. This is a potential conflict of interest since our firm may have an incentive to select or recommend a custodian based on our firm's interests in receiving research or other products or services made available to our firm rather than on our clients' interest in receiving most favorable execution. Our firm believes, however, that its selection of Schwab as custodian is in the best interests of our clients; our firm's selection is primarily supported by the scope, quality, and price of Schwab's services and not their services that benefit only our firm.

Our firm periodically conducts an assessment of any service provider recommended, including Schwab, which generally includes a review of Schwab's range of services, reasonableness of fees, among other items, and in comparison to their industry peers.

Best Execution

Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed in the previous section. Our firm recognizes its obligation in seeking "best execution" for clients, however, it is the firm's belief that the determinative factor is not always the lowest possible cost but whether the selected service provider's transactions represent the best "qualitative" execution while taking into consideration the full range of services provided. Therefore, our firm will seek services involving competitive rates but it may not necessarily result in the lowest possible rate for each transaction.

Our firm periodically reviews policies regarding recommending service providers to clients in light of its duty to seek best execution. The firm has determined that having Schwab execute its trades is consistent with this obligation.

Directed Brokerage

Virginia Global Asset Management, LLC does not require or engage in directed brokerage involving client accounts, nor do we permit clients to direct brokerage with specific trading firms within their investment advisory account(s).

Aggregating Securities Transactions

Whenever practical, transactions for our clients will generally be aggregated to be completed at the same time, often termed "aggregated," "blocked" or "batched" orders. We may (but are not obligated to) aggregate orders in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among our client accounts should there be differences in prices and other transaction costs that might have been obtained had such orders been separately placed. We do not receive any additional compensation or remuneration as a result of aggregated transactions.

Commission prices may vary due to account size, executing broker, confirmation receipt method, etc. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which the firm or related party may invest, the firm will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.*

Client accounts where trade aggregation is not allowed or infeasible may potentially be assessed higher transaction costs than those that are batched.

Our firm reviews both trade aggregation procedures and allocation processes on a periodic basis to ensure they remain within stated policies and regulation. We will inform clients, in advance, should trade aggregation and allocation practices change at any point in the future.

Trade Errors

The firm corrects trade errors through an account maintained by the firm's custodian and the firm may be responsible for trading losses that occur. However, any gains resulting from the correction of any trade errors will not accrue to the benefit of the firm, may accrue to the benefit of the client, or may accrue to the benefit of Schwab.

Item 13 - Review of Accounts

Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

Financial Planning

A client should contact our firm for additional reviews when making decisions about changes in their financial situation (i.e., the loss of a job, retirement, receipt of a significant bonus, an inheritance, the birth of a new child, or other circumstances).

Periodic financial check-ups or reviews are recommended, and they should occur at least on an annual basis whenever practical. Reviews will be conducted by the client's assigned financial planner and normally involve analysis and possible revision of a previous plan or allocation.

Unless provided for in the client's engagement agreement, reviews are generally conducted under a new or amended agreement and will be assessed at the current fee rate.

Investment Advisory Services

The firm reviews all accounts and their performance on a monthly basis at a minimum; on the first day of every month all account valuations and consolidated performance are printed out, and reviewed by the portfolio manager. The account is reviewed for:

- Adequacy of cash given the client's cash needs;
- Outsized positions that should be trimmed;
- Undersized positions that should be increased;
- Positions that should be sold;
- New positions that should be purchased; and
- Does the overall account fit within a client's risk tolerance.

Review of Client Accounts on Non-Periodic Basis

Financial Planning

The client is free to contact our firm for additional reviews when there are material changes that occur in their financial situation (i.e., loss of a job, early retirement, receipt of a significant bonus, an inheritance, the birth of a new child, or other circumstances), or should they prefer to change requirements involving their account.

Non-periodic reviews are generally conducted by the assigned financial planner, under a new or amended agreement and per the published rate.

Investment Advisory Services

The account portfolio manager will review accounts when news about a particular holding or macroeconomic event that suggests one or more holdings in one or more asset classes or sectors should be sold. Factors that trigger a review are:

- A “required sell” rating on any security held by any client as a result of our investment process;
- A “source of cash” (soft sell) rating on any security held by a client, as a result of our process; or
- News of an event relating to any significant macro or micro factor with respect to a company.

Content of Client Provided Reports and Frequency

Our firm will write all its clients on a calendar quarterly basis, i.e., during the first month after the end of the prior quarter. Our advisory letter describes the performance of the account relative to its benchmark (usually the S&P 500) and shows the performance for the quarter, year-to-date, and since inception. Also, the value of the account at the end of the quarter is shown in the letter. In addition, the letter may discuss briefly our firm’s outlook for markets and economies which is referenced in the letter and expressed in greater detail in a separate Investment Strategy piece that is enclosed with the letter.

Our firm will enclose a complete set of individual account valuations, a consolidated account valuation, a Performance Summary of the consolidated accounts if they are being managed as a coherent whole, a copy of our billing notice sent to the custodian for payment, and any other documentation for tax purposes or regulatory purposes that we may wish or be required to send. All firm performance reports will be prepared in accordance with appropriate jurisdictional guidance.

Additionally, clients will receive account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where their investments are held. We urge each client to carefully review these statements for accuracy and clarity, and to ask questions when something is not clear. Clients are also urged to carefully review and compare account statements that they have received directly from their service provider with any report received from our firm.

Item 14 - Client Referrals and Other Compensation

Economic Benefit From External Sources and Potential Conflicts of Interest

We may receive an economic benefit from external sources in the form of the support products and services they make available to our firm and other independent investment advisors as disclosed under Item 12 of this brochure. There is no direct link between our firm’s engagement of a particular service provider (i.e., custodian) and the investment advice we offer our clients.

As part of our fiduciary duty, Virginia Global Asset Management, LLC will endeavor at all times to put the interests of our clients first. Our clients should be aware, however, that the receipt of any economic benefit by our firm or its associates in and of itself creates a potential conflict of interest and may, in theory, influence our choice of a custodian for its services.

Advisory Firm Payments for Client Referrals

We do not engage in solicitation activities as defined by statute.

Item 15 - Custody

Client funds and securities will be maintained by an unaffiliated, qualified custodian, such as a bank, broker/dealer, mutual fund companies, or transfer agent. Assets are not held by our firm or any of our associates. In keeping with our policy of not taking custody of our client funds or securities, we:

- Restrict our firm and associates from serving as trustee or having a general power of attorney over a client account.
- Are prohibited from having authority to directly withdraw securities or cash assets from a client account. Advisory fees will only be withdrawn from a client investment account through the engagement of a qualified custodian maintaining client account assets, and per the client's written approval.
- Do not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm.
- Will not collect advance fees of \$500 or more for advisory services that are to be performed six months or more into the future.
- Will not authorize any associate to have knowledge of a client's account access information (i.e., online 401(k), brokerage or bank accounts), even for the accommodation of the client or their legal agent.

Clients will be provided with transaction confirmations and summary account statements provided directly to them by their selected service provider. Typically, these statements are provided on at least a quarterly basis or as transactions occur. Virginia Global Asset Management, LLC and its associates will not create a statement for a client nor be the sole recipient of account statements.

Should a client receive periodic reports from our firm that includes investment performance information, they are urged to carefully review and compare their account statements that they have received directly from their service provider with any report from our firm.

Item 16 - Investment Discretion

Virginia Global Asset Management, LLC provides its investment advisory services (as described in Item 4) under either *discretionary* or *non-discretionary* account authority, and as determined by your written engagement agreement. We generally provide our services under a *discretionary* agreement.

Similar to a limited power of attorney, *discretionary authority* allows our firm to implement investment decisions, such as the purchase or sale of a security on behalf of a client account, without requiring their prior authorization for each transaction in order to meet stated account objectives. Under such engagements, by executing our firm agreement as well as account opening documents with the selected provider/custodian, a client will be granting discretionary account authority to our firm. The service provider maintaining the account will specifically limit our firm's authority to the placement of trade orders, deduction of advisory firm fees, or to direct distributions to the accountholder.

Should a client prefer an account to be managed in a *non-discretionary* manner, their prior approval must be made for each transaction with regard to the investment and reinvestment of account assets or for the firm to give instructions to the service provider maintaining the account. In light of the requirement for pre-approval, a client must make themselves available and keep our firm updated with their contact information so that instructions can be efficiently effected on the account's behalf.

Our firm will retain information about all client account directions, limitations and rescissions that are reviewed and approved by our Chief Compliance Officer.

Item 17 - Voting Client Securities

Proxy Voting

Our firm does not vote proxies on an account's behalf. Clients will maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that they beneficially own shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other events pertaining to your holdings. Clients may consult with our firm on how they might vote their proxy.

Other Corporate Actions

We will have no power, authority, responsibility, or obligation to take any action with regard to any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. We will offer guidance to our clients on these matters if they request us to do so.

Receipt of Materials

Clients may receive voting or corporate action materials sent directly to them from their custodian or transfer agent. If the firm receives correspondence for a client relating to the voting of their securities, class action litigation, or other corporate actions, it will typically forward the correspondence to the client or another entity (i.e., client counsel, etc.) if so directed.

Item 18 - Financial Information

Balance Sheet

Our firm will not take physical custody of client assets. We do not directly withdraw our fees from a client bank or investment account; fee withdrawals must be done through a qualified intermediary (i.e., custodian). We will not collect fees from a client of \$500 or more for advisory services to be performed six months or more in advance.

Due to the nature of our firm's services and operational practices, an audited balance sheet is not required nor included in this brochure.

Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

The firm and its management do not have a financial condition likely to impair our ability to meet financial commitments to our clients.

Bankruptcy Petitions during the Past 10 Years

The firm and its management have not been the subject of a bankruptcy petition during the past 10 years.

Item 19 - Requirements for State-Registered Advisors

Principal Executive Officer

Managing Member/President/Chief Compliance Officer /Portfolio Manager

David Ryder Kenerson, Jr., CFA

Born: 1944/CRD Number: 2843405

Educational Background and Business Experience

Regulatory guidance requires the firm to disclose relevant post-secondary education and professional training for each principal executive and associate of the firm through the ADV Part 2A and/or ADV Part 2B (Brochure Supplement), as well as their business experience for at least the past five years.

Educational Background

Lawrenceville School (1962)
Yale University, BA, Classics (1966)
University of Florida College of Law, JD (1970)
Chartered Financial Analyst (CFA)⁴ (1981)

Business Experience

President/Chair - Investment Committee; Virginia Global Asset Management, LLC
Norfolk, VA [2007-Present]

Portfolio Manager/Chair - Investment Committee; Capes Capital Management, Inc.
Norfolk, VA [2000-2007]

Other Business Activities

There are no other reportable business activities for Mr. Kenerson.

Additional Compensation

Mr. Kenerson is not compensated for advisory services involving performance-based fees nor does he accept or receive additional economic benefit, such as sales awards or other prizes, for providing advisory services to clients. He is not a senior executive of or insider to an issuer of a security.

Mr. Kenerson is not registered, nor has an application pending to register, as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. Therefore, he does not receive commissions, bonuses or other compensation based on the sale of securities or other investment products, including that as a registered representative of a broker/dealer, and including distribution or service ("trail") fees from the sale of mutual funds.

Disciplinary Information

Registered investment advisors are required to disclose certain material facts regarding any legal or disciplinary events that would be material to your evaluation of each officer or a supervised person providing investment advice. No reportable information is applicable to this section.

Supervision

Mr. Kenerson serves in multiple capacities with the firm, including Managing Member, Chief Compliance Officer, Financial Planner and Investment Advisor Representative. The firm recognizes that not having all organizational duties segregated may potentially create a conflict of interest; firm policies and procedures ensure timely, accurate recordkeeping and supervision. Certain functions may be outsourced to assist in these efforts when deemed necessary. Questions relative to the firm, staff, its services, or this ADV Part 2A may be made to the attention of Mr. Kenerson at (757) 962-7976.

Additional information about the firm, other advisory firms, or associated investment advisor representatives is available on the Internet at www.adviserinfo.sec.gov. A search of this site for firms or their associated personnel can be accomplished by name or a unique firm identifier, known as an IARD number. The IARD number for Virginia Global Asset Management, LLC is 143594.

The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by calling the Virginia Division of Securities & Retail Franchising at (804) 371-9187.

Business Continuity Plan

Virginia Global Asset Management, LLC maintains a business continuity plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available under separate cover.

⁴The **Chartered Financial Analyst (CFA)** charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 90,000 CFA charterholders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

High Ethical Standards

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

Global Recognition

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment. Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

Comprehensive and Current Knowledge

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.