

Form ADV Part 2A Appendix Wrap Fee Program Brochure

VSR Advisory Services

A Division of VSR Financial Services, Inc.

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This Wrap Fee Program Brochure provides information about the qualifications and business practices of VSR Advisory Services. If you have any questions about the contents of this Brochure, please contact us at 800-800-3177. 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.

VSR Advisory Services is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about VSR Advisory Services also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Wrap Fee Program Brochure is our disclosure document prepared according to the SEC's requirements and rules.

Pursuant to the SEC rule, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business financial year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. A brochure may be requested by contacting Richard Holt at 800-800-3177.

Additional information about VSR Advisory Services is also available via the SEC's website, www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with VSR Advisory Services who are registered, or are required to be registered, as investment adviser representatives of VSR Advisory Services.

This summary of material changes identifies, and briefly discusses, the changes to VSR Advisory Services' Form ADV Part 2A Appendix Wrap Fee Program Brochure since its last update on August 15, 2013. To see all changes since the last update, please review the entire brochure.

VSR hired a new Chief Compliance Officer, Mr. Chris Cokinis, on December 9, 2013.

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Item 4 – Services, Fees and Compensation

Services

VSR Advisory Services is a division of VSR Financial Services, Inc. VSR Financial Services, Inc., (VSR) is registered as a Broker/Dealer and Investment Adviser with the United States Securities and Exchange Commission ("SEC") and as a broker/dealer with all 50 states. Registration of an Investment Adviser does not imply any level of skill or training.

VSR is the sponsor of this Wrap Fee Program (hereinafter the "Program"). A "wrap fee" program is one that provides the client with investment management, brokerage, reporting, and other related services for one fee.

The Advisory Representative will assist the client in determining their current financial situation, financial goals and attitudes towards risk. Based on this information the Advisory Representative will assess the client's situation and determine an appropriate asset allocation. Once an appropriate asset allocation is determined with a client, the individual portfolios will be managed by the Advisory Representative on a discretionary basis.

Portfolios may be invested primarily in mutual funds and exchange traded funds (ETFs), but may also be invested in money market funds and cash, among other investment types. The Advisory Representative will make changes on a discretionary basis with respect to a client's account based on market, economic, or political circumstances, and the individual characteristics of the securities in the portfolio.

The Advisory Representative will inform clients of their methods of analysis, sources of information, and investment strategies used by the Advisory Representative in managing client accounts. Clients will have the right to impose reasonable restrictions on securities or sectors that should not be included in their portfolio.

The Program may be offered to individuals and businesses. The Program is designed to continuously manage the client's account based on the individual needs of the client.

ERISA Accounts

If this Agreement is entered into by a trustee or other fiduciary, including but not limited to someone meeting the definition of "fiduciary" under the Employee Retirement Income Security Act of 1974 ("ERISA") or an employee benefit plan subject to ERISA, the trustee or other fiduciary represents and warrants to VSR that the Client's participation in the Program is permitted by the relevant governing instrument of such plan, and that the Client is duly authorized to enter into this Program. Client agrees to furnish Adviser with any documents as it shall reasonably request with respect to the foregoing. Client further agrees to notify Adviser in writing of any event which might affect this authority or the validity of this Agreement. Please see the Client Agreement for additional information regarding ERISA Accounts.

Termination of the Advisory Relationship

This Agreement may be terminated by either party at any time upon 5 days prior written notice to the other party. You will receive a full refund of all fees if this Agreement is canceled within 5 days after the date hereof, less any fees actually earned by us during the 5-day period as a result of advisory services performed. Termination of this Agreement will not affect the validity of any action taken by your designated Representative or us prior to termination of this Agreement, or your obligation to pay any fees earned under this Agreement. After receiving notice of termination, we will promptly mail you a pro-rata refund of any fees paid in advance.

Fees

VSR charges a wrap fee for participation in the Program. The wrap fee will be charged as a percentage of assets under management and will be directly debited from client accounts after the end of each calendar quarter. If there is not enough cash or funds in an account to pay a fee, the account will be rebalanced so as to generate a sufficient level of cash or funds to meet this expense. As part of this agreement you authorize the Custodian to deduct the wrap fee from your account as directed by VSR. The fees charged and the manner in which they will be calculated will be disclosed in the client agreement.

Advisory Fees in General

Clients should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees. A client could also invest in a security or portfolio of securities directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist you in determining which investments are most appropriate to each client's financial condition and objectives. You should be aware that program fees charged may be higher or lower than those otherwise available if you were to select a separate brokerage service and negotiate commissions in the absence of the extra advisory service provided. Our fee may be subject to negotiation depending upon a range of factors including, but not limited to, account size and overall range of services provided.

You should consider the value of these advisory services when making such comparisons. The combination of custodial, advisory, and brokerage services may not be available separately or may require multiple accounts, documentation, and fees. You should also consider the amount of anticipated trading activity when selecting among the programs and assessing the overall cost. Advisory programs typically assume a normal amount of trading activity and, therefore, under particular circumstances, prolonged periods of inactivity or asset allocations with significant fixed income or cash weightings may result in higher fees than if commissions were paid separately for each transaction.

A portion of the fees or commissions charged for the programs described here may be paid to us in connection with the introduction of accounts as well as for providing client-related services within the programs. This compensation may be more or less than if you paid separately for investment advice, brokerage, and other services, and may vary depending on the program or services offered.

What services are not covered by the Program fees?

Program advisory fees may not include certain securities transaction fees that may be charged by the Client's custodian, broker, or regulatory authorities. These fees would be charged separately from the Program fee. In evaluating such an arrangement, the client should also consider that, depending upon the level of the fee charged by the custodian or broker/dealer, the amount of portfolio activity in the client's account, and other factors, the fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients. In addition, the wrap fee does not include certain fees that may be charged; for example, wire transfers, annual charges for qualified accounts, certificate issues, IRA custodial fees, safekeeping fees, interest charges on margin loans, exchange fees, and fees for transfers of securities.

Mutual Funds

All fees paid to VSR for investment advisory services are separate and distinct from the fees and expenses that may be charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client.

Exchange Traded Funds

Shares of ETFs held in client accounts are bought and sold on an exchange and not, like mutual funds, directly from the fund itself. The price of ETF shares fluctuates in accordance with changes in the net asset value (NAV) per share, as well as in response to market supply and demand. Accordingly, ETF shares may trade at a price which differs from NAV per share of the ETF.

All fees paid to VSR for investment advisory services are separate and distinct from the fees and expenses that may be charged by ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client.

Conflicts of Interest

VSR or individuals associated with VSR may buy or sell securities identical to, or different from those recommended to clients for their personal accounts.

It is the policy of VSR that no person associated with the firm may purchase or sell any security immediately prior to a transaction(s) being implemented for an advisory account, in order to prevent such employees from benefiting from transactions placed on behalf of advisory accounts.

Advisory Representatives may receive incentive awards for attaining certain overall levels of achievement. These awards are not product or program specific, however the receipt of this compensation may affect a representative's judgment in recommending products to clients.

Item 5 – Account Requirements and Types of Clients

Type of Client

Wrap Fee services are typically provided to individuals and high net worth individuals, but may be provided to other types of clients as well.

Client relationships will vary in scope and length of service.

Account Minimums

VSR does not impose a minimum dollar value of assets for its wrap fee program.

Individual Advisory Representatives may decline to provide services to clients whose assets are less than a certain size set by the Advisory Representative, or whose account value falls below certain limits set by them.

Item 6 – Portfolio Manager Selection and Evaluation

The investment strategy determined for you is based upon the objectives stated during consultations with your Advisory Representative. It is important to review investment objectives, risk tolerance, tax objectives and liquidity needs with your Advisory Representative before choosing an investment strategy. All investments carry a certain degree of risk and no one particular investment style or portfolio manager is suitable for all types of investors.

Your Advisory Representative will monitor your account to identify situations that may warrant specific actions be taken or recommended with respect to your investments or overall investment portfolio. Such reviews include, but are not necessarily limited to, suitability, performance, asset allocation, change in investment objectives and risk tolerance. In addition, your Advisory Representative will provide regular investment advice or investment supervisory services, review your portfolio(s) and communicate with you for conformity with the respective portfolios, investment objectives, changes in your financial situation and account performance.

Additional monitoring of accounts is provided by personnel located within the corporate headquarters. Reviews include, but are not limited to, suitability and concentration; however, each client has a responsibility to review their account to determine if it is being managed according to their investment objectives.

Types of Services Offered

Advisory Representatives may offer advice on a variety of investment products, including stocks, bonds, mutual funds, ETFs, structured products, managed futures products, and direct participation programs, among others. Depending on the type of investment, the recommendation may be made for a brokerage account (which charges a commission) or a managed account (which charges a fee).

The Advisory Representative determines the general investment advice to be provided to their clients based on information provided by the client. Background information regarding each Advisory Representative is contained in the Brochure Supplement, Part 2B of Form ADV. A copy of the Supplement will be provided to each client at or before the time that the client executes the advisory agreement with VSR Advisory Services.

VSR and the Advisory Representative will not provide any advice regarding whether to participate in class action lawsuits brought by a third-party against the issuers of securities held in an account.

VSR offers three types of advisory services: Financial Planning; Investment Supervisory/Investment Management Services offered by VSR advisors; and Investment Supervisory/ Investment Management Services offered by third-party advisers. Descriptions of these services are contained in VSR's Form ADV 2A Brochure, and copies are available upon request.

Tailored Relationships

Advisory Representatives determine the general investment advice to be provided to their clients. The advice given is based on information provided by the client, and will take in to consideration the client's investment objectives, time horizon, risk tolerance, liquidity needs, and any other factors relevant to the client. Depending on the investment strategy chosen, the client may impose reasonable investment restrictions on certain securities, industries or sectors.

The background information regarding each Advisory Representative is contained in the Brochure Supplement, Part 2B of Form ADV. A copy of the Supplement will be provided to each client at or before the time that the client executes the advisory agreement with VSR.

Performance Fees

In some cases VSR may enter into performance fee arrangements with qualified clients. The fees and method of fee calculation are subject to individualized negotiation with each client. VSR will structure any performance or incentive fee arrangement subject to the provisions of the Investment Advisors Act of 1940 (The Advisors Act).

Performance based fee arrangements may create an incentive for VSR to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. No client will be allowed to enter into a performance fee arrangement unless VSR determines that the performance fee arrangement is suitable and the client is knowledgeable and qualified under applicable regulations.

Side by Side Management

Many of our Advisory Representatives also manage commission based accounts for clients. The financial backgrounds, risk tolerance, and investment objectives for brokerage clients may be vastly different than those of advisory clients. As such, Advisory Representatives may execute trades for brokerage clients that are in direct conflict to trades recommended for an advisory account. Additionally, clients in brokerage accounts may receive an execution price that may be higher or lower than your execution price.

Our Advisory Representatives do not manage any hedge funds, outside funds, or other products that may cause conflicts of interest in relation to their fiduciary obligation to you.

Methods of Analysis and Investment Strategies

Security analysis methods used by the Advisory Representative may include charting, fundamental analysis, technical analysis, and cyclical analysis, among others. The Advisory Representative may utilize due diligence and marketing information, if any, provided by VSR, third-party money managers, or program sponsors to evaluate specific investments. Other sources of information may include financial newspapers and magazines, research materials prepared by others, annual reports, prospectuses, filings with the SEC, and corporate rating services.

Analyses and recommendations will be based on the written information provided by the client, the Advisory Representative's discussions with the client, and economic or tax considerations. If the client's personal or financial situation or objectives change they are advised to promptly notify their advisor. Clients are urged to discuss with their Advisory Representative the methods of analysis and strategies utilized by that Representative.

Background information regarding each Advisory Representative is contained in the Brochure Supplement, Part 2B of Form ADV. A copy of the Supplement will be provided to each client by the Advisory Representative at or before the time that the client executes the advisory agreement with VSR Advisory Services.

Risks

All investments and investment strategies involve various risks, and there is no guarantee that any investment or investment strategy will meet its objective. The Advisory Representative will keep in mind the client's investment objectives, risk tolerance, time horizon and other pertinent information when recommending an investment or investment strategy.

Investing in securities involves the risk of loss of principal that clients should be prepared to bear.

Voting Client Securities

Neither VSR nor the Advisory Representative will vote proxies on behalf of its clients. It is the responsibility of the client to vote all proxies for securities held in the managed account. All proxy materials received by us on behalf of a client will be sent directly to the client or a representative that has been previously designated by the client to be responsible for voting proxies. Advisory Representatives may answer customer questions regarding proxy voting materials in an effort to assist the client in determining how to vote the proxy, however, the final decision of how to vote the proxy rests with the client.

Item 7 – Client Information Provided to Portfolio Managers

Clients must complete a VSR New Account Form (NAF). The NAF outlines your personal situation, including information on your investment objectives, financial circumstances, risk tolerance, and investment experience, among others. This information is required by law and helps us to understand your background and goals. You agree to inform us in writing of any material change in your financial circumstances that might affect the manner in which your assets should be invested.

Item 8 – Client Contact with Portfolio Managers

Your contact for information and consultation regarding your Program account(s) is your Advisory Representative. Your Advisory Representative will be reasonably available to you for consultation, and will act on any changes in your situation deemed to be material or appropriate as soon as practical after they become aware of the change.

Item 9 – Additional Information

Legal and Disciplinary Events

On June 24, 2005, the National Association of Securities Dealers (NASD) approved a settlement of the NASD's investigation into whether VSR failed to properly supervise trading activity in its customers' brokerage accounts. The investigation arose as a result of an active trading strategy used by a former Representative, although VSR received no complaint from the client involved. All of the alleged active trading occurred in brokerage accounts and no investment advisory client accounts were involved.

Without admitting or denying the allegations, VSR consented to a censure and a \$10,000 fine.

On December 12, 2006, the NASD accepted a settlement related to its investigation into whether a manager in VSR's trade department failed to detect and prevent trades resulting from a Registered Rep's unsuitable recommendations to a public customer.

Without admitting or denying the findings, the manager consented to a \$7,500 fine and was suspended in 2007 from association with any NASD member in a principal or supervisory capacity for 15 business days.

In June 2007, NASD and NYSE merged to become the Financial Industry Regulatory Authority (FINRA). At the time of the above actions, however, NASD was the regulatory body.

On March 3, 2008, FINRA approved a settlement of FINRA's investigation into whether VSR as a broker/dealer failed to properly supervise a particular Registered Representative. The Representative recommended purchasing Class B shares, despite the fact that the client was eligible to purchase Class A shares at lower cost and annual expense. Another client did not receive the sales discount, resulting in higher front-end loads. No investment advisory accounts were involved. Without admitting or denying the allegations, VSR consented to a censure and a \$20,000 fine.

On December 1, 2011, the State of Missouri found that VSR, as a broker/dealer, failed to make, maintain, and preserve records relating to private securities transactions. Without admitting or denying the allegations, VSR agreed to a censure and was ordered to pay \$55,470 to the State.

On May 15, 2013, the Financial Industry Regulatory Authority (FINRA) accepted a settlement related to its assertions regarding VSR's supervisory system, and suitability related to certain sales to customers. Without admitting or denying the assertions, VSR consented to a \$550,000 fine. As part of the settlement, a senior member of VSR's management team was suspended from association with any FINRA member in a principal capacity for 45 days and was fined \$10,000.

These assertions did not involve VSR's advisory operations or any investment advisory products or services.

Financial Industry Affiliations

VSR Financial Services Inc. is registered as a securities broker/dealer. All of our Advisory Representatives are also Registered Representatives of VSR Financial Services, Inc. As Registered Representatives they may sell a variety of investment products for a commission.

Advisory Representatives may be licensed as agents for various life insurance companies or may be associated with independent life insurance general agencies. VSR is an agent for many insurance companies. As with the implementation of investment advice given to clients, Advisory Representatives will generally only recommend insurance products of those companies for whom the Advisory Representative is a sales agent and is also familiar with the benefits, exclusions, and other terms.

VSR may act as a broker in effecting the securities transactions or financial planning strategies directed to it for VSR Advisory Services' clients and receive commissions and other economic benefits as a result of such transactions.

Other Business Activities

Some Advisory Representatives own or are affiliated with independent advisory firms. These firms are not affiliated with VSR Advisory Services and they are not supervised by VSR. Typically, Advisory Representatives that own or are affiliated with an independent advisory firm may only provide financial planning services through the independent advisory firm.

Fees for financial planning services provided by an Advisory Representative through their independent advisory firm are separate and distinct from any fees paid to VSR Advisory Services in their capacity as an Advisory Representative of VSR Advisory Services.

Clients that engage an Advisory Representative through an independent advisory firm will receive a copy of that firm's disclosure documents and execute a client agreement specifying the services to be provided and fees to be charged by the independent advisory firm.

Certain Advisory Representatives may have other business activities, such as tax preparation, accounting, legal, real estate, employee benefits consulting, or other businesses, that are not directly related to their registration as an Advisory Representative. VSR does not supervise or receive compensation from these other business activities. Advisory Representatives engaging in these other business activities do so independently of their association with VSR.

Code of Ethics

VSR has adopted a Code of Ethics that includes a Personal Trading Policy, which will apply to all of our employees and Representatives. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand and agree to comply with VSR's Code of Ethics.

In compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988 ("ITSFEA"), VSR has established, and will maintain and enforce, written policies reasonably designed to prevent the misuse of material, nonpublic information by VSR or any person associated with the firm. In consideration of and in compliance with ITSFEA, VSR forbids any officer or employee, either personally or on behalf of

others, to trade on material, nonpublic information or to communicate such information to others in violation of the law.

An investment adviser is considered a fiduciary according to the Investment Advisers Act of 1940. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. VSR, its employees, and its Representatives have a fiduciary duty to all advisory clients. To assist our employees and Representatives in meeting these obligations, VSR has adopted standards of business conduct that are outlined in our Code of Ethics. VSR requires all of its supervised persons to conduct business with integrity and to comply with all federal and state securities laws at all times.

Trading Practices

Agency Cross & Principal Trading

An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory customer and for another person on the other side of the transaction (SEC Rule 206(3)-2). Agency cross transactions typically may arise where an adviser is dually registered as a broker/dealer or has an affiliated broker/dealer.

A principal transaction is defined as a transaction where an adviser, acting as principal for its own account or the account of an affiliated broker/dealer, buys from or sells any security to any advisory customer.

It is our policy that VSR will not engage in agency cross transactions involving advisory customers. VSR does not generally engage in principal transactions with advisory customers, except for riskless principal transactions.

VSR will not cross trades involving client advisory accounts.

Trade Aggregation and Block Trades

Transactions implemented for client accounts are generally effected independently, unless an Advisory Representative decides to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and it is done when the Advisory Representative believes such action may prove advantageous to clients. When aggregating client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution or to avoid differences in various transaction costs than might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among the Advisory Representative's clients in proportion to the purchase and sale orders placed for each client account on any given day.

VSR does not allow its Advisory Representatives to receive any additional compensation or remuneration as a result of aggregation. VSR's policy prohibits any allocation of trades in a manner such that any particular customers or group of customers receive more favorable treatment than other customer accounts.

Trade Errors

On infrequent occasions, an error may be made in a client's account. For example, a security may be erroneously purchased for a client account instead of sold. In these situations, VSR generally seeks to rectify the error by placing the client account in a similar position as it would have been had there been no error. Depending on the circumstances, various corrective steps may be taken, including but not limited

to, cancelling the trade, adjusting an allocation, and/or reimbursing the account. In the event the trading error results in an erroneous profit, the profit will not be allocated to the client as VSR would retain the profit.

Participation or Interest in Client Transactions

There may be instances where an Advisory Representative will recommend to investment advisory clients or prospective clients the purchase or sale of securities in which VSR, the Advisory Representative, and/or clients may have a position or interest.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with VSR's obligation of best execution. Generally, in such circumstances the affiliated and client accounts will share commission costs equally and receive securities at a total average price. VSR will retain records of the trade order (specifying each participating account) and its allocation. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Personal Trading

Subject to VSR's Code of Ethics and applicable securities laws, the employees and Advisory Representatives of VSR and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for VSR's clients. The Code of Ethics is designed to assure that the personal securities transactions of the employees and Advisory Representatives of VSR will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

VSR, VSR Advisory Services, and the Advisory Representatives may or may not maintain investment positions in their personal portfolios that are recommended to clients. In fact, VSR, VSR Advisory Services, and the Advisory Representatives may take positions or execute transactions for their personal accounts which are materially different than the positions or transactions recommended for their clients.

Employees and Representatives are expected to purchase or sell a security for their personal accounts only after trading of that same security has been completed in customer accounts. An exception to this policy may be made if the Vice President, Trade Desk Director or designee, has approved block executions of customer and employee or Representative accounts through VSR's average price account.

VSR's Code of Ethics requires pre-clearance of certain transactions and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Trading activity of Advisory Representatives and employees is monitored under the Code of Ethics to reasonably prevent conflicts of interest between VSR and its clients.

VSR's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the firm at the address noted on the cover of this brochure.

Account Reviews

Advisory Representatives are responsible for providing investment advice and conducting reviews on their client accounts on a regular basis. Reviews are generally done on a quarterly basis, and are designed to ensure that the investments and investment strategy employed remains consistent with the client's investment objectives and financial situation as provided by the client.

More frequent reviews may be done in response to changes in securities laws, changes in the client's personal situation, substantial market movements, or per specific client request.

Reports

Unless noted otherwise in the client agreement, reports will be sent to the client by the custodian that holds the client's account, at such times as is provided in the client's account agreement with such custodian. Clients who have engaged a third-party adviser will receive reports from the adviser as outlined in the client agreement and disclosure documents. Clients should carefully review these reports and contact the custodian or their Advisory Representative if they have any questions.

VSR Advisory Services or the Advisory Representative may provide other reports to the client. Clients should carefully review these reports and compare them to the reports received from the custodian.

Some clearing firms or third-party money managers used by VSR to effect transactions in client accounts may have the ability to suppress receipt of individual trade confirmations at the client's request.

Client Referrals

VSR and our Advisory Representatives may act as solicitors for various third-party investment advisers who compensate VSR and the Advisory Representative for the solicitation. Each solicitation arrangement is documented and a solicitor's disclosure statement is provided to the client.

VSR Advisory Services and our Advisory Representatives may offer advisory services on the premises of unaffiliated financial institutions, like banks or credit unions. VSR has entered into agreements with the financial institutions whereby VSR may share compensation, including a portion of the advisory fee, with the financial institution for the use of the financial institution's facilities and for client referrals.

Other Compensation

Our Advisory Representatives may sell securities and/or insurance to any client for commissions in their separate capacities as Registered Representatives. This situation could represent a potential conflict of interest since VSR and the Representative could receive fees and commissions if the client chooses to implement the recommendations of the Advisory Representative through him in his separate capacity as a Registered Representative. Clients are not obligated to implement any recommendation through VSR or the Representative and are free to choose any broker/dealer or insurance company they wish to implement the recommendations.

Certain product sponsors may provide VSR with economic benefits as a result of the client's investments, including sponsorship of meetings, marketing support, incentive awards, payment of travel expenses, and direction of brokerage transactions to VSR.

These arrangements may represent a conflict of interest since they may affect the independent judgment of VSR or the Advisory Representatives in the recommendation of one adviser program over another. However, the best interests of the client will be of utmost importance to VSR and all Advisory Representatives in recommending any particular third-party adviser or service.

Financial Information

This item is not applicable to our Disclosure Brochure. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance therefore VSR is not required to include a balance sheet for its most recent fiscal year. VSR is not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients, nor have we been the subject of a bankruptcy petition at any time.

Item 10 – Requirements for State-Registered Advisers

Since VSR is registered with the United States Securities and Exchange Commission this section is not applicable.