

# Wrap Fee Brochure



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This wrap fee brochure provides information about the qualifications and business practices of Arven Advisors d.b.a. of Visionary Wealth Advisors, LLC 1401 South Brentwood Blvd, Suite 400, St. Louis, MO 63144, 314.764.2727 (hereinafter "Arven Advisors" or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Visionary Wealth Advisors, LLC is available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Visionary Wealth Advisors, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

In this Item, Arven Advisors is required to discuss any material changes that have been made to the wrap fee brochure since the Firm's last annual update. There are no material changes to disclose to this item.

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## Item 4. Services, Fees, and Compensation

Visionary Wealth Advisors, LLC (“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 August 22, 2014, VWA had \$221.5 million assets under management, \$218 million of which was managed on a discretionary basis and \$3.5 million of which was managed on a non-discretionary basis.

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

### Description of the Program

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The Program is offered as a wrap fee program, which provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. Prior to receiving services through the Program, clients are required to enter into a written agreement with Arven Advisors setting forth the relevant terms and conditions of the advisory relationship (the “Client Agreement”). Clients must also open a new securities brokerage account and complete a new account agreement with Charles Schwab & Co., Inc. (“Schwab”) or TD AMERITRADE Institutional, a division of TD AMERITRADE, Inc. (“TD Ameritrade”) or another broker-dealer Arven Advisors approves under the Program (collectively “Financial Institutions”).

At the onset of the relationship, clients complete an investment policy statement (“IPS”) or other form of investor profile describing their individual investment objectives, liquidity and cash flow needs, time horizon and risk tolerance, as well as any other factors pertinent to their specific financial situations. After an analysis of the relevant information, Arven Advisors assists its clients in developing an appropriate strategy for managing their assets and financial affairs. Under the Program, Arven Advisors manages client portfolios on a discretionary basis by allocating assets in accordance with the investment strategy described at length in Item 6 (below).

### Fees for Participation in the Program

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Arven Advisors 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 insurance services under a separate commission-based arrangement.

The Program is offered on a fee basis, meaning that participants pay a single annualized fee based upon assets under management. This management fee generally ranges up to 130 basis points (1.30%), depending on the size of a client’s portfolio, in accordance with the following fee schedule:

| <b><u>PORTFOLIO VALUE</u></b> | <b><u>BASE FEE</u></b> |
|-------------------------------|------------------------|
| Up to \$500,000               | 1.30 %                 |
| \$500,001 - \$1,000,000       | 1.15 %                 |
| \$1,000,001 - \$2,000,000     | 1.00 %                 |
| \$2,000,001 - \$3,500,000     | 0.90 %                 |
| \$3,500,001 - \$5,000,000     | 0.80 %                 |
| \$5,000,001 - \$7,500,000     | 0.70 %                 |
| \$7,500,001 - \$10,000,000    | 0.60 %                 |
| Above \$10,000,000            | Negotiable             |

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Arven Advisors 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.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Arven Advisors may negotiate a fee rate that differs from the range set forth above.

## **Fee Comparison**

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As referenced above, a portion of the fees paid to Arven Advisors is used to cover the securities brokerage commissions and transactional costs attributed to the management of its clients' portfolios. Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. The Program Fees may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

## **Fee Discretion**

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Arven Advisors, in its sole discretion, may 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 client relationship, account retention and pro bono activities.

## **Fee Debit**

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Clients generally authorize the Firm to debit its clients' accounts for the amount of the Program fee and to directly remit that fee to Arven Advisors and/or the Independent Managers. Any Financial Institutions recommended by Arven Advisors, including Schwab and TD Ameritrade, have agreed to send statements to clients not less than quarterly indicating all amounts disbursed from the account, including the amount of Program Fees paid directly to Arven Advisors.

## **Account Additions and Withdrawals**

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Clients may make additions to and withdrawals from their account at any time, subject to Arven Advisors' 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 decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Arven Advisors subject to the usual and customary securities settlement procedures. However, Arven Advisors designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Arven Advisors 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, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

## **Other Charges**

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Clients may incur certain charges imposed by third parties in addition to the Program Fee such as charges imposed directly by a mutual fund or ETF in the account, which are 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 investment accounts and securities transactions.

## **Compensation for Recommending the Program**

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Arven Advisors has no internal arrangements in place whereby persons recommending the Program are entitled to receive additional compensation as a result of clients' participation. A person recommending the Program will not earn more compensation than he or she would otherwise receive if a client elected another investment management format.

## Item 5. Account Requirements and Types of Clients

Arven Advisors generally provides its services to individuals, trusts, estates, charitable organizations, corporations and business entities.

### Minimums

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Arven Advisors does not impose a minimum portfolio size or minimum annual *Program Fee*.

## Item 6. Portfolio Manager Selection and Evaluation

### Portfolio Management Services

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Arven Advisors manages client investment portfolios on a discretionary or non-discretionary basis. Arven Advisors primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), debt and equity securities, and options 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 Arven Advisors 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, Arven Advisors 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.

Arven Advisors 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. Arven Advisors 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 Arven Advisors 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 Arven Advisors 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.

### Financial Planning and Consulting Services

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Under the Program, Arven Advisors may offer clients a broad range of value-based financial planning and consulting services, under Banyan Wealth Advisors™ ("Banyan") 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, Banyan 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. Banyan may recommend clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as licensed insurance agents and/or other professionals to implement its recommendation. Clients are advised that a conflict of interest may exist if clients engage Banyan 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 Banyan 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 Banyan's recommendations and/or services.

## **Methods of Analysis and Investment Strategies**

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Arven Advisors utilizes fundamental 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 Arven Advisors, 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.

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 custodian costs) may negate the upside or add to the actual risk of a particular allocation. Nevertheless, Arven Advisors' investment process is structured in such a way to integrate those assumptions and real life considerations for which MPT analytics do not account.



## **Risk of Loss**

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### *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 Arven Advisors' 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 Arven Advisors 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.

## **Voting of Client Securities**

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Arven Advisors does not accept the authority to vote clients' securities (i.e., proxies) on their behalves. Client receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm using the information on the cover of this brochure with questions about such solicitations.

## Item 7. Client Information Provided to Portfolio Managers

Arven Advisors acts as the sponsor and portfolio manager to the Program. Certain wrap programs involve the services of multiple parties in these capacities. In those circumstances, the sponsor is required to disclose how and what type of information about client that it provides to portfolio managers. Arven Advisors has no disclosures to make under this section.

## Item 8. Client Contact with Portfolio Managers

There are no restrictions on a clients' ability to contact and consult with Arven Advisors.

## Item 9. Additional Information

### Disciplinary Information

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Arven Advisors is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management Arven Advisors does not have any required disclosures to this Item.

### Other Financial Industry Activities and Affiliations

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Visionary Wealth Advisors, LLC Principal, Brett Gilliland is the sole owner of Visionary Investment Management, LLC, an entity that serves as the operating company for certain individuals who also licensed insurance agents in various jurisdictions and may offer insurance products under a separate commission-based arrangement. These individuals are not directly associated with the Arven Advisors group. Moreover, neither Arven Advisors, a d.b.a. of Visionary Investment Management, LLC nor Mr. Gilliland receive any portion of the commissions or transaction fees generated.

### *Licensed Insurance Agents*

A number of the Firm's Supervised Persons are licensed insurance agents and may offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest may exist to the extent that Arven Advisors recommends the purchase of insurance products where its Supervised Persons may be entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

## Code of Ethics

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Arven Advisors 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. Arven Advisors' 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 Arven Advisors' 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 Arven Advisors to request a copy of its Code of Ethics.

## Review of Accounts and General Reports

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Arven Advisors monitors assets as part of an ongoing process 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 Arven Advisors 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.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* for assets. Participants also receive a report from Arven Advisors that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance as clients may request from time to time. Clients should compare the account statements they receive from the *Financial Institutions* with those they receive from Arven Advisors.

## **Client Referrals and Other Compensation**

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In the event a client is introduced to Arven Advisors 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 Arven Advisors' 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 Arven Advisors' 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 Arven Advisors 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.

## **Other Economic Benefits**

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Arven Advisors may receive without cost from Schwab and TD Ameritrade computer software and related systems support, which allow Arven Advisors to better monitor client accounts maintained at Schwab and TD Ameritrade. Arven Advisors 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 Arven Advisors, but not its clients directly. In fulfilling its duties to its clients, Arven Advisors endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Arven Advisors' receipt of economic benefits from a custodian creates a conflict of interest since these benefits may influence the Firm's choice of custodian over another that does not furnish similar software, systems support or services.

Specifically, Arven Advisors may receive the following benefits from Schwab:

- Support for transition of client accounts, including document preparation and delivery;
- 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 Arven Advisors' participation in TD Ameritrade's institutional customer program and the investment advice it gives to its clients, although Arven Advisors receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. Additionally, Arven Advisors 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 Arven Advisors' related persons.

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

### **Financial Information**

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Arven Advisors 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.



***A Registered Investment Adviser***

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