



Kavar Capital Partners, LLC.

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November 26, 2018

FORM ADV PART 2A DISCLOSURE BROCHURE

This brochure provides information about the qualifications and business practices of Kavar Capital Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 913-428-3300 or Stefanie@kavarcapital.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. Kavar Capital Partners, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Additional information about Kavar Capital Partners, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 155805.

Item 2 Material Changes

The information contained in this section relates only to material changes that have occurred since the last update. We define a material change as any change that an average client would consider important to know prior to making an investment decision. The following are short summaries of the material changes that have occurred since our last annual update on March 1, 2018 with regard to our services or business operations.

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. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

To obtain our firm brochure and brochure supplements (information regarding each of our financial advisers), our Code of Ethics, or our Privacy Policy, please contact Stefanie Callahan at Stefanie@kavarcapital.com, 913-428-3300 or mail your request to the address below.

Kavar Capital Partners, LLC
Main Office Address:
11460 Tomahawk Creek Pkwy, Suite 420
Leawood, Kansas 66211
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Item 4 Advisory Business

Kavar Capital Partners, LLC is a SEC-registered investment adviser with its principal place of business located in Leawood, Kansas. Kavar Capital Partners, LLC ("KCP" or "Adviser") began conducting business in January, 2011. We are organized as a limited liability company ("LLC") under the laws of the State of Delaware. We are owned by Douglas Ciocca, Thomas Boling, and Stefanie Callahan.

KCP offers the following advisory services to our clients:

WEALTH MANAGEMENT AND INVESTMENT SERVICES

Kavar Capital Partners (KCP) wealth management services provide a comprehensive evaluation of a client's current and future financial state by using known variables to analyze future cash flows, asset values and withdrawal plans. Throughout the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Wealth planning may include, but is not limited to, a review of prior year's tax returns, investment holdings, insurance policies, estate documents and other relevant information. KCP will then organize the data, design a financial plan to establish goals, report the results of the plan, provide recommendations to fill any gaps that would prevent a client from reaching goals and assist a client in implementing the plan. This service is designed to be an ongoing process of monitoring and refinement as circumstances dictate. However, it remains the client's responsibility to promptly notify KCP if there is ever any change in the client's financial situation or objectives.

Implementation of the plan is inherent in KCP's Wealth Management Services offering. As part of a financial plan, clients will complete a questionnaire regarding current financial status, tax status, future goals, return objectives and attitudes towards risk and thus will receive a written or electronic report which provides a detailed plan designed to assist the client in achieving his or her financial goals and objectives.

KCP manages advisory accounts on both a discretionary and a non-discretionary basis as determined by the client. Account supervision is guided by the client's stated objectives (Aggressive Growth, Capital Preservation, Growth & Income, Growth, or Income) as well as any income needs and tax considerations, as noted by the client in the questionnaire, a risk profile on the Investment Management Agreement and/or information obtained during the financial planning stage of the engagement.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

We may also offer non-discretionary portfolio management services. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding equity securities (including options), fixed income securities, mutual funds, government securities, money-market (or cash) instruments and alternative assets in the form of liquid alternatives or structured products.

Because some types of investments involve additional degrees of risk, they will only be implemented or recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. Certain products or strategies are only recommended to accredited or institutional investors.

In general, the financial plan is designed to address business planning, investments, retirement, education, estate planning and tax and cash flow needs of the client. KCP does not provide professional services for certain non-investment implementation purposes (e.g., attorneys, accountants, insurance agents, etc.) and clients should seek guidance in this area. If KCP provides a recommendation for non-investment related services, such as tax preparation, insurance agents or accountants, the client is under no obligation to engage the services of any such recommended professional. The client retains discretion over all such implementation decisions and is free to accept or reject any recommendation from our firm.

Our firm generally recommends KCP for investment advisory services and implementation of the plan, when we feel the recommendation is appropriate. As stated above, financial planning is a service included with our investment management program and is not offered as a stand-alone service.

Clients may choose to have KCP manage investment assets without completing a full financial plan by requesting stand-alone investment management services and providing KCP with required information regarding their risk tolerance, time horizon, income needs and overall objectives on their Investment Management Agreement.

Pension Consulting Services

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These pension consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification
- Asset allocation
- Risk tolerance
- Time horizon

Our educational seminars may include other investment-related topics specific to the particular plan.

We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

Either party to the pension consulting agreement may terminate the agreement upon oral or written notice to the other party in accordance with the terms of the agreement for services. The pension consulting fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to the client.

We also offer ERISA 3(21) Retirement Plan Consulting. With such services, we shall not have any discretion, trading or otherwise, with respect to any decisions made by or on behalf of the Client as the Client will retain absolute discretion over all investment and implementation decisions. We will not have custody, take physical possession or control of the assets or funds of the Plan. Services provided will be on a client-by-client basis and outlined in the Investment Management Agreement.

Plans governed by ERISA and Individual Retirement Accounts: As an investment adviser, our firm is considered a "fiduciary" and strives to maintain the highest level of care over client's assets by providing advice to clients without regard for KCP's financial benefit, affiliated and non-affiliated relationships or other interests and disclosing these potential conflicts of interest. When our firm acts on behalf of a client, we will always act in the client's best interest. KCP has outlined fees and expenses for our services in Item 5 of this disclosure.

KCP does not have any relationships or affiliations with other money managers or sub- advisers and the firm receives no payment from other money managers or sub-advisers. From time to time, KCP may be asked by the plan administrators to meet with plan participants and provide general investment education, which may include basic information regarding plan approved products and mutual funds. KCP never takes custody of plan participant's assets nor executes transactions for plan participant's accounts.

In any case for the above services, recommendations are based on the individual needs of the client. Through discussions with the client, whereby goals and objectives are established based on the client's circumstances, we develop an a tailored investment strategy. The investment strategy it is mutually agreed upon with the client prior to entering into a service agreement.

Types of Investments

We offer advice on equity securities, corporate debt securities (other than commercial paper), commercial paper, certificates of deposit, municipal securities, mutual funds, United States government securities, options contracts on securities, money market funds, structured notes and exchange-traded funds ("ETFs").

Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

AMOUNT OF MANAGED ASSETS

As of 12/31/2017, we were actively managing \$591,827,405 of clients' assets on a discretionary basis plus \$8,077,374 of clients' assets on a non-discretionary basis.

Item 5 Fees and Compensation

WEALTH MANAGEMENT AND INVESTMENT SERVICES FEES

KCP is considered a "level-fee Adviser". As such, the annualized fees for Wealth Management and Investment Supervisory Services are charged as a percentage of assets under management, per the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
Up to \$500,000	1.25%
\$500,001 - \$2,000,000	1.00%
\$2,000,001 - \$4,000,000	0.75%
\$4,000,001 - \$9,999,999	0.50%
Greater than \$10,000,000	Negotiated

Our fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Investment Management Agreement. Our advisory fee is negotiable, depending on individual client circumstances.

Additions may be in cash or securities. KCP reserves the right to liquidate any transferred securities, or decline to accept particular securities into a client's account. KCP may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

At our discretion, we may combine the account values of family members of the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in you paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

Depending on our Agreement with the client, we will deduct our fee directly from your account through the qualified custodian holding your funds and securities or bill you directly every quarter, in which case, you will remit payment to us directly rather than through the Custodian. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- The qualified custodian agrees to send you a statement indicating all amounts disbursed from your account including the amount of the advisory fee paid directly to our firm.

We encourage you to carefully review the statement(s) you receive from the qualified custodian. If you find any inconsistent information in the fees listed, please call our main office number located on the cover page of this brochure.

You may terminate the portfolio management agreement upon written or oral notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. Since you paid fees in advance, you will receive a prorated refund of those fees.

Pension Consulting Services

Our advisory fees for these customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis.

We encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian call our main office number located on the cover page of this brochure.

You may terminate the portfolio management agreement upon written or verbal notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

GENERAL INFORMATION

Limited Negotiability of Advisory Fees: Although KCP has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, reports, financial planning complexity, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

Grandfathering: Pre-existing Advisory client relationships are subject to KCP's advisory fees in effect at the time the client entered the Advisory relationship. Therefore, our firm's minimum fees and account requirements will differ among clients.

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of written or verbal notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement per the number of days remaining in the billing period.

Mutual Fund Fees: All fees paid to KCP for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or exchange traded funds (ETFs) 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 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 our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate for each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

ERISA Accounts: KCP is deemed to be a fiduciary to Advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, KCP may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions, administrative, revenue sharing or 12b-1 fees from sponsors or custodians.

Advisory Fees in General: Clients should note that similar advisory services may be available from other registered (or unregistered) investment advisers for similar or lower fees.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

KCP provides advisory services to the following types of clients:

- Individuals
- High net worth individuals
- Pension, profit sharing and 401K plans
- Charitable organizations
- Corporations

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

METHODS OF ANALYSIS

We use the following methods of analysis or investment strategies when providing investment advice to you:

Fundamental Analysis. We attempt 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 underpriced (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.

Risk: The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on an investor sentiment, rather than the fundamentals of the company being reviewed. Technical analysis does not consider the underlying financial condition of a company.

Risk: The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

There is no guarantee that KCP will be able to accurately predict optimal market movements.

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 aware of indications that certain data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

Risk: A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Risk: Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Margin Transactions - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

Risk: If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk includes the amount of money invested plus the amount that was loaned to them.

Option writing. We also use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we believe that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we believe that the price of the stock will fall before the option expires.

We use call options to speculate on the possibility of a sharp price swing. We also use options to "hedge" a purchase of an underlying security by engaging in covered call writing or by selling puts on positions that we would want to own at prices lower than the market price.

We use "covered calls", in which we sell an option on a security that a client owns. In this strategy, clients receive a fee (known as a premium) for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed- upon price up until a known date in the future.

We use "short puts", in which we sell a put option on a security that we may want to own at a price below the current market price. In this strategy, clients receive a fee (known as a premium) for committing to purchase the underlying stock at an agreed-upon price up until a known date in the future.

We use a "spread strategy", in which we purchase two or more option contracts (for example: the purchase and the sale of a call option at different strike prices and, potentially but not necessarily different expiration dates) for the same underlying security. This effectively puts clients on both sides of the market, but with the ability to vary price, time and other factors.

Risk of Loss. Investments are not guaranteed and clients may lose money on their investments. Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

Trading - We may use frequent trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Frequent trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. This may include buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses.

Risk: When a frequent trading policy is in effect, there is a risk that investment performance within your account may be negatively affected, particularly through increased brokerage and other transactional costs and taxes.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. Charles Schwab will default to the Tax Lot Optimizer (TLO) accounting method for calculating the cost basis of your investments. Any custodians outside of Charles Schwab will have the accounting method determined on a case-by-case basis. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Other Risk Considerations

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

Liquidity Risk: The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

Credit Risk: Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

Inflation and Interest Rate Risk: Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

Horizon and Longevity Risk: The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

Recommendation of Particular Types of Securities

We recommend various types of securities and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

Money Market Funds: A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or all of your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

Certificates of Deposit: Certificates of deposit are generally the safest type of investment since they are insured by the federal government up to a certain amount. However, because the returns are generally very low, it is possible for inflation to outpace the return. Likewise, U.S. government securities are backed by the full faith and credit of the U.S. government but it is also possible for the rate of inflation to exceed the returns.

Municipal Securities: Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

Bonds: Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual Funds and Exchange Traded Funds: Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its

weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

Commercial Paper: Commercial paper ("CP") is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default. There is a less risk in asset based commercial paper (ABCP). The difference between ABCP and CP is that instead of being an unsecured promissory note representing an obligation of the issuing company, ABCP is backed by securities. Therefore, the perceived quality of the ABCP depends on the underlying securities.

Structured Products: A structured product, also known as a market-linked product, is generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuances, and/or foreign currencies, and to a lesser extent, swaps. Structured products are usually issued by investment banks or affiliates thereof. They have a fixed maturity, and have two components: a note and a derivative. The derivative component is often an option. The note provides for periodic interest payments to the investor at a predetermined rate, and the derivative component provides for the payment at maturity. Some products use the derivative component as a put option written by the investor that gives the buyer of the put option the right to sell to the investor the security or securities at a predetermined price. Other products use the derivative component to provide for a call option written by the investor that gives the buyer of the call option the right to buy the security or securities from the investor at a predetermined price. A feature of some structured products is a "principal guarantee" function, which offers protection of principal if held to maturity. However, these products are not always Federal Deposit Insurance Corporation insured; they may only be insured by the issuer, and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company. Investing in structured products involves a number of risks including but not limited to: fluctuations in the price, level or yield of underlying instruments, interest rates, currency values and credit quality; substantial loss of principal; limits on participation in any appreciation of the underlying instrument; limited liquidity; credit risk of the issuer; conflicts of interest; and, other events that are difficult to predict.

Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. Our firm or a management person has been involved in the event(s) described below.

In June 2009, a former client registered a dispute with FINRA's Dispute Resolution Division against his former employer and then broker/dealer, Securian Financial Services, of which Mr. Ciocca was named as the investment adviser representative. The dispute was settled between the broker/dealer and the former client in September 2010. The disclosure can be reviewed on FINRA's website under Disclosure Information for Mr. Douglas Ciocca. Mr. Ciocca's FINRA CRD number is #2495495 and the docket/case number is 09-03290.

Item 10 Other Financial Industry Activities and Affiliations

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker.
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund).
3. other investment adviser or financial planner.
4. futures commission merchant, commodity pool operator, or commodity trading advisor.
5. banking or thrift institution.
6. accountant or accounting firm.
7. lawyer or law firm.
8. insurance company or agency.
9. pension consultant.
10. real estate broker or dealer.
11. sponsor or syndicator of limited partnerships.

Arrangements with Affiliated Entities

Individuals who partake in financial activities outside of KCP must disclose such activities to KCP at least annually. KCP reviews such activities and endeavors to undertake mitigating any conflicts through proper disclosure to our clients. As such, we disclose this activity to inform clients and mitigate any conflicts.

Thomas Boling, an owner of KCP, acts as a Treasurer and Board Member for a 501(c)(3) charitable foundation, Dominic L. Passantino Memorial Foundation "Organization". The Organization is not affiliated with KCP and is not a client of KCP. Clients of KCP may be affiliated as Board Members with the Organization in a separate capacity. Mr. Boling's board member position is separate and distinct and does not create a conflict of interest to his provision of advisory services through Kavar Capital Partners, LLC.

Douglas Ciocca, an owner of KCP, is a shareholder of Redivus, an organization that is a healthcare IT company. This is a passive investment. Although certain controlling shareholders are also clients of KCP, Mr. Ciocca does not market or recommend this security to any clients or prospective clients of the firm. A conflict of interest exists because clients of KCP are also shareholders of Redivus. There are no fees or financial arrangements between KCP and Redivus. Client funds were not used for the investment of Redivus. Mr. Ciocca's investment in Redivus does not constitute an endorsement of Redivus by KCP or Mr. Ciocca.

Douglas Ciocca is also an Investor and Limited Partner in American Discovery Fund, L.P. This is a passive investment. The CEO and Partner of American Discovery Fund, L.P. is a client of Kavar. Mr. Ciocca does not market or recommend this security to any clients or prospective clients of the firm. A conflict of interest exists because clients of KCP are also shareholders of American Discovery Fund, L.P. There are no fees or financial arrangements between KCP and American Discovery Fund, L.P. Client funds were not used for the investment of American Discovery Fund, L.P. and Mr. Ciocca's investment in American Discovery Fund, L.P. does not constitute an endorsement of American Discovery Fund, L.P. by KCP or Mr. Ciocca.

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

Description of Code of Ethics

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for

persons associated with our firm. KCP and our personnel owe a duty of loyalty, fairness and good faith to our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering and prohibits KCP employees from participating in initial public offerings. Our code also provides for oversight, enforcement and recordkeeping provisions.

KCP's Code of Ethics further includes the firm's policy prohibiting the use of material non- public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our Advisory clients and prospective clients. You may request a copy by email sent to stefanie@kavarcapital.com, or by calling us at 913-428-3300.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

KCP and individuals associated with our firm are prohibited from engaging in principal transactions.

KCP and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Personal Trading Practices

Our 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 interests of Advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients with certain limitations. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Block Trading

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Refer to the *Brokerage Practices* section in this brochure for information on our block trading practices.

Item 12 Brokerage Practices

We recommend the brokerage and custodial services of Charles Schwab & Co., Inc., and TD Ameritrade (whether one or more "Custodian"). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere. KCP is independently owned and operated and not affiliated with your qualified custodian.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements.

Economic Benefits

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

Charles Schwab - Your Custody and Brokerage Costs

For our clients' accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab's commission rates and/or asset-based fees applicable to our client accounts were negotiated based on our commitment to maintain a certain amount of our clients' assets statement equity in accounts at Schwab. This commitment benefits you because the overall commission rates and/or asset-based fees you pay are lower than they would be if we had not made the commitment. In addition to commission rates and/or asset-based fees Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

Schwab Advisor Services

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage - trading, custody, reporting and related services - many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us.

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 may include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession;

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.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. These services may give us an incentive to recommend that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as a custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on the factors

discussed above - see "The Custodian and Broker We Use") and not Schwab's services that benefit only us. We do not believe that maintaining our client's assets at Schwab for services presents a material conflict of interest.

TD Ameritrade Institutional

We participate in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the Program.

As disclosed above, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the Program and the investment advice we give you, although we receive economic benefits through our 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 our participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to your accounts); the ability to have advisory fees deducted directly from your accounts; access to an electronic communications network for 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 us by third party vendors. Some of the products and services made available by TD Ameritrade through the Program may benefit us but may not benefit your accounts. These products or services may assist us in managing and administering your accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to you, we endeavor at all times to put your interests first. You should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

Clients may also direct us to use a particular broker-dealer and custodian under certain circumstances, such as a pre-existing relationship with the broker-dealer. Accounts for which clients have directed us, in writing, to direct their account transactions to a specific broker-dealer (referred to as directed brokerage) should be aware that the client, not our firm, will have the sole responsibility to negotiate terms and arrangements for the account with the directed broker-dealer. Our firm cannot batch or aggregate these transactions with our Schwab-custodial clients and therefore, the client may or may not pay higher commissions or other costs or may receive less favorable net prices on transactions for the account than would otherwise be the case.

Block Trades

We combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

Item 13 Review of Accounts**Wealth Management and Portfolio Reviews**

While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least annually.

Your investment adviser representatives, Douglas Ciocca, Tom Boling, John Nagle and John Nemmers will monitor your accounts on an ongoing basis and will conduct account reviews at least annually. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, including but not limited to contributions and withdrawals; year-end tax planning; market moving events; security specific events, and/or, changes in your risk/return objective and, political or economic environment.

We will not provide you with regular written reports. You will receive trade confirmations and statements from your custodian at least quarterly. Clients have the ability to review their account holdings and other documents on-line through a client portal and/or directly with the custodian.

Pension Consulting Reviews

Reviews may occur at different stages depending on the nature and terms of the specific engagement.

Pension Consulting clients will not typically be provided with a report unless otherwise requested.

Item 14 Client Referrals and Other Compensation**TD Ameritrade Institutional Customer Program**

As disclosed above under *Item 12 Brokerage Practices*, we participate in TD Ameritrade's Institutional Customer Program ("Institutional Program") and we may recommend TD Ameritrade to clients for custodial and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our 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 adviser 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 our firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our Associated Persons. Some of the

products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our Firm or our Associated Persons through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our Associated Persons in and of themselves creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Charles Schwab & Co., Inc. - Institutional

In addition, we receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 - Brokerage Practices*). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Other Compensation

KCP does not pay outside solicitors for client referrals. We have entered into contractual arrangements with employees of our firm, under which the individual receives compensation from our firm for the establishment of new client relationships. The compensation is a percentage of the advisory fee you pay our firm for three (3) years (or an otherwise agreed upon arrangement with the employee) or until such time as our agreement with the employee expires. You will not be charged additional fees based on this compensation arrangement. Incentive based compensation is contingent upon you entering into an advisory agreement with our firm. Therefore, the employee has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Whenever we pay our employees a referral fee, we require the prospective client be provided with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Employee's name and title with our firm;
- the fact that the Employee is being paid a referral fee; and
- as a matter of firm practice, the advisory fees paid to us by clients referred by Employees are not increased as a result of any referral.

Item 15 Custody

Direct Debiting of Fees

Your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

Custody Due to Standing Letter of Authorization

Kavar Capital Partners may assist clients with the transfer of their assets between two or more of a client's accounts maintained at the client's custodian, or maintained with multiple custodians. This ability to transfer a client's assets between the client's accounts maintained at one or more qualified custodians if the client has authorized the adviser in writing to make such transfers causes our firm to exercise limited custody over your funds or securities. Pursuant to Rule 206(4)-2 (the "Custody Rule"), Kavar Capital Partners has taken steps to have controls and oversight in place to support the no-action letter issued by the SEC on February 21, 2017 (the "SEC no-action letter"). With respect to third party standing letters of authorization ("SLOA") where a client may grant Kavar Capital Partners the authority to direct custodians to disburse funds to one or more third party accounts, we are deemed to have limited custody. However, for these assets, we are not required to comply with the surprise examination requirement of the Custody Rule if we are otherwise in compliance with the seven representations noted in the February 21, 2017 no-action letter. Where the Adviser acts pursuant to a SLOA, we believe we are making a good faith effort to comply with the representations noted in the SEC's no-action letter. Additionally, since many of those representations involve the qualified custodian's operations, Kavar Capital Partners will collaborate closely with its custodians to ensure that the representations would be able to be met.

On at least a quarterly basis, the custodians are required to send to the client a statement showing all transactions within the account during the reporting period.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management 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.

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

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

If a client enters into non-discretionary agreements with our firm, we will obtain client approval prior to the execution of any transactions for the client's account(s). Clients have an unrestricted right to decline to implement any advice provided by us on a non-discretionary basis.

Item 17 Voting Client Securities

As a matter of firm policy, we will not vote proxies on behalf of your advisory accounts.

If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder. You maintain exclusive responsibility for:

1. directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and
2. making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

You are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights.

Item 18 Financial Information

As an Advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. KCP has no such financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

KCP has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

Item 20 Additional Information

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 - a. Employer retirement plans generally have a more limited investment menu than IRAs.
 - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
 - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
 - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
 - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.