

# FIRM BROCHURE

(PART 2 OF FORM ADV)

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SEPTEMBER 4, 2012

# ANNUAL UPDATING AMENDMENT

THIS BROCHURE UPDATED THE ORIGINAL BROCHURE DATED OCTOBER, 2010

## SUMMARY OF MATERIAL CHANGES

THERE IS ONLY ONE MATERIAL CHANGE IN THIS DOCUMENT  
AND THAT PERTAINS TO THE REGULATORY AGENCY  
TRANSITION. OWING TO THE IMPLEMENTATION OF THE  
DODD-FRANK LEGISLATION VESTED WEALTH ADVISORS  
WILL, IN LATE 2012 TRANSITION TO A STATE BASED  
REGULATORY REGIME. AT THE TIME OF THE ACTUAL  
TRANSITION THIS DOCUMENT WILL BE AMENDED AGAIN TO  
REFLECT ANY CHANGES REQUIRED BY THE  
STATE OF OREGON.

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## ADVISORY BUSINESS

Ojeda Partners, LLC is an Oregon Limited Liability Company doing business as “Vested Wealth Advisors” (VWA), provides three primary financial advisory services: 1) individual financial planning and wealth management, 2) investment management services, and 3) corporate retirement plan management. VWA bills clients for each service separately. VWA serves clients in Oregon, Washington and California.

## TYPES OF ENGAGEMENTS

### PERSONAL FINANCIAL PLANNING SERVICES

VWA provides comprehensive personal financial planning services for a fee to a variety of clients including business owners, professionals, corporate executives and retirees. Our investment management services, as described elsewhere herein, are part of the implementation process that occurs as an outcome of the financial planning process. Use of our investment management services is not required of those who wish to use the personal financial planning services. However, we believe most clients are best served if they utilize both services.

The comprehensive planning process involves a series of meetings with the client typically conducted over several weeks or months, using the following fundamental steps:

- ☐ Establishment/definition of the relationship with the client and the scope of the engagement.
- ☐ Gathering of client information, including personal and financial data, goals, objectives, risk tolerance.
- ☐ Analysis and evaluation of client’s current financial situation.
- ☐ Evaluation of alternative investment and financial solutions.
- ☐ Development and presentation of financial planning recommendations.
- ☐ Assistance with implementation, as appropriate.

In most cases, clients receive a report summarizing the results of the analysis we have developed and discussed during the time we work together. A comprehensive financial plan does NOT include recommendations on specific investment vehicles, preparation of income tax, gift or estate tax returns, or preparation of any legal documents, including wills or trusts. Specific investment recommendations are included under VWA’s investment management services. The others constitute legal or tax advice, which are not provided by VWA, except in collaboration with legal and tax professionals.

Personal financial planning (the analysis, written report, and subsequent modifications and services) is a service separate from our investment management services. Clients have full discretion as to the extent to which, if at all, they choose to implement the recommendations discussed in the financial planning process and subsequent report.

Depending on the scope of the assignment and the complexity of the planning to be performed, the analysis, development of the recommendations, written plan, and plan presentation can take from approximately sixty days to as long as twelve months. For most clients, the initial planning is generally accomplished within two to eight months from the date the client provides all requested information. Clients can stop the planning process at any point and the relationship will be considered terminated.

Once an initial plan is completed, the client has several options with regard to ongoing financial planning services:

- 1) The client may feel that the questions which required the service in the first place have been adequately addressed and that there is no need for further involvement with VWA;
- 2) The client may wish to have access to ongoing services, such that regular or periodic meetings occur to discuss changes in the client's financial situation or in the financial environment;
- 3) The client may wish to wait to initiate contact with VWA as new questions arise. Compensation for future services may be at our prevailing hourly rates, at an agreed project rate, or on a project or retainer basis as appropriate.

## INVESTMENT MANAGEMENT SERVICES

Vested Wealth Advisors (VWA) also provides investment portfolio management services for a fee to individuals, families, trusts, pension plans and non-profit organizations. The process of offering this service includes the following:

- ☐ Assessing a client's situation including risk temperament, capacity to accept loss, time horizon, investment experience, investment goals, return objectives, liquidity requirements, and tax considerations
- ☐ Designing an asset allocation appropriate to the client's individual circumstances
- ☐ Developing an Investment Policy Statement to govern implementation and ongoing decision-making
- ☐ Determining asset classes to be held
- ☐ Selecting investment vehicles (mutual funds, exchange traded funds)
- ☐ Executing transactions (selling and buying securities) as necessary
- ☐ Monitoring investments and making adjustments (including rebalancing) as necessary

VWA builds an Investment Policy Statement for each of its Investment Management clients. This document guides VWA and the client relative to the management of the client's investments.

We follow a strict process of asset allocation when implementing an investment plan or monitoring client portfolios. We select investments for client accounts based on numerous

factors including: asset class, risk and return expectations, correlation with other asset classes, expenses, taxes and availability of the chosen custodian(s).

## PENSION AND RETIREMENT PLAN MANAGEMENT

VWA offers plan sponsors and Trustee's expert assistance and guidance in the areas of plan design, investment selection and portfolio construction, vendor management, fiduciary compliance and participant education.

Acting in the capacity of Fiduciary team leader, Vested Wealth Advisors will build a plan on an 'open architecture' framework. This ensures complete objectivity in selecting and managing vendors for recordkeeping, asset custody, qualified plan administrators, and investment providers. Plan sponsors and Trustees can rest assured that with VWA they have a strong partner in fulfilling their legal, ethical and practical obligations.

Benefits realized by VWA clients include decreased Fiduciary liability, a single point of contact for all vendors, lower expenses overall, and increased plan participant satisfaction.

The process of an engagement has the following general steps:

- ☐ Plan sponsor or trustee determines the need to review their plan or trust management
- ☐ VWA is engaged to assess the plan features against the needs of the sponsor and determine if changes are recommended. Based on the scope of needed changes, VWA will assist the plan sponsor in requesting proposals from vendors
- ☐ Best-in-class vendors are chosen to implement the new plan, with VWA acting as project leader.
- ☐ As 'investment manager' under ERISA 3(38), VWA is a named Fiduciary under IRS code section 402(a)(2). As such, VWA will construct and manage the plan's investment portfolios to be fully compliant and effective for all plan participants.
- ☐ VWA coordinates the transition from the old plan to the new plan, including all applicable compliance issues.
- ☐ VWA begins work on educating plan participants on the upcoming changes and the availability of one-on-one retirement planning assistance from VWA.
- ☐ VWA ensures that all participants have satisfactorily taken up the benefits of the new plan, as appropriate.
- ☐ Plan sponsors and trustees begin receiving quarterly detailed reports on plan and participant performance during regularly scheduled quarterly meetings between VWA and trustees.
- ☐ VWA communicates regularly with other plan vendors to oversee the effective delivery of other services such as tax filings, plan amendments, and so on.
- ☐ Every two years VWA issues a report comparing the plan features, costs, and benefits against the current marketplace for such services. This assures plan

sponsors that their fiduciary obligation to keep their plan competitive is being fulfilled.

## TAILORED RELATIONSHIPS

Each client engagement is unique in that each client's needs have unique characteristics, from current circumstances to constraint factors to personal goals to the nature of the trade-offs that may be made.

VWA, in all its services, addresses each client's requirements with a flexible approach that strives to most closely align the strategies to the values of each client. In this way it is hoped that favorable client outcome probabilities are most greatly enhanced and valued. In short, VWA customizes its analysis and recommendations to the needs of each client uniquely.

Clients may always impose certain restrictions on the choices of strategies employed, the methods of implementation or even the type of tools used to achieve their goals. VWA does not alter its fees based due to client restrictions, though it does reserve the right to terminate an engagement if client impositions may, in the opinion of VWA, lead to negative outcomes.

## DISCRETIONARY AUTHORITY

Depending on the type of client engagement, VWA may or may not utilize discretionary authority in the execution on portfolio decision making. Discretionary authority, in which the client releases the advisor from requiring advance verbal permission to execute trades or other portfolio changes, is regarded as the most efficient and cost effective method of investment management. As such, VWA has a default position that obtaining such discretion is preferred.

VWA advisory agreements do, however, offer each client the choice of granting or withholding investment discretion. It is estimated that approximately 50%-75% of current VWA clients have granted discretionary authority for the management of their investment portfolios.

## PERSONNEL INFORMATION

Vested Wealth Advisors, LLC (VWA) was founded by Ember E. Martin in October 2010. Prior to founding VWA, Ember held senior wealth management positions for Pacific Investment Advisors (2009-2010), Deschutes Investment Advisors (2006-2009) and The Strategic Alliance (2004-2006), all located in Portland, OR. Ember began his financial services career in 1998 with Salomon Smith Barney in San Francisco, CA.

Ember is a CERTIFIED FINANCIAL PLANNER <sup>™</sup> practitioner with over a decade of experience in the financial services industry. Ember's work with individuals includes clients who are corporate executives, professional services firm partners, expatriates, retirees, affluent families and entrepreneurs and provides comprehensive solutions for their unique concerns. He maintains clients in Oregon, Washington and California.

Ember is often called upon by local television media for commentary on topical financial matters. His entrepreneurial spirit and strong leadership skills, listening and empathetic traits, as well as his international sales experience, add to the expertise of the firm.

Ember is a member of the Financial Planning Association (FPA®). He has been involved with various non-profit organizations including Chess for Success, Guide Dogs for the Blind as well as the Institute for Natural Medicine. He served on the budget committee of the Riverdale School District in 2007-2008.

In addition to serving individual clients in a wealth manager capacity Ember gained broad experience in ERISA consulting and retirement plan management. Before working as a financial advisor, Ember conceived and managed two successful start-up companies in the Bay Area of California. He brings 24 years of management experience in leadership positions of sales, marketing, information systems, business development and customer service.

Education: 1983, Bachelor of Arts from the University of California, Berkeley; Professional Designation: CFP® – Certified Financial Planner, 2006

On a personal level, Ember grew up in Europe and South America, where he developed his love of travel and playing soccer. Other interests include cooking, reading, playing chess and spending time with his two young daughters.

## Additional Personnel

Vested Wealth Advisors, LLC contemplates adding staff in the future, including Advisory Affiliates (Investment Advisor Representatives). To join VWA, such individuals must be investment and/or financial planning professionals. These professional staff members will possess a BA, BS, or MBA degree and are be either credentialed as CERTIFIED FINANCIAL PLANNER™, Certified Public Accountant, or Chartered Financial Analyst or enrolled in a program designed to achieve such a designation.

Other administrative staff members will bring other appropriate skills and experiences.

## FEES AND COMPENSATION

### Types of Compensation and Rates

At the client's discretion and based on the nature and scope of the planning work to be performed, clients may pay for the planning services provided by VWA in one of three ways:

a) Hourly fees at the rates set forth below. The rate charged by VWA is a function of the complexity of the planning involved. An hourly approach is typically recommended for shorter term consulting requests or more limited financial planning and analyses. It may also be appropriate when the extent of the work to be done is very unclear. Payment is typically required each month or on completion of a distinct service if the process is ongoing and likely to continue for several months.

Financial Planning fees range from \$225 per hour for senior CFP practitioners to \$100 per hour for a para-planner to \$60 per hour for low level administrative staff. The cost of a



completed financial plan ranges from \$1,200 to \$3,000 or more depending on the scope of work, client availability and complexity of the objectives.

Hourly rates may be negotiable, although VWA may agree to limit the number of hours dedicated to a particular task at the client's request.

b) Project fees. These fees are fixed at the beginning of the engagement and based on an estimate of the time required to complete the work. This approach is appropriate for both basic planning and for more complex planning situations. VWA will provide a not-to-exceed estimate of financial planning fees. Payment arrangements will vary. Partial payment may be required upon the consummation of the agreement. If so, remaining amounts are due at pre-defined points in the process (usually 1/3 of the total every 60-90 days until fully paid). The project fee amount is based on the hourly rates listed below, multiplied by the number of hours VWA expects to spend on the project.

c) Retainer. This arrangement is established at the beginning of the relationship based upon the scope of work to be performed and the kind of consulting the client desires. The retainer can be updated annually. We recommend this approach when the nature of the planning work is complex and the client has multiple financial concerns requiring regular advice and guidance. Retainer fees are generally paid monthly, but may be paid quarterly or annually, depending on the nature of the assignment.

The retainer fee amount is designed to reflect the service to be provided, the VWA personnel who will be involved, their hourly billing rates and the number of hours we expect to commit to the project. The amount of the monthly retainer fee may be negotiated, based on the services expected to be provided. The first payment in a retainer relationship is required before we begin service.

## TERMINATION OF AN ENGAGEMENT

If, for any reason, a client wishes to terminate a financial planning engagement within five business days after entering into the agreement, the client will be entitled to a full refund of any fees paid to VWA under that agreement. Thereafter, a client may terminate the agreement at any time, but will not be entitled to a refund of fees already paid. Clients billed on an hourly basis will be responsible for hours incurred through the date of termination.

To ensure clear communication, a termination notice must be issued in writing and is effective upon receipt by VWA. If VWA chooses to terminate the planning relationship, all fees paid by the client, and as yet unearned, will be refunded.

If, for any reason, a client wishes to terminate an investment advisory engagement within five business days after entering the agreement, the client will be entitled to a full refund of any fees paid to VWA under that agreement. Thereafter, a client may terminate the engagement at any time, but will be responsible for the advisory fees earned to that date.

In such cases, the fee will be prorated for the period between the start of the period in question up to and including the date a notice of termination is received from the client, using the balance of the accounts on the date the termination letter is received. To ensure clear communication, a termination notice must be issued by the client in writing and is effective only upon receipt by VWA. Emails will not be accepted as a valid form of a termination letter.

## INVESTMENT MANAGEMENT FEE SCHEDULE

At the conclusion of a financial planning engagement it is customary for clients to request that their plan be implemented by VWA. The task of implementation and long-term monitoring of portfolios designed to achieve the goals of financial plans is generally considered a separate service called 'investment management' or 'asset management' and is governed by a separate investment management advisory agreement.

The VWA asset management fee is based on the total assets under management (AUM) and according to the following schedule:

0.90% per year of the first \$500,000 of assets under management (AUM)  
0.75% per year for the next \$1.5 million of AUM  
0.50% per year for AUM amounts from \$2 million up to \$4 million  
0.20% per year for AUM amounts above \$4 million

While VWA does not enforce a minimum account size, we do generally require a \$3,000 minimum annual AUM fee. In rare cases, this minimum fee requirement may be waived.

## BILLING

Clients are invoiced in advance at the beginning of each quarter, based on the balance of their account(s) on the last day of the preceding quarter. Fees are typically deducted from client accounts during the first two weeks of the quarter for the prior quarter. Alternatively, clients may request to receive direct invoice billing for payment by check. In such cases invoices are due 10 days from receipt by the client.

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

With the exception of funds from Dimensional Fund Advisors (DFA), a client could invest in most mutual funds directly, without the services of VWA. In that case, the client would not receive the services provided by VWA which are designed, among other things, to assist the client in determining which investments are most appropriate to each client's financial objectives.

Accordingly, the client should review both the fees charged by the funds and the fees charged by VWA to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

## NO CONFLICTS OF INTEREST

It is widely acknowledged that investment products compensated by brokerage commissions present a clear conflict of interest for the selling advisor. VWA does not accept commissions, rebates or referral fees as compensation for its services. VWA is compensated exclusively through fees paid by clients.

As a Registered Investment Advisor (RIA) sanctioned by the Securities and Exchange Commission, Vested Wealth Advisors, LLC in accordance with the Investment Advisors Act of 1940 (among other lesser legislation) which requires RIA's and their affiliated investment advisors representatives (IAR's) to maintain a Fiduciary standing at all times in their work with clients. In short this means that RIA's must always place the client's interest before their own interest.

Furthermore, Ember Martin is a Certified Financial Planner (CFP), a credential which also requires its holders to act as Fiduciaries toward their clients at all times. The CFP board of standards also requires that any existing conflicts of interest must be disclosed to clients and the advisor must explain how any such conflict will not interfere with the advisor's ability to remain a Fiduciary in working with clients.

It is the standing policy of Vested Wealth Advisors, LLC and its employees to not engage in any activity that may present a conflict of interest with any of its clients.

## INSURANCE

Risk management is an essential element in the financial planning process. Vested Wealth Advisors, LLC does not sell insurance or insurance-related products and receives no commissions, rebates or referral fees when our clients purchase such products from others.

Because of the wide variety and complexity of products available to meet various insurance needs, VWA prefers to be involved as much as possible when our clients consider the purchase of such products to meet their risk management needs.

When an insurance need arises, VWA will generally help quantify the amount of insurance needed and make a recommendation as to the generic type of product or products that would best address the specific need. If a client has an existing agent who can provide the needed product and related service, VWA will, at the client's request, work with that agent to ensure the client is obtaining the best product for that need. If the client does not have a preferred agent, VWA may work with a "low load" or "no-load" provider or refer the client to a licensed agent whom VWA believes can best deliver the appropriate product(s) and related service. VWA has no formal affiliation with any such agent. However, experience and industry knowledge have given us some insights about who might be able to help the client address the given insurance need.

## BROKERAGE AND CUSTODIAN FEES

VWA uses Charles Schwab & Co. to serve as custodian of our client accounts. VWA has evaluated custodians and we believe that Schwab is diligent about the value of its custodial service including reasonable execution, fees and expenses, and its breadth of services. Furthermore Schwab maintains excellent financial stability.

Except in rare cases, VWA will not accept a client account that directs us to use a broker dealer other than Charles Schwab & Co., as we believe this would adversely affect our duty to effectively serve the broader investment needs of our clients.

Since client accounts are held at Charles Schwab Institutional Services, the only custodian charges client may face are either a) transaction costs, or b) an asset-based pricing fee in lieu of transaction fees. Any charges that custodians may assess such as transaction fees or

asset based fees in lieu of transactional fees, are paid directly to Schwab by the clients of VWA.

## NO PERFORMANCE BASED FEES

No employees of VWA accept performance-based fees – that is, fees based on a share of the capital gains or on capital appreciation of the assets under management of any client. To do so would present various conflicts of interest situations and in any event is antithetical to the values and mission of VWA.

## CLIENT REFERRALS AND OTHER COMPENSATION

VWA does not accept compensation or remuneration of any kind in exchange for client referrals, or referrals from third parties. The firm maintains no arrangements with third parties to co-market its services.

## TYPES OF CLIENTS

Vested Wealth Advisors, LLC does not limit the type of clients it serves. As described above, certain minimum fees may be required. Past and present clients of the firm (and/or its predecessors) include affluent individuals and their families, entrepreneurs and business owners, retirees and divorcees, trusts, endowment funds and corporate retirement plans.

## CLIENT COMMUNICATIONS

Client communications concerning financial planning clients typically occur as follows:

- From the inception of a planning engagement, there often exists regular and detailed contact between advisor/planner and the clients
- Data gathering, situation analysis, strategy formulation, recommendation presentations all require face to face meetings
- Once a client agrees to begin implementation of selected strategies, in person meetings will decline in frequency and be replaced by phone calls and email communications
- Monitoring of a financial plan requires periodic oversight and adjustments. The planner shall communicate on a regular basis the execution of these tasks and offer discussion on the adjustments being made or contemplated
- Quarterly performance and plan progress reports are delivered, either by normal mail or electronically by secure email. Depending on client preferences, discussions about the progress may be quarterly, semi-annually or annually.

Client communications concerning investment management clients occur at several levels:

- Confirmation statements document all transactions and are provided to the client by the custodian upon the occurrence of each buy or sell transaction. These statements are typically provided electronically via email. However, they may be requested in hard copy.
- Monthly statements of account holdings and a summary of the transactions during the month are prepared and distributed by the respective custodian.
- Quarterly status reports and commentary are prepared and distributed by VWA.
- Market commentary, articles and newsletters on investment and financial planning topics may be provided to all clients throughout the year.
- Client meetings are generally held annually to review the account, track progress against the plan objectives and the review the appropriateness of the holdings.
- Meetings, telephone calls, emails, and letters also provide information from time-to-time as circumstances warrant.

Client communications concerning retirement plan management clients differs from individual and AUM clients:

- Upon VWA's transition into the role of plan consultant and investment manager, the communications are split between those directed to plan sponsors and plan trustees, and those directed to plan participants.
- Additionally, other vendors such as the record keeper and the plan administrator have their own communications programs which are monitored by VWA.
- For plan sponsors and trustees, VWA will generally meet quarterly to update plan performance, address administrative issue follow through, notification of legal or legislative changes and maintain regular communication about the trustee obligations. These quarterly meetings will be accompanied by a detailed report summarizing the findings.
- Plan participants will receive regular communications from VWA in the form of periodic educational meetings, in-person retirement planning assistance, semi-annual newsletters and personalized plan account statements.

## INVESTMENT PHILOSOPHY AND PROCESS

Vested Wealth Advisors holds the following beliefs with respect to the public capital markets:

- Current market prices incorporate all available information and expectations about the future, and are, therefore, the best approximation of intrinsic value.
- Price changes, especially in the short term, are generally due to unforeseen events and cannot be predicted with any consistency.

- Pricing errors occur, but they do not do so in predictable patterns and it is difficult to recognize them in real time and nearly impossible to profit from them after taking transactions costs and taxes into account.

Financial market movements may not always appear rational and prices may not always be "correct," but market forces are so competitive that we believe it has yet to be demonstrated that any investor, or group of investors can consistently profit at the expense of others, or outperform the market as a whole.

The idea that markets work is widely acknowledged by financial professionals and academic researchers alike. The implications of market efficiency are profound and affect a wide variety of financial and investment decisions.

The alternative to the 'passive' investment approach is 'active' portfolio management. This involves trying to time market movements in both directions, being out of the markets (in cash) for periods of time, and the selection of other managers who can provide predictable and sufficient 'market beating' results consistently.

Many of the decisions necessary to employ active portfolio management require 'fundamental analysis' of company management, products, financial reports, and competitive position. This analysis must be done for hundreds and possibly thousands of companies, if one is to build a portfolio with sufficient diversification.

One will usually find 'evidence' of a manager having very high returns for several years. This is a claim often used by hedge fund managers. Upon closer inspection these high returns are either a) not persistent enough to count on, b) the result of higher risk levels than comparative portfolios, c) not occurring frequently enough to exceed the likelihood of chance being a factor, and d) without evidence that skill rather than mere luck is the underlying reason.

Over the past fifty years, the empirical data is conclusive. There has never been a study that shows the active management approach has consistently exceeded average market returns.

Vested Wealth Advisors, LLC has successfully used passive investment strategies for years to receive reliable and sufficient returns (based on risk exposures) to achieve client goals.

## INVESTMENT STRATEGIES

Vested Wealth Advisors, LLC invests your assets with an academic-based discipline employed by major institutions. We employ a degree of rigor on your behalf that is rarely available to individual investors.

The investment strategy we create for you is rooted in research conducted at the University of Chicago, Yale, Stanford, MIT and other renowned academic institutions. Our system is a sophisticated type of asset allocation designed to capture the market's historically reliable movement.

We invest for you according to these fundamental principles:

- Using thoughtful financial planning to drive investment decisions.
- Grounding investment strategy in rigorous academic research, not Wall Street trends.
- Investing for the long term. We do not try to 'time' the market.
- Creating globally-diversified portfolios of the kind that have historically been shown to reduce risk and improve return.
- Minimizing costs, taxes and turnover everywhere possible.

Our approach has been stress-tested by major universities and institutions, and validated by history. It creates portfolios intended to maximize growth and stability, and minimize risk and emotion.

## PERFORMANCE REPORTING

Vested Wealth Advisors, LLC clients who choose the investment management service receive quarterly reports detailing the investment performance of all holdings, individually and as a group. These reports are largely customized to each client's preferences for style and content. Relative and absolute investment performance is reported both as IRR (internal rate of return – the client's actual real world experience) and TWR (time weighted return – the return of investments themselves separated from client contributions or withdrawals). All such reports are given final review by Ember E. Martin, CFP, Managing Principal of VWA.

Performance reports as described above are separate from statements of accounts holdings received monthly from the custodian Charles Schwab. Their purpose is to report on transactions and reconcile cash balances. VWA has no access, influence or control over reports received from the custodial brokerage.

## RISK OF LOSS

VWA clients are thoroughly educated on the nature of risk of loss associated with investing in the public equity and fixed income markets worldwide. VWA does not proceed with implementing an investment strategy without being sure that each client sufficiently understands the level of risk, including the potential consequences, they are taking.

To assist VWA advisors in understanding each client's unique risk tolerance, appetite and their portfolio's capacity for risk VWA, used several sophisticated tools, including psychometric risk assessment software and iterative modeling software known as 'Monte Carlo' simulations.

Lastly, each client receives and signs an Investment Policy Statement, a document which summarizes their investment objectives, describes any constraints imposed, and generally

acts as a guide for decision making in the portfolio. This IPS contains information about potential risk of principal as well as probable range of outcome information.

## REVIEW of Accounts

Investment accounts are reviewed by VWA internally, not less than quarterly, as part of the monitoring and reporting process. Such a review and report includes addressing the following questions:

- How did the portfolio perform over the last period, on both a nominal and relative basis?
- Is the portfolio meeting its objective within an acceptable range?
- Is the current portfolio allocation in line with the target allocation set forth in the Investment Policy Statement, as updated? If not, what changes are called for?
- Does the target portfolio continue to make sense? Has a change in the client's personal circumstances or in the broader economic environment occurred that suggests a need to change the target allocation?
- Have any funds in the portfolio performed so poorly over a reasonable time or has some other change occurred that suggests that a change be made?
- Is the client withdrawing from the portfolio at a rate the VWA deems unsustainable?

Accounts are also reviewed upon other triggering events such as:

- Receipt of new money to be invested.
- The request to liquidate and disburse a significant portion of the portfolio.
- A significant change in the financial circumstances of the client.
- A dramatic change in the investment environment.

## BROKERAGE PRACTICES AND CUSTODIAN SELECTION

VWA does not accept sales commissions on any product or service recommended to clients. To provide appropriate investment management services, Vested Wealth Advisors, LLC may establish non-binding relationships with custodial services such as Charles Schwab & Co.

VWA will generally encourage clients to establish brokerage accounts with Charles Schwab & Co. to maintain custody of client's assets and to effect trades for their accounts. This institutional brokerage provides VWA with access to institutional trading and operations services, which may not be available to retail investors. These services generally are available to independent investment advisors at no charge. Services may include research,



brokerage, custody, and access to mutual funds and other investments that are otherwise available only to accredited investors or institutional investors.

Schwab may make available to VWA other products and services that benefit VWA, but may not directly benefit its clients' accounts, such as products and services that assist VWA in managing and administering clients' accounts. These may include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitation of trade execution (and allocation of aggregated trade orders for multiple client accounts), provision of research, pricing information and other market data, facilitation of payment of VWA's fees from its clients' accounts, and assistance with back-office support, recordkeeping and client reporting.

Schwab may also provide VWA with other services intended to help VWA manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, they may make available, arrange and/or pay for these types of services provided to VWA by independent third-parties. They may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to VWA. The availability to VWA of the foregoing products and services is not contingent upon VWA committing to these organizations any specific amount of business (assets in custody or trading activity). Use of these custodians by VWA is determined by client request, VWA operational efficiencies, availability of service for particular needs and by the pricing and quality of the custodial service.

## NO CUSTODY OF ASSETS

Vested Wealth Advisors, LLC does not take custody of client funds. Client assets are generally held in custody with Charles Schwab & Co. or another reputable custodian whose services meet the client's needs. With each client's written permission, VWA will deduct investment management fees from client accounts.

## VOTING CLIENT SECURITIES

As the legal owner of the securities in their accounts, clients retain responsibility for voting any proxy material associated with the securities.

## COMPLIANCE AND REGULATIONS

### SEC RIA REGISTRATION

Vested Wealth Advisors, LLC is registered as a Registered Investment Advisor firm under the Investment Advisor Act of 1940. The SEC file no. is 801-71941.

Ember E. Martin, CFP is the chief compliance officer. He may be reached at [emartin@vestedwealthadvisors.com](mailto:emartin@vestedwealthadvisors.com) or by calling 888.492.4570.

## DISCIPLINARY INFORMATION

No employees of Vested Wealth Advisors, LLC have ever been involved in disciplinary events involving an investment-related business.

## FINANCIAL INDUSTRY AFFILIATIONS

VWA does not accept sales commissions on any product or service recommended to clients. To provide appropriate investment management services, VWA may establish non-binding relationships with custodial services such as Charles Schwab & Co. VWA does not compensate either directly or indirectly, other persons or companies for client referrals. Vested Wealth Advisors, LLC and its founder Ember E. Martin is an authorized advisor by Dimensional Fund Advisors (DFA), a no-load mutual fund company.

About DFA from their website ([www.dfaus.com](http://www.dfaus.com)):

*« Dimensional Fund Advisors manages mutual funds for long-term investors. One of the cornerstones of our approach is a client base committed to their investments through all market cycles, both good and bad. Buy-and-hold investors enable us to keep turnover and transaction costs low, which adds to their bottom line. We believe financial advisors play a vital role in educating investors about the financial science that drives this approach and in instilling the discipline required to benefit from it.*

*As a result, Dimensional does not offer funds directly to individual investors. Instead, we choose to make our funds available through a select group of fee-only advisors. Investment success begins with a properly diversified portfolio. Constructing such a portfolio is a complicated process that can benefit from the guidance of a qualified, professional advisor. In our view, independent advisors free from the conflicts associated with commission-based transactions are best positioned to assist individual investors in developing long-term investment solutions. »*

## CODE OF ETHICS

Vested Wealth Advisors, LLC (VWA) is committed to conducting our business with the highest level of ethical standards consistent with our fiduciary duties to our clients. In keeping with this commitment, we have adopted a Code of Ethics to define the standards of ethical conduct expected of personnel of the Firm and to which we hold such personnel accountable.

Our Firm recognizes that we have a duty to exercise our authority and responsibility first and foremost for the benefit of our clients. As such, we have placed on our personnel an affirmative duty of utmost good faith to act solely in the best interests of our clients. Our Code of Ethics prohibits outright any fraudulent, deceptive or manipulative conduct by our personnel.

While our Firm seeks to conduct business in a manner that minimizes conflicts of interest, we also recognize that such conflicts may arise from time to time and, in many cases, are unavoidable. We are committed to full and accurate disclosure of all such conflicts of interest. Any such conflicts, should they arise, will be disclosed immediately to clients and changes will be made to avoid them, prior to entering into any engagement.

VWA is committed to protecting the privacy of client information. In this regard, we maintain a Privacy Policy and have adopted procedures designed to ensure the confidentiality of personal and identifying information regarding our clients. Our Privacy Policy can be located elsewhere in this document.

As an investment adviser, we recognize the need to ensure that our personnel are fair and ethical in respect of their own personal trading decisions and are not competing with, diverting away, or exploiting unfairly investment opportunities available to our clients. In addition, we take very seriously our obligation to ensure that our personnel do not unfairly, unethically or illegally take advantage of our unique access to information on the markets and opportunities in which we invest. We have thus established policies and procedures designed to ensure the Firm is apprised of, and can effectively monitor, the personal trading decisions of our personnel for inappropriate trading activity.

VWA is proud of our commitment to deliver superior services to our clients. Our Code of Ethics has been designed to ensure that all of our personnel are similarly committed and exhibit the highest level of integrity in carrying out their responsibilities.

A complete copy of our Code of Ethics may be obtained at any time, at no cost, upon written request to Vested Wealth Advisor, LLC, Attn: Compliance Department, 205 SE Spokane Street, Suite 386, Portland, Oregon 97202.

## PRIVACY POLICY

Vested Wealth Advisors, LLC (VWA) is committed to safeguarding the confidential information of its clients. We hold all nonpublic personal information you provide to us in the strictest confidence.

VWA retains non-public information about its clients from numerous sources as a result of the services requested. These include, but are not limited to: account applications and other forms; discussions with unaffiliated third parties; information about your transactions with us or others; data gathering questionnaires; tax returns; estate planning documents and so on.

Vested Wealth Advisors, LLC also retains non-public information about its clients from various other materials utilized by VWA in order to put forth an appropriate recommendation or to respond to a service request, or to provide accurate and pertinent advice.

Vested Wealth Advisors, LLC adheres to the following policies regarding the use of your personal information:

- We do not sell your personal information to anyone.

- We will provide notice of changes in our information sharing practices. If, at any time in the future, it is necessary to disclose any of your personal information in a way that is inconsistent with this policy, we will give you advance notice of the proposed change so you will have the opportunity to opt out of such disclosure.
- We maintain a secure office and computer environment to ensure that your information is not placed at unreasonable risk.
- For unaffiliated third parties that require access to your personal information, including, attorneys, accountants, insurance agents and brokers, we require strict confidentiality in our agreements with them and expect them to keep this information private. Federal and state regulators also may review Firm records as permitted under law.

If we were to change our firm privacy policy, we would be prohibited under the law from doing so without advising you first.

## FINANCIAL INFORMATION

Vested Wealth Advisors as an SEC registered investment advisory firm is required to disclose a recent balance sheet if one of the following two conditions are present: 1) if the firm holds maintains custody of client funds or securities, or 2) if the firm requires prepayment of more than \$500 in fees per client and six or more months in advance. Neither Vested Wealth Advisors, as a firm, nor its representatives have ever been required to make such financial disclosures.

Vested Wealth Advisors never requires more than a \$500 fee down payment nor does it request prepayment of any fee more than one month in advance.