



*Vezzetti Capital Management, LLC*

260 Bucklin Street - Suite A - LaSalle, Illinois 61301

***Form ADV Part 2A: Firm Brochure***

*Dated 03/17/2014*

The information contained herein is provided to Clients and prospective clients about the qualifications and business practices of Vezzetti Capital Management, LLC. 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.

Vezzetti Capital Management, LLC is an SEC Registered Investment Adviser, however, registration does not imply a certain level of skill or training.

If you have any questions about the contents of this brochure, please contact us at (815) 220-0513 or [tkenney@vezzetticapitalmgmt.com](mailto:tkenney@vezzetticapitalmgmt.com).

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

**Vezzetti Capital Management, LLC**

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## **Item 2      Material Changes**

In July 2010, The United States Securities and Exchange Commission published "Amendments to Form ADV" which amends the disclosure document (Brochure) that we provide to clients as required by SEC rules. It is designed to provide clients with clearly written and meaningful disclosure, in plain English, about our business practices, conflicts of interest and advisory personnel.

In the past we have either delivered, or offered to deliver, our Brochure to you on an annual basis. Consistent with the new rules, 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' fiscal year (December 31st). Furthermore, we will provide you with other interim disclosures about material changes as necessary.

**Material Change: There are no material changes since the last release of our Brochure on March 1, 2013.**

You may request a copy of our brochure by contacting Tiffany Kenney, Chief Compliance Officer, at (815) 220-0513 or [tkenney@vezzetticapitalmgmt.com](mailto:tkenney@vezzetticapitalmgmt.com). We will provide you with a new brochure at anytime without charge.

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## **Item 4      Advisory Business**

Vezzetti Capital Management, LLC ("Vezzetti") is an Illinois Limited Liability Company organized under the laws of the State of Illinois and is a SEC-registered investment adviser. The Firm was founded in March 2008 and consists of three employees. Michael Vezzetti, Managing Partner, is responsible for investments and client servicing. Tiffany Kenney, Partner & Chief Compliance Officer, oversees daily operations and office management. Michael Vezzetti owns 80% of Vezzetti Capital Management, LLC and Tiffany Kenney owns the remaining 20% of the Firm.

Vezzetti Capital Management's Investment Advisory Services consist of the management of Client accounts on a discretionary basis, investing in securities the Firm determines are appropriate for each Client's account based upon the Client's investment objectives and risk tolerance. The Firm serves individuals, pension and profit sharing plans, foundations, endowment funds, charitable organizations, corporations ("Individual Clients"), and municipal and other governmental entities ("Governmental Clients").

The Firm offers its Governmental Clients, such as Counties, School Districts, and Park Districts, a disciplined approach to managing their account assets as specifically prescribed by the State of Illinois Compiled Statutes. Additionally, all of the Firm's Governmental Clients are Illinois governmental entities. Our services include extended cash management, investment of bond proceeds, and the investment of self insurance Trust funds. We utilize the same core conservative strategy for our Governmental Clients as for our Individual Clients, but we rely upon our years of experience dealing with, and our understanding of the crucial importance of, statutory compliance, safety, liquidity, and yield to allocate our Governmental Clients' assets in accordance with applicable legal requirements.

Vezzetti Capital Management is strictly a fee-only investment advisory firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, or other commissioned products. The Firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted.

- One hundred percent of Vezzetti Capital Management's business involves managing investment advisory accounts.
- Our services are not considered "Financial Planning".
- Fees for Investment advisory services are offered for a percentage of assets under management.
- Clients may impose reasonable restrictions on investing in certain securities, types of securities, industries and/or sectors. A few examples would include restrictions on large security positions held outside of a Client's account, certain types of securities such as investment grade bonds only, and/or certain industries and sectors such as tobacco related and defense related, etc.

**Wrap Fee Programs:** Vezzetti Capital Management, LLC does not participate in any type of wrap fee program. A wrap fee program is defined as a charge for an investment program that bundles together a suite of services, such as brokerage, advisory, research, and management.

**Termination of Agreement:** The investment advisory agreement may be canceled at any time, by either party, upon receipt of 30 days' written notice to the other party.

**Assets Under Management:** As of December 31, 2013, Vezzetti Capital Management managed \$174.9 million of client assets on a discretionary basis.

## **Item 5 Fees and Compensation**

We offer our services on a fee-only basis. Vezzetti Capital Management's Investment advisory services basic fee schedule is calculated based upon the Client's assets under management as follows:

### **Individual Clients**

<b><u>Market Value of Assets</u></b>	<b><u>Annual Percentage Fees</u></b>
The First \$500,000	0.90% on assets
The Next \$1,500,000	0.75% on assets
On Balance Above \$2,000,000	0.50% on assets

### **Governmental Clients**

<b><u>Market Value of Assets</u></b>	<b><u>Annual Percentage Fees</u></b>
The First \$1,000,000	0.40% on assets
On Balance Above \$1,000,000	0.20% on assets

**Fee Administration:** Fees are paid by Client to the Firm on a monthly basis in arrears (i.e., Clients are charged for services only after those services have been rendered in the previous month). Monthly fees are paid directly to Vezzetti Capital Management from the Client's account(s) by the Custodian, except where a Client has a previously arranged agreement in place, in which case, the Client will be billed directly by the Custodian.

The monthly fee will be equal to the applicable Annual Percentage Fee multiplied by the market value of the Client's account(s) (as reported by the Custodian), divided by twelve (12). Vezzetti Capital Management's advisory fee is based on the Client's total portfolio, which may include multiple accounts and the aggregate value of the multiple accounts will be used in the fee calculation. Payment of fees may result in the liquidation of Client's securities if there is insufficient cash in the account.

**Fees on Directed Securities:** Although Vezzetti Capital Management only manages assets on a discretionary basis, there may be cases where a Client specifically requests that the Custodian retain a specific security or mutual fund that we have not purchased as part of our discretionary management of the Client's account. In these instances, the Vezzetti Capital Management fee will not be charged on the market value of such "directed" securities or funds, but the Custodian charges will apply.

**Custody Fees:** All Clients of Vezzetti Capital Management utilize the same Custodian. Each Client has an agreement with the Custodian and will be charged a separate fee of 10 basis points per year, with fees taken monthly, for the services provided by the Custodian. The monthly Custodial fee will be equal to .10%, multiplied by the market value of the Client's account, divided by twelve (12). Each of the Firm's Clients enters into an agreement with the Custodian that provides that the Custodian may receive an administrative service fee from certain money market funds utilized in non-ERISA Client accounts for providing administrative or shareholder services.

**Expense Ratios:** All fees paid to Vezzetti Capital Management, LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds. Mutual funds generally charge a management fee for their services as investment manager. Clients whose assets are invested in shares of mutual funds will pay one fee to the Firm and an indirect management fee through the mutual fund (expense ratio). As part of the Firm's criteria for purchasing mutual funds, we review these mutual fund expense ratios and the Firm

utilizes institutional share classes wherever possible. Vezzetti Capital Management does not receive any fee from the mutual fund company. The Client will bear the cost of all security transactions, as well as taxes, interest (if any), brokerage fees and commissions and Custodial charges.

**Other Fees:** In addition to our advisory fees, Clients are also responsible for the fees and expenses charged by the Custodian and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the Custodian charges to buy or sell the security.

**Grand fathering of Fees:** Some Client accounts are "grandfathered" under a prior fee arrangement. These fee schedules will remain in force. They may be changed, but only if both the Client and the Firm agree in writing.

**Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in advance. Investment advisory fees are charged or billed monthly, in arrears.

**Compensation on Purchase or Sale of Securities:** Vezzetti Capital Management does not receive any compensation for the purchase or sale of securities or any other product.

**General Fee Information:** All fees are negotiable. The factors considered are the size of the account, type of assets managed, and the client relationship. The Firm's fee structure is not transaction based, and the Firm believes that this fee structure aligns its interests with the interests of its Clients.

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

Vezzetti Capital Management, LLC does not charge performance-based fees. Vezzetti Capital Management does not manage accounts using a performance-based fee in order to avoid conflicts of interest that could potentially misalign our Client's long-term interests.

## **Item 7 Types of Clients**

Vezzetti Capital Management, LLC provides advisory services to the following types of clients:

- Individuals
- Pooled Pension and profit sharing plans
- Trusts, Foundations/Endowments and other Charitable organizations
- Corporations or other businesses other than those listed
- State or municipal government entities
- Other

**Account Minimums:** Vezzetti Capital Management does not impose any minimum dollar value of Client assets to open or maintain an account, however, the Firm suggests that Clients have \$100,000 in account assets to participate in its Mutual Fund Program and \$500,000 in account assets to participate in its Separately Managed Account Program. Exceptions to these suggested account assets will apply.

### **Types of Investments**

- Equity securities, including exchange-listed securities and foreign issuers
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Money Market vehicles
- Municipal securities (taxable and tax-exempt)
- Investment company securities such as mutual fund shares.
- United States Treasury securities
- United States Governmental Agency securities
- Interests in partnerships investing in real estate and/or oil and gas interests

## **Item 8 Methods of Analysis, Source of Information, and Risk of Loss**

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

#### **Fundamental Analysis**

Vezzetti Capital Management attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is under priced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

#### **Risks for all forms of analysis**

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be



incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **SOURCE OF INFORMATION**

The main sources of information Vezzetti Capital Management uses include:

- Financial newspapers and magazines
- Business publications
- Research materials prepared by others
- Corporate rating services
- Annual reports, prospectuses, filing with the Securities and Exchange Commission
- Company press releases

## **INVESTMENT STRATEGIES**

Vezzetti Capital Management uses the following strategies to manage Client accounts, provided that such strategies are appropriate to the needs of the Client and consistent with the Client's investment objectives, risk tolerance, time horizons, among other considerations:

### **Vezzetti Capital Management's Investment Programs, Investment Objectives and Strategies**

The Firm has two different programs for its Individual Clients: the Mutual Fund Program and the Separately Managed Account Program. For its Governmental Clients, the Firm utilizes Fixed-Income investments, which enable our Governmental Clients to comply with applicable Illinois Compiled Statutes. Specifically, Governmental Clients' assets are invested in Fixed-Income products utilizing the Firm's services relating to cash management, investment of bond proceeds, and the investment of self insurance Trust funds.

#### **Mutual Fund Program**

Vezzetti Capital Management has developed criteria for mutual fund selection that is used within our Clients' account(s). Each account maintains its own investment objective that determines the account's asset allocation strategy. The Firm invests Client assets in various asset class categories in appropriate percentages, based upon the Client's chosen asset allocation strategy, to provide ample diversification. Diversification is a key component within this program. The Firm uses only mutual funds to meet each Client's investment objectives. No individual stocks or bonds are purchased for Clients' accounts that are invested in the Mutual Fund Program.

Vezzetti Capital Management's criteria for mutual fund selection include, but is not limited to, the following:

- **No Load Funds:** We prefer not to pay loads or additional expenses of any kind.
- **Good Long-Term Performance:** We prefer 3 to 5 years of good, solid, consistent performance as measured against a relative benchmark.
- **Experienced Continuous Management:** The longer the successful tenure of the manager or team, the better.
- **Consistency of Performance:** A good comparable track record is important, as is consistency of performance.

- **Correlation:** We strongly believe in the importance of asset allocation and want funds that correlate well within a portfolio.
- **Efficiency:** We want funds that are inexpensive both to hold and to trade.
- **Tax Effect:** All else being equal, we prefer funds that are more tax efficient than not.
- **Relative Risk:** Risk is evaluated to differentiate among funds which have the same investment objective.
- **Fund Size and Net Inflows/Outflows:** Operating expenses are significant for any fund. Economies of scale, through the fund's expense ratio, have an effect on its total return.

### **Separately Managed Account Program**

Vezzetti Capital Management utilizes a common stock and fixed-income philosophy for Clients' accounts invested within the Separately Managed Account Program. We use each Client's asset allocation strategy as a guide to invest the Client's assets generally in individual securities. The firm may also invest in mutual funds to provide greater diversity where appropriate. The Firm invests Client assets based upon the Client's chosen asset allocation strategy, to provide the desired diversification.

Vezzetti Capital Management's criteria used within our common stock strategy include, but is not limited to, the following:

- Current P/E relative to growth rate
- Projected 3-5 year growth rates
- Estimating PEG ratios (price to expected growth rates)
- Stocks that fit well within the portfolio
- Debt as a percentage of capital
- Analyst earnings forecast & expectations
- Earnings trends
- Financial strength
- Dividend yield, consistency and rate of growth of dividend
- High quality focus
- Relatively high return on equity

Vezzetti Capital Management's criteria used within our fixed-income strategy include, but is not limited to, the following:

- A ladder of maturity approach is typically used, in which a portion of the portfolio matures in each year over the next 1-15 years
- High quality focus
- Fixed-income investments are selected on quality/risks, liquidity, and total return
- Portfolios are diversified by maturity and by issue (with the exception of US Government securities)
- Use of mutual funds to develop a position and provide exposure to other fixed-income asset classes such as high-yield, international (non-US), commodity (natural resource), treasury-inflated securities (TIPS), or other specific areas

### **Governmental Client Investing**

For its Governmental Clients, Vezzetti Capital Management invests 100% of the Clients' assets in permitted assets pursuant to applicable State of Illinois Compiled Statutes.

Some of the criteria that Vezzetti Capital Management has historically used for Governmental Client Investing include:

- Review of historical cash flows
- Determination and structure of portfolios to meet cash flow needs
- Ample diversification by maturity
- Typical maximum maturity of 36 months

**Risk of Loss:** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **INVESTMENT OBJECTIVES**

Vezzetti Capital Management develops long-term asset allocation guidelines for each individual account by reviewing each Client's Investor Profile Questionnaire or stated Investment Policy. The Firm and Client determine each Client's investment objective and risk tolerance. Vezzetti Capital Management has six (6) different investment objective categories.

### **(1) Fixed Income Only**

This is a risk-averse strategy for individuals that are interested in a high level of income and are not interested or comfortable with an equity position. The investor's sole objective is capital preservation. Because of the lack of an equity position, this strategy puts investors at a risk of loss of purchasing power over time. This portfolio will be invested 100% in high-quality, intermediate maturity, fixed income securities.

### **(2) Very Conservative - Capital Preservation**

This is a very conservative strategy for the investor that is seeking a high level of current income and has a low tolerance for risk. The investor is willing to accept a lower return in exchange for increase stability. This portfolio is heavily weighted towards fixed income securities, but holds a slight equity position as well. Asset allocation in this account will normally be 20% equities, with a range of 16-24%, and the balance in fixed-income securities.

### **(3) Conservative - Income with Growth**

This is a conservative strategy for the investor who is primarily income oriented, yet desires some ability for capital appreciation as a hedge against a loss of purchasing power. The investor is willing to accept some possibility of lower return in exchange for increased stability. Asset allocation in this account will normally be 35% equities, with a range of 30-40%, and the balance in fixed-income securities.

### **(4) Moderate - Balanced Growth and Income**

This is a balanced strategy between growth and income and is designed for the knowledgeable investor who understands the relationship between risk and reward. Income and growth are of equal importance and the investor is sensitive to real (adjusted for inflation) returns. Asset allocation in this account will normally be 50% equities, with a range of 40-60%, and the balance in fixed-income securities.

### **(5) Aggressive - Growth with Income**

This strategy is aggressive and is designed for the experienced investor with a low need for current income and an ability to hold positions for longer time periods. The primary objective for this account is capital appreciation with a secondary emphasis on income. Asset allocation in this account will normally be 70% equities, with a range of 60-80%, and the balance in fixed-income securities.

## **(6) Very Aggressive - Aggressive Growth**

This strategy is very aggressive and is designed for the investor interested in achieving top returns over the long-term. The investor should have little or no need for current income and the ability and willingness to realize losses or hold positions for longer time periods. Asset allocation in this account will normally be 90% equities, with a range of 85-100%, and the balance in a money market or fixed-income securities.

With the use of these investment objective categories, the Firm recommends certain asset allocation strategies for its Clients only after the Client understands the risks associated with any plan. Most importantly, the Client is the party that owns the asset allocation decision.

## **RISK OF LOSS**

All securities involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends, and other distributions), and the loss of future earnings. These risks include, but are not limited to inflation risk, market risk, interest rate risk, issuer risk and general economic risk. Although we manage assets in a manner consistent with risk tolerances, the Clients' comfort level is very important to us.

## **Item 9 Disciplinary Information**

Neither Vezzetti Capital Management, nor any of our employees, has had any civil or criminal actions brought against them. Additionally, neither Vezzetti Capital Management nor any of our employees, has had any administrative proceedings before the SEC, any other federal regulatory agency, or any state regulatory agency.

Vezzetti Capital Management is required to disclose any legal or disciplinary events that are material to a Client's or prospective client's evaluation of our advisory business or the integrity of our management.

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

Neither Vezzetti Capital Management, nor any of our employees, are registered or have an application pending as a securities broker-dealer, or a registered representative of a broker-dealer.

Neither Vezzetti Capital Management, nor any of our employees, are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

The members of Vezzetti Capital Management, are also members of a related entity, Vezzetti Consulting Group, LLC., which is an Illinois limited liability company. Vezzetti Consulting Group, LLC was established to provide administrative support to banking firms with the client servicing of public entity debt issuances, public entity cash management, and trust administration services. For example, Vezzetti Consulting might provide a Bank's Trust Department with estate and trust settlement services. In addition, Vezzetti Consulting might be retained by individuals or governmental entities to work directly on their behalf. The Firm, Mike Vezzetti, and Tiffany Kenney anticipate that less than 10% of their time will be spent providing services through Vezzetti Consulting Group, LLC. Vezzetti Consulting Group LLC will not provide any discretionary money management services as part of its business.

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

### **Code of Ethics**

Vezzetti Capital Management has adopted a Code of Ethics ("Code") to address the securities-related conduct of our employees and management. It is the policy of the Firm to establish such procedures and guidelines governing the conduct of its business to prevent actual or potential conflicts of interest with its Clients and to prevent violations of securities laws or other duties owed to clients.

In addition to the Firm's fiduciary duty to its Clients which requires each employee to act solely for the benefit of the Clients, employees also have a duty to act in the best interest of the Firm. Vezzetti Capital Management's Code of Ethics is available to any client or prospective client upon request. You may request a copy by sending an email to: [tkenney@vezzetticapitalmgmt.com](mailto:tkenney@vezzetticapitalmgmt.com), or by calling us at (815) 220-0513.

### **Participation or Interest in Client Transactions and Personal Trading**

Vezzetti Capital Management's Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees 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.

All employees of Vezzetti Capital Management may purchase or hold securities that are being purchased for client-related accounts. The assets or accounts of the employees of Vezzetti Capital Management will be managed within the same process as Clients' accounts. Personal security transactions by persons associated with Vezzetti Capital Management are subject to the Firm's policies and procedures, which include various reporting, disclosure and approval requirements. The Firm's policies and procedures apply not only to transactions by the individual, but also to transactions for accounts in which each person has a related interest, such as a spouse, and/or minor children.

It is the express policy of Vezzetti Capital Management that no person employed by the Firm may purchase or sell any security prior to a transaction being implemented for an advisory account, thereby preventing such employees from benefiting from transactions placed on behalf of advisory Clients.

Because these situations may represent a conflict of interest, the Firm has established the following restrictions in order to ensure it meets its fiduciary responsibilities:

1. A Member or employee of Vezzetti Capital Management shall not buy or sell securities for their personal portfolios where the decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public as reasonable inquiry. No person associated with the Firm shall prefer his or her interest to that of any Client.
2. All personal assets will be managed in substantially the same way as the Firm's Client assets, utilizing the same types of securities, in the same pro-rata weighting, established through the same processes.
3. The Firm maintains a list of all securities held for itself and anyone associated with the advisory practice. These holdings are reviewed on a regular basis by the Chief Compliance Officer.

4. Vezzetti Capital Management requires all individuals to act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
5. Any individual not in observance with the above may be subject to disciplinary action. All employee trades are reviewed quarterly by Tiffany Kenney, Chief Compliance Officer. Additionally, all trades, including those of the Compliance Officer, are reviewed monthly by Michael Vezzetti.

**Privacy:** Vezzetti Capital Management is committed to protecting the confidentiality and security of our Clients' private investment records and personal information. Vezzetti Capital Management will not disclose any non-public personal information about our Clients to any unaffiliated third parties, except as permitted or required by law.

## **Item 12 Brokerage Practices**

**Selecting Brokerage Firms and Best Execution:** Vezzetti Capital Management has the authority to determine, without obtaining specific Client consent, the securities bought or sold and the amount of such securities to be bought or sold for each of its Clients, subject to Client imposed restrictions and the parameters established by the Investment Advisory Agreement executed by the Client.

The broker-dealer used to execute Client transactions is selected by the Custodian. The Firm's general policy regarding selection of brokers and payment of commissions is to seek "best available price and most favorable execution" with respect to all portfolio transactions. This principle recognizes that commissions on portfolio transactions (if any) must be negotiated and utilized for the ultimate benefit of Clients.

Vezzetti Capital Management has instructed the Custodian to use its best judgment to choose the broker-dealer most capable of providing the services necessary to obtain the best price and most favorable execution. The full range of brokerage services applicable to a particular transaction will be considered when making this judgment.

The Custodian has been instructed to consider a number of factors, including, without limitation, the overall direct economic result to the Client (including commissions); however, the Custodian is not required to select brokers charging the lowest available commission. The Custodian has been instructed to attempt to select brokers whose commissions are not higher than the range of commissions generally prevailing with respect to comparable transactions, the financial strength and stability of the broker, the efficiency with which the transaction is effected, and the ability to effect the transaction where a large block or specialized security or other complicating factors are involved.

Vezzetti Capital Management has a pre-existing relationship with two institutional bond-trading firms, which we use to place bond trades. The Firm uses these bond-trading firms to place bond trades because it believes its Clients maintain a distinct advantage with respect to bond purchases. These bond-trading firms are used because of their efficiency with which bond trades are placed. Vezzetti Capital Management receives no compensation as a result of our relationship with or use of these firms. All equity security and mutual fund trades are placed and handled by the Custodian as it chooses.

**Soft Dollar Arrangements:** Vezzetti Capital Management, LLC does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

**Directed Brokerage:** Vezzetti Capital Management does not accept advisory clients' instructions for directing brokerage transactions to a particular broker-dealer.

**Aggregation:** Vezzetti Capital Management, LLC will block trades where possible and when advantageous to Clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple Client accounts, so long as transaction costs are shared equally and on a pro-rata basis between all accounts included in any such block.

In the event transactions for an adviser, and/or its employees are aggregated with Client transactions, they are not allowed to receive a more favorable treatment than any other Client, or in any way disadvantage a Client. No Client or account will be favored over another.

## **Item 13    Review of Accounts**

**Periodic Reviews:** Michael Vezzetti and Tiffany Kenney review Client account transactions on a daily basis, while both individuals review Client account balances weekly. Additionally, all Client account's are reviewed on a monthly basis. With this monthly review, Michael Vezzetti monitors each account's minor asset class percentages and market values (cash, fixed-income and equity). Michael Vezzetti, furthermore, performs a complete investment review no less frequently than quarterly. More frequent reviews may also be necessitated by such events as large contributions to account, sales of securities, large maturity or when a bond is called for redemption or an unexpected distribution request occurs.

**Reports:** In addition to the quarterly statements that the Client receives from their Custodian, our Clients may receive the following reports:

- Periodic Report - Letter updates on our view of the economy and markets and the potential impact to Client accounts.
- Annual Market Value History Report. This report reaffirms each account's date of inception, stated investment objective, reserve requirement, directed securities (if any), tax bracket (if applicable), desired major asset class allocation, and also the following information:
  - Yearly beginning and ending market values
  - Annual performance
  - Net contributions/distributions
  - Annual account earnings (+/-)
  - Note section, which further details information regarding each specific account.

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

It is Vezzetti Capital Management, LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our Firm.

It is Vezzetti Capital Management, LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

Vezzetti Capital Management does not maintain direct custody or possession of any of its client's funds or securities and will not intentionally take control of client cash or securities, however, Vezzetti Capital Management has authority to debit fees directly from client accounts. For this reason only, we are deemed to have custody of client funds.

**Statements:** The assets of Vezzetti Capital Management's Clients' are held with a Qualified Custodian. This means you will receive statements directly from the custodian at least quarterly. Please review your statement carefully. If you do not receive a statement, notify us promptly. The custodian also provides you the option to view your statement online. Please contact Tiffany Kenney at (815) 220-0513 or [tkenney@vezzetticapitalmgmt.com](mailto:tkenney@vezzetticapitalmgmt.com) if you would like additional information regarding online access to your account.

## **Item 16 Investment Discretion**

The Clients of Vezzetti Capital Management hire us to provide discretionary investment advisory services, in which case we place trades in a client's account without contacting the Client prior to each trade to obtain the client's permission. Clients give us discretionary authority when they sign an investment advisory agreement with our firm.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

**Directed Securities:** There may be cases where a Client specifically requests that the Custodian retain a specific security or mutual fund that the Firm has not purchased as part of its discretionary management to Client's account. In these cases, Vezzetti Capital Management's fee will not be charged on the market value of such "directed" security or mutual fund, but the Custodial charges will apply.

## **Item 17 Voting Client Securities**

As a matter of Firm policy, we do not vote proxies on behalf of clients. You assign proxy voting rights to the Custodian in the investment advisory agreement. If you wish to obtain information on how proxies were voted on your behalf, you may contact the Custodian, Hometown National Bank at (815) 220-2243.

## **Item 18 Financial Information**

Vezzetti Capital Management does not require prepayment of fees. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you and we have not been the subject of a bankruptcy proceeding.





# *Vezzetti Capital Management, LLC*

260 Bucklin Street - Suite A - LaSalle, Illinois 61301

## ***Form ADV Part 2B: Brochure Supplement***

**Michael Vincent Vezzetti**  
**260 Bucklin Street, Suite A**  
**LaSalle, IL 61301**  
**(815) 220-0515**

**[mvezzetti@vezzeticapitalmgmt.com](mailto:mvezzetti@vezzeticapitalmgmt.com)**

*Dated 3/17/2014*

This brochure supplement provides information about Michael Vincent Vezzetti that supplements the Vezzetti Capital Management, LLC brochure. A copy of that brochure precedes this supplement. Please contact Tiffany Kenney by e-mail at [tkenney@vezzeticapitalmgmt.com](mailto:tkenney@vezzeticapitalmgmt.com) or (815) 220-0513 if you did not receive Vezzetti Capital Management, LLC's brochure or if you have any questions about the contents of this supplement.

While Vezzetti Capital Management, LLC may refer to itself as a "registered investment advisor" or "RIA" Clients should be aware that registration itself does not imply any level or skill or training.

Additional information about Michael Vincent Vezzetti is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Item 2 Educational Background and Business Experience**

**Michael Vincent Vezzetti (b. 1957), Managing Partner of Vezzetti Capital Management, LLC.**

### ***EDUCATION***

- Illinois Valley Community College, Oglesby, Illinois: Attended 1982-1984
- Illinois Benedictine College (Benedictine University), Lisle, Illinois: Attended 1984-1987

### ***BUSINESS EXPERIENCE***

- Vezzetti Capital Management, LLC: Managing Partner/Investment Advisory Representative  
(9/1/2008 to Present)
- Centrule Bank: Sr. Vice President & Director of Portfolio Management (2001 to 2008)
- UnionTrust Company: President & Chief Executive Officer (1998 to 2001)
- UnionBank: Sr. Trust Officer & Portfolio Manager (1995 to 1998)
- First Midwest Bank: Asst. Vice President & Relationship Manager (1988 to 1995)

## **Item 3 Disciplinary Information**

Michael Vincent Vezzetti, Investment Adviser Representative, has not had any legal or disciplinary events in his past. Clients and prospective clients can view the CRD records (registration records) for Michael Vezzetti through the SEC's Investment Adviser Public Disclosure (IAPD) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 4 Other Business Activities**

### **A. Investment-Related Activities**

- Michael Vincent Vezzetti is not engaged in any investment-related business outside of Vezzetti Capital Management, nor does he have any applications to register with a broker-dealer or other investment firm. Michael Vezzetti does not receive any commissions, bonuses or other compensation based on the sale of securities or other investment products.

- Michael Vincent Vezzetti does not engage in any other business that provides a substantial source of income or consumes a substantial portion of his time.

## **B. Non Investment-Related Activities**

- Michael Vincent Vezzetti is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

## **Item 5 Additional Compensation**

Michael Vincent Vezzetti does not receive any economic benefit from a non-advisory client for the provision of advisory services. Mr. Vezzetti does not receive any additional compensation beyond his regular salary for providing advisory services.

## **Item 6 Supervision**

Michael Vincent Vezzetti, as Managing Partner and Investment Advisory Representative, is ultimately responsible for the portfolio management of all Client accounts. Our small Firm consists of three employees, in which, all trades are reviewed by Chief Compliance Officer, Tiffany Kenney. On a daily basis, all transactions, including trade history, are reviewed by all three employees.

Michael Vezzetti's phone number is (815) 220-0515.



# *Vezzetti Capital Management, LLC*

260 Bucklin Street - Suite A - LaSalle, Illinois 61301

## ***Form ADV Part 2B: Brochure Supplement***

**Tiffany Ann Kenney**  
**260 Bucklin Street, Suite A**  
**LaSalle, IL 61301**  
**(815) 220-0513**

**[tkenney@vezzetticapitalmgmt.com](mailto:tkenney@vezzetticapitalmgmt.com)**

*Dated 3/17/2014*

This brochure supplement provides information about Tiffany Ann Kenney that supplements the Vezzetti Capital Management, LLC brochure. A copy of that brochure precedes this supplement. Please contact Tiffany Kenney by e-mail at [tkenney@vezzetticapitalmgmt.com](mailto:tkenney@vezzetticapitalmgmt.com) or (815) 220-0513 if you did not receive Vezzetti Capital Management, LLC's brochure or if you have any questions about the contents of this supplement.

While Vezzetti Capital Management, LLC may refer to itself as a "registered investment advisor" or "RIA" Clients should be aware that registration itself does not imply any level or skill or training.

## **Item 2 Educational Background and Business Experience**

**Tiffany Ann Kenney (b. 1976), Partner & Chief Compliance Officer of Vezzetti Capital Management, LLC.**

### ***EDUCATION***

- Illinois Valley Community College, Oglesby, Illinois: Attended 1995-1996
- Illinois State University, Bloomington, Illinois: Attended 1996-1998

### ***BUSINESS EXPERIENCE***

- Vezzetti Capital Management, LLC: Partner/Chief Compliance Officer (9/1/2008 to Present)
- Centru Bank: Vice President & Director of Trust Services (2005 to 2008)
- UnionBank, Financial Services Division, Vice President of Operations (2001 to 2005)
- UnionTrust, Executive Assistant to President (1998 to 2001)

## **Item 3 Disciplinary Information**

There are no legal or disciplinary events to disclose concerning Tiffany Ann Kenney, Chief Compliance Officer.

## **Item 4 Other Business Activities**

### **A. Investment-Related Activities**

- Tiffany Ann Kenney is not engaged in any investment-related business outside of Vezzetti Capital Management, nor does she have any applications to register with a broker-dealer or other investment firm. Tiffany Kenney does not receive any commissions, bonuses or other compensation based on the sale of securities or other investment products.
- Tiffany Ann Kenney does not engage in any other business that provides a substantial source of income or consumes a substantial portion of her time.

## **B. Non Investment-Related Activities**

- Tiffany Ann Kenney is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

## **Item 5 Additional Compensation**

Tiffany Kenney does not receive any additional compensation beyond her regular salary.

## **Item 6 Supervision**

As Partner and Chief Compliance Officer, Tiffany Ann Kenney is primarily responsible for developing, maintaining, and implementing Vezzetti Capital Management's compliance program and code of ethics. Tiffany also monitors investment advisory activities and personal investing activities. Vezzetti Capital Management consists of three employees. On a daily basis, all transactions, including trade history, are reviewed by all three employees.

Tiffany Kenney's phone number is (815) 220-0513.