

**Cover Page - Item 1**



**Visionary Horizons, LLC  
dba  
Harvest Investment Management Group**

620 Mabry Hood Road, Suite 102  
Knoxville, TN 37932

Phone (865) 675-VHWM (8496)  
Email [Info@VisionaryHorizons.com](mailto:Info@VisionaryHorizons.com)

**February 9, 2017**

**Form ADV Part 2A Brochure**

Visionary Horizons, LLC dba Visionary Horizons Wealth Management (hereinafter "VH") is a registered investment adviser. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Visionary Horizons, LLC. If you have any questions about the contents of this brochure, please contact us at (865) 675-VHWM (8496) and/or [Info@VisionaryHorizons.com](mailto:Info@VisionaryHorizons.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

**Material Changes - Item 2**

The purpose of this page is to inform you of any material changes since the previous version of this brochure.

On February 9, 2017, we submitted our annual updating amendment filing for fiscal year 2016 and updated Item 4 of our Form ADV Part 2A Brochure to disclose discretionary assets under management of approximately \$100,551,382 and non-discretionary assets under management of approximately \$2,319,722.

We review and update our brochure at least annually to make sure that it remains current.

**Table of Contents - Item 3**

**Contents**

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

#### **Advisory Business - Item 4**

Visionary Horizons, LLC (hereinafter "VH") is a registered investment adviser based in Knoxville, Tennessee. VH has been offering advisory services since 2009. Roger E. Kiger is the principal owner of VH. VH also operates under the assumed name of Harvest Investment Management Group in the State of Tennessee.

The following paragraphs describe our services and fees. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who provides investment advice on behalf of our firm. Where required, such persons are properly licensed or registered as investment adviser representatives.

#### **Portfolio Management Services**

Our firm offers continuous discretionary and non-discretionary portfolio management services to our clients. Discretionary portfolio management means we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions are made based upon your stated investment objectives. Non-discretionary portfolio management service means that we must obtain your approval prior to making any transactions in your account.

Our investment advice is tailored to meet our clients' needs and investment objectives. If you decide to hire our firm to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

VH mainly uses equity securities, corporate debt securities, municipal debt securities, certificates of deposit, exchange traded funds, mutual funds, U.S. government securities and options in its portfolio management programs. When suitable, we may also use private placements and alternative investments.

We will monitor your portfolio's performance on a continuous basis and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

We recommend that you review the statement(s) you receive from the qualified custodian. Please call our office number, located on the cover page of this brochure, if you have any questions about your statement.

#### **Selection of Third Party Investment Advisers**

VH has entered into agreements with various third party investment advisers (TPAs) for the provision of certain investment advisory services. Factors considered in the selection of a TPA include but may not be limited to: i) VH's preference for a particular TPA; ii) the client's risk tolerance, goals and objectives, as well as investment experience; iii) the TPA's management style; and, vi) the amount of client assets available for investment. In order to assist clients in the selection of a TPA, an Associated Person of VH will typically gather information from the client about the client's financial situation, investment objectives, and reasonable restrictions the client wants imposed on the management of the account.

The TPA may customize the client's portfolio by blending traditional investment strategies with an

allocation to asset classes. The investment strategy adopted by the TPA may embrace value, growth or contrarian investing styles. Generally, securities transactions will be decided upon and executed by the TPA on a discretionary basis. This means that the manager selected will have the ability to buy and sell securities in your account without obtaining your approval. VH and its Associated Persons will not manage, or obtain discretionary authority over the assets in accounts participating in these programs; however, clients may grant VH the discretionary authority to hire and fire such TPA. Generally, clients may not impose restrictions on investing in certain securities or types of securities in accounts managed by a TPA.

Associated Persons of VH will periodically review reports provided to the client. An Associated Person of VH will contact the client at least annually, or more often as agreed upon with each client, to review the client's financial situation and objectives, communicate information to the TPA managing the account as necessary, and to assist the client in understanding and evaluating the services provided by the TPA. Clients will be expected to notify VH of any changes in their financial situation, investment objectives, or account restrictions.

The TPA may offer wrapped or non-wrapped pricing options. Wrap pricing structures allow the client to pay an all-inclusive fee for management, brokerage, clearance, custody and administrative services. In a non-wrap pricing structure, the TPA's fee may be separated from the advisory fee charged by VH. Transaction costs may also be charged for the execution and clearance of advisory transactions directed by the TPA. A complete description of the programs and services provided, the amount of total fees, the payment structure, termination provisions and other aspects of each program are detailed and disclosed in: i) the TPA's Form ADV Part 2A Brochure; ii) the program wrap brochure (if applicable); iii) the disclosure documents of the portfolio manager(s) selected; or, iv) the TPA's account opening documents. A copy of all relevant disclosure documents of the TPA and of the individual portfolio manager(s) will be provided to anyone interested in these programs/managers.

### **Financial Planning and Consulting Services**

We offer broad based financial planning and consulting services, including tax planning, insurance planning, estate planning, disability planning, business planning, retirement planning, education planning, and budgeting and cash flow analysis. VH strives to achieve a client's long-term financial goals by implementing a financial planning process that may include any or all of the following steps:

- Assessment of a client's present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements etc.
- Identification of a client's financial and personal goals and objectives. Goals or objectives may include financing a child's college education or retirement planning. The identified goals or objectives are specific, realistic and measurable. All goals include time horizons.
- Resolution of finance related problems. Obstacles to achieving financial independence are identified so that resolution may occur. Examples of problem areas can include too little or too much insurance coverage, inadequate cash flow or a high tax burden.
- Plan Design. A written financial plan is prepared that includes recommendations and solutions to any financial related problems.
- Implementation of the financial plan. The financial plan is finalized and agreed upon. The recommendations and solutions are executed to reach the desired goals and objectives.
- Evaluation of the financial plan is conducted periodically. The financial planning service provides the option of conducting a periodic review and revision of the plan to ensure that the financial

goals are achieved. The client may be required to pay an additional fee to exercise this option.

Financial plans are based on your financial situation and the financial information you provide to our firm. If your financial situation, goals, objectives, or needs change, you must notify us promptly.

We also provide financial planning services that cover a specific area, such as retirement or estate planning. We offer consultative services where we set an appointment to meet with you for financial planning advice for an hourly fee.

You may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so either through our investment advisory services or by using the advisory/brokerage firm of your choice.

### **Assets Under Management**

As of December 31, 2016, we manage approximately \$100,551,382 on a discretionary basis and \$2,319,722 on a non discretionary basis.

## **Fees and Compensation - Item 5**

### **Portfolio Management Services Fees**

For portfolio management services, VH charges an annual fee based upon a percentage of the market value of assets under management. Fees will be subject to the following fee schedule:

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
\$0 - \$99,999	1.75%
\$100,000 - \$249,999	1.50%
\$250,000 - \$999,999	1.30%
\$1,000,000 - \$1,999,999	1.20%
Accounts over \$2,000,000	1.00%

Portfolio management fees may be negotiable depending on factors such as the amount of assets under management, range of investments, and complexity of the client's financial circumstances, among others. Since this fee is negotiable, the exact fee paid by the client will be clearly stated in the investment advisory contract signed by the client and the firm. Fees are billed quarterly, in advance, and are based on the amount of the assets under management on the last day of the previous quarter.

VH will either invoice the client directly for payment of fees or fees will be deducted directly from the client's account through the qualified custodian holding the client's funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account.

We may deduct the fee from a designated account to facilitate billing. We recommend that you review the custodial statement(s) to verify the accuracy of fee calculation. Please call our office number, located on the cover page of this brochure, if you have any questions about your statement.

The investment advisory contract between you and VH will stay in effect until either party terminates the contract with a thirty (30) day written notice. VH's quarterly fee will be pro-rated through the date of termination and any remaining balance shall be refunded to the client in a timely manner.

#### **Financial Planning and Consulting Services Fees**

VH provides financial planning and consulting services for an hourly fee of up to \$300. The fee is negotiable based upon the complexity of the client's goals and objectives, the level of services rendered and the experience and qualifications of the individual preparing the plan.

Prior to engaging VH to provide financial planning services, the client will be required to enter into a written investment advisory contract with our firm. The contract will set forth the terms and conditions of the engagement, describe the scope of the services to be provided and the fee that is due from the client. Fees are either payable in advance or upon delivery of the financial plan. VH does not require the prepayment of over \$1,200, six or more months in advance.

Either party may terminate the investment advisory contract by written notice to the other. In the event the client terminates VH's consulting services, the balance of VH's unearned fees (if any) shall be refunded to the client.

#### **Third Party Adviser (TPAs) Fees**

VH will share in the fee paid to the TPA. The management fee is disclosed in the TPA's disclosure documents. These fees may or may not be negotiable. VH's compensation may differ depending upon the firm's individual agreement with each TPA. VH or its Associated Persons may have an incentive to recommend one TPA over another TPA with whom it has less favorable compensation arrangements or other advisory programs offered by TPAs with which it has no compensation arrangements.

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

##### *Registered Representatives:*

Associated Persons who provide investment advice on behalf of our firm may also be registered representatives with Purshe Kaplan Sterling Investments ("PKS"), a securities broker/dealer registered with the Securities and Exchange Commission and the Financial Industry Regulatory Authority ("FINRA"). As a registered representative, an Associated Person may receive commission-based compensation for buying and selling securities and insurance products, including 12b-1 fees and other trails for the sale of mutual funds or annuity products. This commission compensation is separate and distinct to VH's advisory fees.

VH's advisory clients are not obligated to purchase the products or services of PKS. Clients may purchase or sell insurance and securities at the brokerage firm of your choice. The sale of mutual funds, annuity contracts, insurance instruments and other commissionable products offered by Associated Persons of VH through PKS are intended to compliment VH's advisory services. However, a conflict of interest exists due to the potential receipt of dual forms of compensation. VH has policies and procedures in place to monitor all client transactions and all client transaction costs will be disclosed to the client.

#### **Additional Fees and Expenses**

All fees paid to VH for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund

expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client could invest in a mutual fund directly, without the services of VH. In that case, the client would not receive the services provided by VH which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by VH to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

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

Performance based fees are based on a share of capital gains on or capital appreciation of the client's assets. Our firm and our Associated Persons do not accept performance based fees.

#### **Types of Clients - Item 7**

We generally offer investment advisory services to individuals, pension and profit sharing plans and participants, trusts, estates, charitable organizations, corporations, and other business entities.

We require a minimum of \$250,000 to open and maintain an advisory account. At our sole discretion we may waive this requirement. This requirement can be met by combining two or more accounts owned by you or related family members. Accounts managed by TPAs can be subject to different minimum investment requirements.

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

The following are different methods of analysis that we may use when providing you with investment advice:

- Fundamental Analysis – fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its future prospects. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.
- Technical Analysis – technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall.
- Cyclical Analysis – cyclical analysis is a technique that looks at cycles, specifically analyzing the way prices follow certain patterns and trends.
- Charting – charting is a technique that attempts to forecast future market moves by studying historical data on charts.



We may use one or more of the following investment strategies when advising you on investments:

- Long Term Purchases – securities held for over a year.
- Short Term Purchases – securities held for less than a year.
- Trading – securities are sold within 30 days.
- Covered Options – covered option is a strategy in which an investor writes an option contract while at the same time owning an equivalent number of shares of the underlying stock.

**Investing in securities involves risk of loss that clients should be prepared to bear.** Clients should fully understand the nature of the contractual relationship(s) into which they are entering and the extent of their exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed will be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

*General Investment Risk:* All investments come with the risk of loss. Investing may involve substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments you intend to invest in.

*Loss of Value:* There can be no assurance that a specific investment will achieve its investment objectives and **past performance is no guarantee of future results**. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies.

*Interest Rate Risk:* Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

*Credit Risk:* Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

*Risks Associated with Investing in Options:* Transactions in options carry a high degree of risk. Relatively small market movement can have a large impact, which may work for or against the investor. The placing of certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged

either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

#### **Disciplinary Information - Item 9**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. There is no history of reportable material legal or disciplinary events by our firm or our management persons.

#### **Other Financial Industry Activities or Affiliations - Item 10**

As disclosed in Item 5 above, certain Associated Persons of VH are separately licensed as registered representatives with PKS. As dually licensed representatives, these individuals will receive commissions for the purchase and sale of securities, variable life insurance and annuity products. This commission revenue is separate and in addition to revenue received from advisory fees. This arrangement represents a conflict of interest due the potential receipt of dual forms of compensation. VH has policies and procedures in place to monitor all client transactions and all client transaction costs will be disclosed to the client.

Certain Associated Persons of VH are also licensed insurance agents and can effect transactions in insurance products and earn compensation for these activities. The firm expects that clients to whom it offers advisory services may also be clients for whom the individuals act as insurance agents. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned by its Investment Adviser Representatives for placing the client in insurance products. Clients to whom the firm offers advisory services are informed that they are under no obligation to use the firm's IARs for insurance services and may use the insurance brokerage firm and agent of their choice.

#### **Recommendation of Other Advisors**

We may recommend that you use a third party advisor (TPA) as part of our asset allocation and investment strategy. VH will share in the compensation received by the TPA for managing your account. The compensation arrangement presents a conflict of interest due to a financial incentive to recommend the services of the TPA. You are not required to use the services of any TPA we recommend.

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

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

VH has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes VH's policies and procedures developed to protect client's interests in

relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics;
- The responsibility to disclose and/or avoid any actual or potential conflict of interest ;
- The responsibility to avoid the misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of VH's Code of Ethics is available upon request to Roger E. Kiger, Managing Member & Chief Compliance Officer of VH, at (865) 675-VHWM (8496).

### **Personal Trading Practices**

At times VH and/or its Advisory Representatives may take positions in the same securities as clients. This practice creates a conflict of interest with clients. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality, disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

## **Brokerage Practices - Item 12**

VH does not maintain custody of your assets; although, we are deemed to have custody of your assets if you give us authority to withdraw advisory fees from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker dealer or bank. At this time, we recommend that our clients use Charles Schwab & Co., Inc. ("Schwab"), TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade") or MTG, LLC dba Betterment Securities ("Betterment Securities"). All three firms are independent and unaffiliated SEC-registered broker-dealers and members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). These firms offer us services which include custody of securities, trade execution, clearance and settlement of transactions.

### **Research and Other Soft Dollar Benefits Received from Schwab**

*Services that Benefit You:* Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

*Services that May Not Directly Benefit You:* Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment

research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

*Services that Generally Benefit Only Us:* Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

#### **Research and Other Soft Dollar Benefits received from TD Ameritrade**

There is no direct link between VH's use of TD Ameritrade and the investment advice it gives to its clients, although VH receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving VH participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to VH by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by VH's related persons.

Some of the products and services made available by TD Ameritrade through the program may benefit VH but may not benefit its client accounts. These products or services may assist VH in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help VH manage and further develop its business enterprise. The benefits received by VH or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, VH endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by VH or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the VH's choice of TD Ameritrade for custody and brokerage services.

#### **Research and Other Soft Dollar Benefits received from Betterment Institutional**

Betterment Securities serves as broker dealer to Betterment Institutional, an investment and advice platform serving independent investment advisory companies like us ("Betterment Institutional"). Betterment Institutional also makes available various support services, which may not be available to Betterment's retail customers. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Betterment Institutional's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Betterment Institutional's support services:

*Services That Benefit You:* Betterment Institutional includes access to a range of investment products, execution of securities transactions, and custody of client assets through Betterment Securities. Betterment Securities' services described in this paragraph generally benefit you and your account.

*Services That May Not Directly Benefit You:* Betterment Institutional also makes available to us other products and services that benefit us, but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts, such as software and technology that may:

- Assist with back-office functions, recordkeeping, and client reporting of our clients' accounts. Provide access to client account data (such as duplicate trade confirmations and account statements).
- Provide pricing and other market data.
- Assist with back-office functions, recordkeeping, and client reporting.

*Services That Generally Benefit Only Us:* By using Betterment Institutional, we will be offered other services intended to help us manage and further develop our business enterprise. These services may include:

- Educational conferences and events.
- Consulting on technology, compliance, legal, and business needs.
- Publications and conferences on practice management and business succession.

VH understands its duty for best execution and considers all factors in making recommendations to clients. The research services we receive from Schwab, TD Ameritrade and Betterment Securities may be useful in servicing all VH clients, and may not be used in connection with any particular account that may have paid compensation to the firm providing such services. While VH may not always obtain the lowest commission rate, VH believes the rate is reasonable in relation to the value of the brokerage and research services provided by these custodians.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers and custodians in which we have an institutional advisory arrangement. Also, we do not receive other benefits from a broker-dealer in exchange for client referrals.

### **Directed Brokerage**

The client may direct brokerage to a specified broker/dealer other than the firm recommended by VH. It is up to the client to negotiate the commission rate, as VH will not. The client may not be able to negotiate the most competitive rate. As a result, the client may pay more than the rate available through the broker dealer used by VH. Where the client does not otherwise designate a broker dealer, VH recommends a broker dealer with competitive commission rates.

### **Trade Aggregation**

While we maintain the ability to aggregate client transactions (block trade), we rarely do so. Accordingly, we advise clients that they may pay a different price for their securities than other clients. Additionally, depending on the quantity of securities purchased, some clients may pay slightly different commissions and transaction fees than others.

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

### **Portfolio Management Account Reviews**

VH monitors client accounts on a continuous basis and reviews accounts on a quarterly basis. Accounts are reviewed by Roger E. Kiger or the portfolio manager in charge of the account.

Additional reviews may be offered in certain circumstances. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in economic conditions, changes in the client's financial situation or investment objectives, or a client's request.

A financial plan is a snapshot in time and no ongoing reviews are conducted. We recommend clients engage us on a periodic basis to update their financial plan.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis. VH provides separate reports on an as needed basis.

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

Except for the receipt of additional compensation from Schwab, TD Ameritrade and Betterment Securities (described under Item 12 above), and the commissions received by certain Associated Persons for the sales of securities and insurance products (described under Item 5 and 10 above), we do not receive any other compensation from outside parties in connection with the investment advice we provide to you.

We and our related persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for client referrals.

### **Recommendation of Other Advisors**

We may recommend that you use a third party advisor (TPA) as part of our asset allocation and investment strategy. VH will share in the compensation received by the TPA for managing your account. The compensation arrangement presents a conflict of interest due to a financial incentive to recommend the services of the TPA. You are not required to use the services of any TPA we recommend.

## **Custody - Item 15**

VH is deemed to have custody of client funds because of the fee deduction authority granted by the

client in the investment advisory contract.

Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. Clients are urged to review custodial account statements for accuracy.

#### **Investment Discretion - Item 16**

VH offers Portfolio Management Services on a discretionary and non discretionary basis. Clients must grant discretionary authority in the executed investment advisory contract. Discretionary authority extends to the type and amount of securities to be bought and sold and do not require advance client approval. However, apart from the ability to deduct advisory fees, VH does not have the ability to withdraw funds or securities from the client's account.

When offering non-discretionary portfolio management services, VH will obtain client approval prior to executing any transactions in the client's account(s).

If you wish, you may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

#### **Voting Client Securities - Item 17**

VH does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian.

#### **Financial Information - Item 18**

We are required in this Item to provide you with certain financial information or disclosures about VH's, financial condition. VH does not require the prepayment of over \$1,200, six or more months in advance. Additionally, VH has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

#### **Requirements of State-Registered Advisers - Item 19**

**This section is not applicable because our firm is SEC registered.**

### **Miscellaneous**

#### **Class Action Lawsuits**

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. VH has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the firm has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients. Where the firm receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials, to the client.

#### **Confidentiality**

VH views protecting its customers' private information as a top priority and, pursuant to the requirements of the Gramm-Leach-Bliley Act, the firm has instituted policies and procedures to ensure that customer information is kept private and secure.

VH does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client account, VH may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

VH restricts internal access to nonpublic personal information about its clients to those employees who need to know that information in order to provide products or services to the client. VH maintains physical and procedural safeguards that comply with state and federal standards to guard a client's nonpublic personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be the firm's policy never to sell information about current or former customers or their accounts to anyone. It is also the firm's policy not to share information unless required to process a transaction, at the request of the client, or as required by law.

A copy of the firm's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the investment advisory contract. If you have any questions on this policy, please contact Roger E. Kiger, Managing Member & Chief Compliance Officer of VH, at (865) 675-VHWM (8496).