

## **VISIONARY WEALTH ADVISORS, LLC**

*a Registered Investment Adviser*



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This brochure provides information about the qualifications and business practices of Visionary Wealth Advisors, LLC (hereinafter “VWA” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at this telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

**Item 2. Material Changes**

In this Item, VWA is required to discuss any material changes that have been made to the brochure since the last annual amendment dated March 23, 2017. VWA has the following material changes to disclose:

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**Updated Assets under Management**

In this amended brochure, VWA is providing its assets under management as of March 21, 2018 in Item 4.

**Item 3. Table of Contents**

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#### **Item 4. Advisory Business**

VWA began conducting investment advisory services in March 2014 and is principally owned by the Firm's President, Timothy Hammett, and Chief Executive Officer, Brett Gilliland. As of March 23, 2017, VWA had approximately \$594,000,000 of client assets under management, \$560,000,000 of which was managed on a discretionary basis and \$34,000,000 of which was managed on a non-discretionary basis.

VWA offers a variety of advisory services, which include financial planning, consulting, and investment management. Prior to VWA rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with VWA setting forth the relevant terms and conditions of the advisory relationship (the "Advisory Agreement").

While this brochure generally describes the business of VWA, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on VWA's behalf and is subject to the Firm's supervision or control. Supervised Persons that provide advisory services on behalf of VWA are also known as Investment Adviser Representatives ("IARs").

VWA's IARs are located in a number of offices in Missouri, Illinois, and Florida. While all VWA IARs share a common association with VWA, their individual investment philosophies and the types of investment philosophies and strategies they use may differ significantly. Consequently, VWA does not necessarily provide customers who have similar investment objectives or risk tolerances the same investment strategies or advice. Customers should, therefore, select the VWA IAR whose investment philosophy and strategy is consistent with, among other things, the customer's investment objectives, risk tolerances, and investment experience.

### Financial Planning and Consulting Services

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VWA offers clients a broad range of value-based financial planning and consulting services, which may include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Insurance Planning
- Retirement Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Tax Planning
- Manager Due Diligence

In performing these services, VWA is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. VWA may recommend clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as registered representatives of a broker-dealer and/or other professionals to implement its recommendation. Clients are advised that a conflict of interest exists if clients engage VWA to provide additional fee-based services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by VWA under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising VWA's recommendations and/or services.

### Investment Management Services

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VWA manages client investment portfolios on a discretionary or non-discretionary basis. VWA primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs") and independent investment managers ("Independent Managers") in accordance with their stated investment objectives.

Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage VWA to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, VWA directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

VWA tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. VWA consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify VWA if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if VWA determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

Clients have the option of utilizing model-based investing programs through separately managed accounts. VWA offers model portfolios, in which VWA and its IARs select a model portfolio of investments ("Model Portfolio") designed by VWA's Research Department or a third-party portfolio strategist ("Independent Manager") to allocate an investor's portfolio across different asset classes, consistent with the client's stated investment objective. VWA's Research Department or the Independent Manager is responsible for selecting the asset allocation and specific investments within a Model Portfolio, and modifying the investments to maintain consistency with the Model Portfolio's stated goals and targets. The client authorizes VWA and the IAR to have discretion to buy and sell securities by executing the Account Agreement and Application.

Whether or not a client uses a Model Portfolio, VWA also offers model accounts, in which VWA and its IARs select a model account of securities ("Model Account") designed by VWA's Research Department or an Independent Manager to invest in a particular asset class.

Except for VWA's Research Department, the Independent Managers are independent investment advisor firms. On an ongoing basis, the Independent Manager provides VWA with Model Portfolios and Model Accounts that include recommended allocations and investments pursuant to a written agreement VWA has with each respective Independent Manager. As discussed below, Independent Managers may be authorized by clients to actively manage client accounts.

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**Sponsor and Manager of Wrap Program**

VWA provides investment management services as the sponsor and manager of The Visionary Wealth Management Program (the "Wrap Program"). Additional information about the Wrap Program offered by VWA is available in VWA's Wrap Brochure.

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**Use of Independent Managers**

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As mentioned above, VWA may select certain Independent Managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

VWA evaluates a variety of information about Independent Managers, which may include the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. VWA also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

VWA continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. VWA seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

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**Use of VWA's Research Department in Separately Managed Accounts**

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Through separately managed accounts, Clients have the option of utilizing Model Portfolios or Model Accounts designed by VWA's Research Department. Because VWA retains both the Program Fee and Separately Managed Account Fee if a Model Portfolio or Model Account designed by VWA's Research Department is selected instead of a Model Portfolio or Model Account designed by an Independent Manager, VWA has a financial benefit if IARs recommend and select a Model Portfolio or Model Account designed by VWA's Research Department. Although this conflict is mitigated by the fact that the IAR does not share in the fee paid to VWA for strategist services, clients should be aware of the potentially conflicting interests in evaluating the advice and services the client receives and selects.

*Model Portfolios*

VWA designs different types of Model Portfolios to meet the varying needs of clients. Individual advisors, or the client with the assistance of the advisor, selects the Model Portfolio and provides advice based on the client's individual needs. VWA's Research Department has designed Model Portfolios to implement a number of investment strategies, including those described below. All Model Portfolios seek to generate capital appreciation while assuming a reasonable amount of risk. The Portfolios are intended to take advantage of market opportunities that will occur or persist over a three-to-five-year time frame. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable.

- **Conservative.** This investment strategy invests primarily in fixed income with small allocations to domestic and foreign equity in effort to produce current income with limited risk to capital. VWA designs different versions of Conservative Model Portfolios, for example, for investors who wish to allocate to potentially tax-free municipal bonds or solely utilize index funds.
- **Moderate Conservative.** This investment strategy also invests primarily in fixed income assets, but with a higher allocation to equity investments than the conservative strategy. The primary objective of this strategy is to produce current income with a secondary objective of capital appreciation.
- **Balanced.** This investment strategy invests primarily in equity based investments including large, medium, and small capitalized domestic stocks, as well as developed and emerging international market equities. Additionally, VWA may include other asset classes such as real estate, commodities, or alternative investments in order to provide growth or reduce volatility. The balanced strategy also includes a significant allocation to fixed income securities to provide income as well as reduce overall portfolio volatility.
- **Moderate Aggressive.** This investment strategy has a higher equity allocation than the balanced strategy, but still maintains a fixed income allocation to reduce overall portfolio volatility. The primary objective of this strategy is capital appreciation.
- **Aggressive.** This investment strategy seeks to achieve higher returns than other model portfolios and invests primarily in equity investments with a minimal allocation to fixed income. VWA may include other asset classes such as real estate, commodities, or alternative investments in order to provide growth or reduce volatility. The objective of this strategy is capital appreciation.



*Model Accounts*

In contrast to Model Portfolios, which allocate a client's investments across multiple asset classes, Model Accounts are designed to focus on a single, or limited number of, asset classes, such as classes of equity securities, fixed income or alternatives.

**Item 5. Fees and Compensation**

VWA offers services on a fee basis, which may include fixed fees, as well as fees based upon assets under management and/or advisement. Additionally, certain of the Firm's Supervised Persons, in their individual capacities, may offer securities brokerage services under a separate commission-based arrangement.

**Financial Planning and Consulting Fees**

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VWA may elect to charge a fixed, project-based fee to provide clients with comprehensive financial planning and/or consulting services under a stand-alone engagement. These fees are negotiable, but generally range from \$1,000 to \$25,000 on a fixed fee basis, depending upon the scope and complexity of the services to be rendered. If the client engages the Firm for additional investment advisory services, VWA may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and VWA generally requires one-half of the fee payable upon execution of the Advisory Agreement. The outstanding balance is generally due upon delivery of the financial plan or completion of the agreed upon services. The Firm does not, however, take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered.

### Investment Management Fees

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VWA offers investment management services for an annual fee based on the amount of assets under the Firm's management. This management fee generally ranges up to 125 basis points (1.25 %), depending on the size of a client's portfolio, in accordance with the following fee schedule (the management fee schedule below excludes the Separately Managed Account Fee charged for Model Portfolios and Model Accounts as discussed below):

| <b><u>PORTFOLIO VALUE</u></b> | <b><u>BASE FEE</u></b> |
|-------------------------------|------------------------|
| Up to \$250,000               | 1.25 %                 |
| \$250,001 - \$500,000         | 1.20 %                 |
| \$500,001 - \$750,000         | 1.15 %                 |
| \$750,001 - \$1,000,000       | 1.05 %                 |
| \$1,000,001 - \$5,000,000     | 1.00 %                 |
| Above \$5,000,000             | Negotiable             |

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by VWA on the last day of the previous billing period. If assets in excess of \$10,000 are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

### Fee Discretion

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VWA may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

### Additional Fees and Expenses

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In addition to the advisory fees paid to VWA, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, reporting charges, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other

fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

For clients that choose to utilize the Model Portfolio or Model Account services, additional fees may be assessed related to portfolio strategy design and management. If a client invests in a Model Portfolio or Model Account designed by VWA's Research Department, whether or not part of the wrap fee program, VWA charges an additional amount of 0.20% as a fee for such Model Portfolio or Model Account design and implementation services. This may be referred to as a "Separately Managed Account Fee" on client statements.

If the client chooses a Model Portfolio or Model Account designed by an Independent Manager, whether or not part of the wrap fee program, VWA charges the amount of the Independent Manager's fee in addition to the Program Fee. The fees of Independent Managers may vary, but as of the date of this brochure, are currently 0.20%.

In providing ongoing advice and management for the account, the IAR may recommend or select a Model Portfolio or Model Account that would result in the IAR's retaining more or less of the Program Fee than it would if another Model Portfolio or Model Account were recommended or selected. IARs do not participate in the revenue generated from separately managed account fees charged by our Research Department.

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**Direct Fee Debit**

Clients generally provide VWA and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to VWA. Alternatively, clients may elect to have VWA send a separate invoice for direct payment.

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**Account Additions and Withdrawals**

Clients may make additions to and withdrawals from their account at any time, subject to VWA's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients may withdraw account assets on notice to VWA, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and

the withdrawal of assets may impair the achievement of a client's investment objectives. VWA may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

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**Commissions and Sales Charges for Recommendations of Securities**

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Clients can engage certain persons associated with VWA (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with VWA.

Under this arrangement, the Firm's Supervised Persons, in their individual capacities as registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), may provide securities brokerage services and implement securities transactions under a separate commission based arrangement. Supervised Persons may be entitled to a portion of the brokerage commissions paid to PKS, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. VWA may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with PKS.

A conflict of interest exists to the extent that VWA recommends the purchase or sale of securities where its Supervised Persons receive commissions or other additional compensation as a result of the Firm's recommendation. The Firm has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of clients. For certain accounts covered by the Employee Retirement Income Security Act of 1974 ("ERISA") and such others that VWA, in its sole discretion, seems appropriate, VWA may provide its investment advisory services on a fee-offset basis. In this scenario, VWA may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm's Supervised Persons in their individual capacities as registered representatives of PKS.

**Item 6. Performance-Based Fees and Side-by-Side Management**

VWA does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## Item 7. Types of Clients

VWA offers services to individuals, trusts, estates, charitable organizations, corporations and business entities.

### Minimum Account Fee

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As a condition for starting and maintaining an investment management relationship, VWA generally imposes a minimum annual fee of \$250. This minimum fee may cause clients with smaller portfolios to incur an effective fee rate that is higher than the Firm's stated fee schedule. VWA may, in its sole discretion, elect to waive its minimum fee based upon certain criteria, including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities.

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

### Methods of Analysis and Investment Strategies

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VWA utilizes a combination of fundamental, technical and cyclical methods of analysis while employing an asset allocation strategy based on a derivative of Modern Portfolio Theory ("MPT"). Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For VWA, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation, and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that VWA will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (entire market or economy) or micro (company specific) level, rather than focusing on the overall fundamental analysis of the health of the particular company that VWA is recommending. The risks with cyclical analysis are similar to those of technical analysis.

MPT is a mathematical based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk. The basic premise of MPT is that the risk of a particular holding is to be assessed by comparing its price variations against those of the market portfolio. However, MPT disregards certain investment considerations and is based on a series of assumptions that may not necessarily reflect actual market conditions. As such, the factors for which MPT does not account (*e.g.*, tax implications, regulatory constraints and brokerage costs) may negate the upside or add to the actual risk of a particular allocation. Nevertheless, VWA's investment process is structured in such a way to integrate those assumptions and real life considerations for which MPT analytics do not account.

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## **Risk of Loss**

### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of VWA's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that VWA will be able to predict those price movements accurately or capitalize on any such assumptions.

### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (*e.g.*, sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day,

although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Clients should be aware that closed-end funds available within the program may not give investors the right to redeem their shares, and a secondary market may not exist. Therefore, clients may be unable to liquidate all or a portion of their shares in these types of funds. While the fund may from time to time offer to repurchase shares, it is not obligated to do so (unless it has been structured as an "interval fund"). In the case of interval funds, the fund will provide limited liquidity to shareholders by offering to repurchase a limited amount of shares on a periodic basis, but there is no guarantee that clients will be able to sell all of the shares in any particular repurchase offer. The repurchase offer program may be suspended under certain circumstances.

#### *Use of Independent Managers*

As stated above, VWA may select certain Independent Managers to manage a portion of its clients' assets. In these situations, VWA continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, VWA generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

#### *Interest Rate Risk.*

This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.

*Credit Risk.*

This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.

*Alternative Strategy Mutual Funds.*

Certain mutual funds available in the program invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry. These types of funds tend to have higher expense ratios than more traditional mutual funds. They also tend to be newer and have less of a track record or performance history.

**Item 9. Disciplinary Information**

VWA has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

**Item 10. Other Financial Industry Activities and Affiliations****Registered Representatives of a Broker/Dealer**

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Certain of the Firm's Supervised Persons are registered representatives of PKS and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

**Licensed Insurance Agents**

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A number of the Firm's Supervised Persons are licensed insurance agents and may offer certain non-advisory insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that those Supervised Persons offer non-advisory insurance products in their separate capacity as



licensed insurance agents, as the Supervised Persons may be entitled to insurance commissions or other additional compensation. VWA requires that its Supervised Persons always act in the best interest of the client (including the sale of commissionable products), and clients are in no way required to implement any insurance transactions through any Supervised Persons in their separate capacity as licensed insurance agents.

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**Service Agreement with Greenway Family Office, LLC**

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VWA has entered into a Service Agreement with another Registered Investment Advisor, Greenway Family Office, LLC. Pursuant to this agreement, VWA and GFO will jointly market their services to clients, refer clients to one another, and share advisory fees. VWA will provide GFO with access to its clients' information to allow GFO to service their joint clients, and will refer clients, to the extent appropriate, to GFO for Family Office Services. When deciding which clients to refer to GFO, VWA will consider whether such clients have a net worth of Twenty (20) Millions Dollars or have a need for servicing family assets for multi-generational wealth management for a flat fee or a retainer. Although acting in accordance with the Service Agreement to refer clients to GFO will result in the payment of a referral fee to VWA, the effect of any potential conflict of interest is mitigated by the fact that all referral fees will be paid solely from GFO's standard advisory fees paid by clients, so they will not result in any additional charges or fees to referred clients. Finally, Joan Malloy, Managing Member of GFO, will serve as a non-compensated member of the VWA Board of Advisors, with the title Family Office Principal.

**Item 11. Code of Ethics**

VWA has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. VWA's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non- public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of VWA's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact VWA to request a copy of its Code of Ethics.

## Item 12. Brokerage Practices

### Recommendation of Broker/Dealers for Client Transactions

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VWA generally recommends that clients utilize the custody, brokerage and clearing services of Schwab Advisor Services™ ("Schwab") or TD AMERITRADE Institutional, a division of TD AMERITRADE, Inc. ("TD Ameritrade") for investment management accounts. TD Ameritrade will hold client assets in a brokerage account and will buy and sell securities when VWA instructs it to do so. While VWA generally recommends that clients use TD Ameritrade, the client will decide whether or not to open an account with TD Ameritrade as a custodian or broker by entering into an account agreement directly with them.

TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is an independent [and unaffiliated] SEC- registered broker-dealer. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. VWA receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14 below.)

Factors which VWA considers in recommending Schwab and TD Ameritrade or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service.

Schwab and TD Ameritrade has agreed to compensate investment management clients for certain fees and expenses incurred in connection with transitioning accounts onto its platform. Schwab and TD Ameritrade may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Schwab and TD Ameritrade may be higher or lower than those charged by other Financial Institutions.

The commissions paid by VWA's clients to Schwab and TD Ameritrade comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where VWA determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. VWA seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist VWA in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because VWA does not have to produce or pay for the products or services.

VWA periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

#### **Software and Support Provided by Financial Institutions**

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VWA may receive without cost from Schwab and TD Ameritrade computer software and related systems support, which allow VWA to better monitor client accounts maintained at Schwab and TD Ameritrade. VWA may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at Schwab and TD Ameritrade. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars").

The software and related systems support may benefit VWA, but not its clients directly. In fulfilling its duties to its clients, VWA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that VWA's receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, VWA may receive the following benefits from Schwab:

- Up to \$90,000 in credits to be used toward qualifying third-party service providers used in connection with the initial set up of the Firm's research, technology and software platforms and in connection with transferring new teams;
- Support for transition of client accounts, including document preparation and delivery. VWA will receive reimbursement for Transfer of Account Exit Fees to facilitate a smooth client transition to Schwab;
- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

There is no direct link between VWA's participation in TD Ameritrade's institutional customer program and the investment advice it gives to its clients, although VWA receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. Additionally, VWA may receive the following benefits from TD Ameritrade through its registered investment adviser division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Adviser participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. The Firm also has the ability deduct advisory fees 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 the Firm by third party vendors. TD Ameritrade may fund business consulting and professional services received by VWA's related persons.

Some of the products and services made available by TD Ameritrade through the program may benefit VWA but not its client. These products or services may assist VWA in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help VWA manage and further develop its business enterprise. The benefits received by VWA's participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade.

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**Brokerage for Client Referrals**

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VWA does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

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**Directed Brokerage**

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The client may direct VWA in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by VWA (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, VWA may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

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**Commissions or Sales Charges for Recommendations of Securities**

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As discussed above, certain Supervised Persons in their respective individual capacities are registered representatives of PKS. These Supervised Persons are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless PKS provides written consent. Therefore, clients are advised that certain Supervised Persons may be restricted to conducting securities transactions through PKS if they have not secured written consent from PKS to execute securities transactions through a different broker-dealer. Absent such written consent or separation from PKS, these Supervised Persons are prohibited from executing securities transactions through any broker-dealer other than PKS under its internal supervisory policies. The Firm is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

**Trade Aggregation**

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Transactions for each client generally will be effected independently, unless VWA decides to purchase or sell the same securities for several clients at approximately the same time. VWA may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among VWA’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which VWA’s Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. VWA does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## **Item 13. Review of Accounts**

### **Account Reviews**

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VWA monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm's Principals and/or investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with VWA and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### **Account Statements and Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from VWA and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from VWA or an outside service provider.

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

### **Client Referrals**

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In the event a client is introduced to VWA by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from VWA's investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor is required to provide the client with VWA's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of VWA is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

As disclosed under Item 12 above, VWA participates in TD Ameritrade's institutional customer program and VWA may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between VWA's participation in the program and the investment advice it gives to its clients, although VWA receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving VWA 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 VWA by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by VWA's related persons.

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

As disclosed in Item 10 above, VWA has entered into a Service Agreement with GFO, which has agreed to act as a solicitor for VWA and market its investment advisory services to prospective clients and refer those clients to VWA. Pursuant to the agreement, for clients referred to VWA by GFO, GFO and VWA share the fees generated by referred clients and clients on boarded jointly by VWA and GFO. As the referral fees paid to GFO are paid solely from VWA's standard advisory fees, they do not result in an increase in the amount of fees paid by referred clients. Finally, pursuant to the agreement, GFO has agreed to provide prospective clients with copies of a Solicitor Disclosure Statement and Part 2 of VWA's Form ADV prior to or at the time of any solicitation activities.



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**Additional Services**

VWA also receives from TD Ameritrade certain additional economic benefits (“Additional Services”) that may or may not be offered to any other independent investment VWAs participating in the program. Specifically, the Additional Services include Morningstar, RedBlack, eMoney, and Crandall Pierce. TD Ameritrade provides the Additional Services to VWA in its sole discretion and at its own expense, and VWA does not pay any fees to TD Ameritrade for the Additional Services. VWA and TD Ameritrade have entered into a separate agreement (“Additional Services Addendum”) to govern the terms of the provision of the Additional Services.

VWA’s receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to VWA, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, VWA’s client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with VWA, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, VWA may have an incentive to recommend to its clients that the assets under management by VWA be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. VWA’s receipt of Additional Services does not diminish its duty to act in the best interests of its clients, including to seek best execution of trades for client accounts.

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**Other Economic Benefits**

Any material economic benefits received by the Firm are disclosed in Item 12 above.

**Item 15. Custody**

The VWA Agreement and/or the separate agreement with any Financial Institution generally authorize VWA and/or the Independent Managers to debit client accounts for payment of the Firm’s fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to VWA.

In addition, as discussed in Item 13, VWA may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from VWA.

## Item 16. Investment Discretion

VWA may be given the authority to exercise discretion on behalf of clients. VWA is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. VWA is given this authority through a power-of-attorney included in the agreement between VWA and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold).

Specifically, VWA takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The Independent Managers to be hired or fired.

## Item 17. Voting Client Securities

### Declination of Proxy Voting Authority

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VWA generally does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

## Item 18. Financial Information

VWA is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.