

**Form ADV Part 2A Appendix 1  
Wrap Fee Brochure**

**VALTINSON BRUNER FINANCIAL PLANNING LLC**

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This Wrap Fee Brochure provides information about the qualifications and business practices of Valtinson Bruner Financial Planning LLC. If you have any questions about the contents of this brochure, please contact us at 651-628-9838. 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. Registration with the SEC or state regulatory authority does not imply a certain level of skill or expertise.

Additional information about Valtinson Bruner Financial Planning LLC. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Material Changes**

This Wrap Fee Brochure is the disclosure document for Valtinson Bruner Financial Planning LLC ("Company" and/or "we") wrap fee program ("Company Wrap Fee Program" or "wrap fee program"). Company is required to amend this Brochure when information becomes materially inaccurate. In the future, this Item 2 will be used to provide clients with a summary of new and/or updated information since the previous Wrap Fee Brochure. We will inform clients of the revisions based on the nature of the updated information.

We will ensure that clients receive a summary of any material changes to this and subsequent Wrap Fee Brochures within 120 days of the close of our fiscal year. We will also provide clients with other interim disclosures about material changes to the information provided in this Wrap Fee Brochure as necessary or required.

Whenever you would like to receive a complete copy of the current Wrap Fee Brochure, please contact us at 651-628-9838. We will always be happy to provide you with a complete copy without charge.

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## Item 4: Services, Fees and Compensation

Valtinson Bruner Financial Planning LLC, ("Company"), is an Minnesota limited liability company founded in 2018, with its principal place of business in Minnesota. We are newly registered with the U.S. Securities and Exchange Commission (SEC). Lauris Valtinson and Robert Bruner are Company's members.

As used in this Wrap Fee Brochure, the words "our" and "us" also refer to Company. The words "you," "your" or "client" refer to our client and prospective client. Other terms may be defined later in this Wrap Fee Brochure as well.

### Wrap Fee Program

The Wrap Fee Brochure provides important information regarding Company's wrap fee program.

Company sponsors a wrap fee program through TD Ameritrade, Inc. ("TD Ameritrade"), a SEC registered broker-dealer and member of the Financial Industry Regulatory Authority, National Futures Association and the Securities Investor Protection Corporation. TD Ameritrade is independently owned and operated, and has no affiliation with Company, and TD Ameritrade is not acting as a sponsor of the wrap fee program. Company does not offer a wrap program through any other broker-dealer.

Under this program, clients will pay Company a single advisory fee for investment advisory services provided by Company and custody and brokerage services provided by TD Ameritrade, although only certain clients will be provided with coverage of alternative investment fees and specialized asset fees otherwise chargeable by TD Ameritrade. Subject to the above, Company pays the custody fees, if any, and the execution and clearing fees associated with transactions in the client's accounts which are custodied at TD Ameritrade ("wrap fee accounts"). The advisory fee will be based on the assets under management in the wrap fee account. For certain clients, Company will cover alternative investment fees and specialized asset fees otherwise chargeable by TD Ameritrade to custody a specific asset within the wrap fee program. Generally, the client's amount of assets under management with Company will determine whether Company provides coverage for such alternative investment fees and specialized asset fees.

Except as provided below, Company offers its wrap fee program to all asset based advisory clients who (a) custody their assets and establish a brokerage account with TD Ameritrade, and (b) pay an advisory fee based on a percentage of assets under management with Company or a stated flat annual fee, although, as stated above, only certain clients will be provided with coverage of alternative investment fees and specialized asset fees otherwise chargeable by TD Ameritrade. Investment opportunities for wrap fee accounts do not materially differ from those for non-wrap fee accounts.

We generally do not offer our wrap fee program for those clients or client accounts on which Company is only providing consulting services. Further, in some circumstances, we would not offer our wrap fee program where, by virtue of assets in a client's account, there would be little trading activity or the trades being made would not otherwise have a transaction fee. In those circumstances, the wrap fee arrangement may be more costly to the client and would therefore not be appropriate for the client.

This program is not designed or expected to be a profit center for Company. Moreover, Company expects the total extra charges to clients in connection with the program to approximate the costs Company pays

to TD Ameritrade for custody fees, execution and clearing fees, and, where applicable, alternative investment and specialized asset fees. The program is intended to comply with Rule 204-3 of the Investment Adviser Act of 1940, as amended, and Rule 3a-4 under the Investment Company Act of 1940, as amended.

## Services

Company's discretionary investment advisory services are predicated on our client's individual needs, life circumstances and investment goals. We have personal discussions with the client to determine the client's investment objectives, risk tolerance, time horizons, economic environment, and liquidity needs. We use the information we gather to create an individualized investment strategy and portfolio for the client, while evaluating market trends and potentials. Clients may impose reasonable restrictions and guidelines on investing in certain securities, types of securities or industry sectors. We expect all such restrictions to be timely communicated to us. We expect clients to inform us of any changes to their financial circumstances, investment objectives or risk tolerance, or of any modifications or restrictions that should be imposed on the management of the client's account.

Account management and supervision is guided by the client's stated objective, reasonable restrictions and guidelines, and market conditions. Once we construct an investment portfolio for a client, we will monitor the portfolio's performance on an ongoing and continuous basis, unless otherwise agreed, and will make adjustments and reallocations as necessary due to changes in market conditions and the client's financial circumstances.

We manage clients' investment accounts on a discretionary and non-discretionary basis. For our discretionary asset management services, Company will receive a limited power of attorney to effect securities transactions on behalf of a client. This will allow us to determine the specific securities (subject to client restrictions) and the amount of securities to be sold in a client's accounts without prior client approval. The client may limit our discretionary authority by providing us with a writing which details restrictions and other guidelines. In addition, our authority will always be subject to the client's stated investment objectives and goals. If we manage a client's account on a non-discretionary basis, we will generally either have the ongoing responsibility to select or make recommendations, based upon the client's individualized investment strategy, as to specific securities purchased or sold in the account, *or* we will develop and implement an asset allocation strategy, which we will continuously monitor and supervise. We will obtain a client's approval before executing transactions in a non-discretionary account.

We explore different types of investment options and strategies in the design of a client's customized portfolio. Our investment recommendations are not limited by any specific product or service offered by a broker-dealer, custodian or insurance company. These recommendations will generally include, but not necessarily be limited to, advice regarding the following securities:

- Money market funds and other cash instruments
- Exchange listed securities, and securities traded over-the-counter
- Mutual fund shares and exchange traded fund shares – passive and actively managed
- Closed end fund shares
- Certificates of deposit
- Corporate debt securities
- Municipal securities
- U.S. governmental securities
- Options

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 it.

Because some types of investments involve certain additional degrees of risk, they will only be recommended and implemented when consistent with the client's stated investment objectives, tolerance for risk, suitability and liquidity needs.

As part of our investment advisory services, we may, upon the client's request and in rare circumstances, recommend a third-party money manager to manage a portion of the client's investment portfolio. Factors we take into consideration when making our recommendation include, but are not limited to, the money manager's performance, investment strategies, methods or analysis, advisory fees and other fees, assets under management, and the client's financial objectives and risk tolerance. We would generally retain authority to hire/fire the third-party money manager, and we monitor the performance of the money manager to ensure its management and investment style remain aligned with the client's objectives and risk tolerance.

### **Advisory Wrap Fees**

Company's wrap fee for our investment advisory/portfolio management services will be charged as a percentage of assets under management with us, according to the following schedule:

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee Rate Range</u></b>
\$0 to \$250,000	1.50%
\$250,001 to \$500,000	1.25%
\$500,001 to \$1,000,000	1.00%
\$1,000,001 to \$2,000,000	.90%
\$2,000,001 to \$5,000,000	.70%
More than \$5,000,000	.50%

The specific annual fee being charged to the client will be set forth and identified in an agreement between Company and that client.

Although Company has established the above fee schedule, we may negotiate other fee schedules depending on the size of the account, type of account, the level of client service required and other factors we consider relevant, including timing of client relationship.

We generally require a minimum of \$250,000.00 in assets under management with us for advisory services. This account size may be negotiable under certain circumstances. We may, at our discretion, group certain related client accounts together for meeting this minimum size.

Fees are charged quarterly in advance based on the market value of the client's account(s), as determined by the custodian, on the last business day of the quarter. Cash and assets which are invested in shares of mutual funds, exchange-traded funds, annuities we manage, and/or closed-end funds shall be included in the calculation of the value of the client's assets under management with us for purposes of computing our fee. A client's margin balance is typically included when calculating assets under management with Company. This will be in addition to any margin interest being paid by the client.

For partial quarters, fees are pro-rated. All unearned fees will be refunded to the client in the event the client terminates our services. Unless other arrangements are made, fees are directly debited from a client's account(s), and each client is required to provide the qualified custodian of the client's account(s) written authorization to deduct the fees described. The custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account. For discretionary accounts, Orion Investor Services sends clients a statement with the fees charged. The client is responsible for verifying the accuracy of the fee calculation, as the custodian will not verify the calculation. Payment of fees may result in the liquidation of client's securities if there is insufficient cash in the client's account(s).

The above fees include charges for all custody costs, if any, all execution costs, clearing costs and transaction fees associated with the wrap fee accounts custodied at TD Ameritrade. The above fees may include charges alternative investment fees and specialized asset fees otherwise chargeable by TD Ameritrade to custody a specific asset within the wrap fee account. Generally, the client's amount of assets under management with Company will determine whether Company provides coverage for such alternative investment fees and specialized asset fees. In all cases, the agreement between the client and Company will specify whether the client's advisory fee includes alternative investment fees and specialized asset fees. If Company is not including the alternative investment fees and specialized asset fees within the advisory fee, the client will be responsible for paying the alternative investment fees and specialized asset fees.

Except as provided below, Company offers its wrap fee program to all asset based advisory clients who (a) custody their assets and establish a brokerage account with TD Ameritrade, and (b) pay an advisory fee based on a percentage of assets under management with Company or a stated flat annual fee, although, as stated above, only certain clients will be provided with coverage of alternative investment fees and specialized asset fees otherwise chargeable by TD Ameritrade. Investment opportunities for wrap fee accounts do not materially differ from those for non-wrap fee accounts.

We generally do not offer our wrap fee program for those clients or client accounts on which Company is only providing consulting services. Further, in some circumstances, we would not offer our wrap fee program where, by virtue of assets in a client's account, there would be little trading activity or the trades being made would not otherwise have a transaction fee. In those circumstances, the wrap fee arrangement may be more costly to the client and would therefore not be appropriate for the client.

Further, clients who do not pay fees based on a percentage of household assets are not eligible to participate in the wrap fee program. Clients who do not custody their investment assets or establish accounts with TD Ameritrade are not eligible to participate in the wrap fee program. Thus, clients who custody their assets at a broker-dealer or use a broker-dealer *other* than TD Ameritrade shall be responsible for all custody fees charged by the other custodian, and shall be responsible for all broker-dealer fees, including execution and clearing fees, and transaction fees associated with transactions in the their accounts.

Investment opportunities for wrap fee accounts do not materially differ from those for non-wrap fee accounts. There is no minimum account value for wrap fee accounts except as provided for above.

The custody, execution, clearing and trading cost component of the above advisory fees are estimated to range from \$500 to \$1,500 per account per year.

#### **Disclosure of Cost Difference if Services Purchased Separately**

Depending on a number of factors, such as the number, size and nature of the securities transactions in a wrap fee account, the overall fees and charges borne by the client over time could be more or less than what these fees and charges would be if the same services were provided on a separate basis. Bundled fees generally provide an economic incentive for the advisory firm to select investments and strategies that minimize trading costs. However, Company has a duty to select investments and strategies which serve its clients' best interests.

Frequent trading in an account where transaction fees are included as part of the overall advisory fee to the client drive trading costs higher and reduce overall fee revenue to the advisor. As a result, higher trading costs in a bundled form may have a negative impact on the advisory firm's profitability. Infrequent trading in an account where transaction fees are included as part of the overall advisory fee may result in greater costs to the client. For that reason, we would not recommend the wrap fee program for those client accounts as it would not be appropriate for the client.

### **Other Fees and Expenses**

All fees paid to Company are separate and distinct from fees and expenses charged by any mutual fund, exchange-traded fund, private placement, pooled investment vehicle, and/or real estate investment trust. Mutual fund and/or exchange-traded fund fees are described in the respective fund's prospectus. The fees for private placements, pooled investment vehicles and/or real estate investment trusts are described in the confidential offering memoranda, subscription documents and/or trusts for each respective private placement and pooled investment vehicle. These fees will generally include management fees, various expenses and a possible distribution fee. There may also be an initial or deferred sales charge assessed against the client. These fees are not included in the wrap fee.

### **Compensation**

No person recommending the wrap fee program to the client receives compensation as a result of the client's participation in the program. As such, there are no conflicts of interest in that there are no commissions paid for selling or recommending the program. Company is not paid any sales, service or administrative fees for the sale of mutual funds, individualized securities or other investment products.

### **General Information**

Asset based fees are always subject to the management agreement between the client and Company, and we generally retain the right to amend our fee schedule on 30 days prior written notice to the client. A management agreement may be terminated at any time, by Company or the client, for any reason on 30 days prior written notice. In addition, if a client receives this Wrap Fee Brochure at the time the client enters into the management agreement, the client has the right to terminate the agreement within 5 business days after entering into it by giving written notice of such termination to Company. Investment advisory fees which are not earned at termination are refunded to the client on a pro-rata basis.

Clients should be aware that similar advisory services may (or may not) be available from other registered or unregistered investment advisors for similar or lower fees.

### **Client Assets under Management**

Company is a newly registered investment advisor. Therefore, we currently do not have any discretionary or non-discretionary assets under management.

## Item 5: Account Requirements and Types of Clients

Accounts which pay fees on other than the dollar value of the assets in the accounts are not eligible to participate in the wrap fee program.

We generally require a minimum of \$250,000.00 in assets under management with us for advisory services. This account size may be negotiable under certain circumstances. We may, at our discretion, group certain related client accounts together for meeting this minimum size. We have the right to terminate our relationship with a client if we believe that the account is too small to effectively manage, and have the right to move the client out of the wrap fee program if it is not appropriate for the client.

Company offers its investment advisory services to individuals, corporations and other business entities, pension and profit sharing plans, and trusts.

## Item 6: Portfolio Manager Selection and Evaluation

Company is the sole sponsor and sole portfolio manager for the wrap fee program, which is offered exclusively through Company. We do not participate in any other wrap fee programs.

**Our Services – Please See Item 4 Above.**

### **Performance-Based Fees and Side-by-Side Management**

Company does not charge performance-based fees or participate in side-by-side management. Performance-based fees are fees which are based on the share of capital gain 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 a performance-based fee.

Company may use one or more of the following methods of analyses or investment strategies when providing investment advice to clients, subject to the clients' investment objectives, risk tolerance, time horizons and stated guidelines:

- **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). We look at historical and present financial statements of the company, annual reports, governmental filings and business activities. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. Individualized analysis of underlying documentation can vary.
- **Technical Analysis.** We may 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 does not necessarily consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement. Past performance is not a guarantee of future

performance.

- ***Quantitative Analysis.*** We may use mathematical models and statistical modeling in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect. Quantitative analysis does not necessarily factor in all variables.
- ***Qualitative Analysis.*** We may subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data. A risk is using qualitative analysis is that our subjective judgment may prove incorrect.
- ***Asset Allocation.*** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance, and we seek to create a portfolio using mean variance optimization to maximize potential return relative to portfolio risk. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.
- ***Mutual Fund and/or ETF Analysis.*** We look at the experience and track record of the manager of the mutual fund or exchange traded fund (ETF) in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.
- ***Sector Rotation Analysis.*** We may review and assess the current condition and future prospects of a given sector of the economy. To add incremental value to a core portfolio by making small adjustments to the size of industry sectors in client portfolios. Sector analysis serves to provide us with an idea of how well a given group of companies within a sector are expected to perform as a whole. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector.

Company's analysis methods rely on the assumption that the investment vehicles which we recommend for our clients, the companies whose securities we purchase and sell on behalf of our clients, the rating agencies that review these securities, and other publicly or privately available sources of information about these securities, are providing accurate, timely and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate, misleading or untimely information. This is an ongoing risk with regard to all the strategies discussed below.

## Investment Strategies

Company may use the following strategies in managing client accounts. Investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon the client's predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. The client's restrictions and guidelines may affect the composition of the client's portfolio.

- **Long-term Purchases.** We purchase securities with the idea of holding them in the client's account for some period of time, often 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. A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages 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 when they reach or pass their price targets. 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.
- **Margin Transactions.** If granted authority to do so, we may purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings. Margin trading is not a fundamental part of Company's overall investment strategy, but we may use this strategy occasionally when given authority and we determine that it is suitable given a client's stated investment objectives and tolerance for risk.
- **Option Related Strategies.** We may 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. We may also utilize structured notes, closed end funds or mutual funds that utilize options strategies. 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 have determined 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 have determined that the price of the stock will fall before the option expires. We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio. We use "covered calls," in which we sell an option on a security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price. We use a "spreading strategy," in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors. Option writing is not a fundamental part of Company's overall investment strategy, but we may use this strategy occasionally when given authority and we determine that it is suitable given a client's stated investment objectives and tolerance for risk.

## **Risk of Loss**

Investing involves a risk of loss. Clients should be prepared to bear investment loss, including the loss of the original principal. Clients should never presume that future performance of any specific investment or investment strategy will be profitable. Further, there may be varying degrees of risk depending on different types of investments. Clients should know that all investments carry a certain degree of risk ranging from the variability of market values to the possibility of permanent loss of capital. Although portfolios seek principal protection, asset allocation and investment decisions may not achieve this goal in all cases. There is no guarantee a portfolio will meet a target return or an investment objective.

Risks to capital include, but may not be limited to, changes in the economy, market volatility, company results, industry sectors, accounting standards and changes in interest rates. Investments are generally subject to risks inherent in governmental actions, exchange rates, inflation, deflation, and fiscal and monetary policies. Market risks include changes in market sentiment in general and styles of investing. Diversification will not protect an investor from these risks and fluctuations.

Company does not engage in high-frequency trading activities.

Additional risks may include:

*Market risk:* Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. Stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. Common stock (or its equivalent) is generally exposed to greater risk than preferred stocks and debt obligations of an issuer.

*Company risk:* There is always a certain level of company or industry specific risk that is inherent in each investment. Although this risk can be reduced through appropriate diversification, it cannot be eliminated. There is the risk that the issuer will perform poorly or have its value reduced based on factors specific to the issuer or its industry. If the issuer experiences credit issues or defaults on debt, the value of the issuer may be reduced.

*Exchange traded fund and mutual fund risk:* The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will incur additional costs associated with ETFs and mutual funds (see Item 5).

ETF Shares are listed for trading on NYSE Arca and can be bought and sold on the secondary market at market prices. Although it is expected that the market price of a ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV vary significantly. Thus, the client may pay more or less than NAV when the ETF Shares are purchased on the secondary market, and the client may receive more or less than NAV when you sell those shares. Although ETF Shares are listed for trading on NYSE Arca, it is possible that an active trading market may not be maintained and Trading of ETF Shares on NYSE Arca may be halted by the activation of individual or market wide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of ETF Shares may also be halted if the shares are delisted from NYSE Arca without first being listed on another exchange or exchange officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

*Management risk:* Investments managed by us vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities.

*Foreign investments risks:* Non-U.S. investments, currency and commodity investments may contain additional risks associated with government, economic, political or currency volatility.

*Emerging markets risks:* Emerging markets can experience high volatility and risk in the short term.

*Liquidity risks:* Generally, assets are more liquid if many investors are interested in a standardized product, making the product relatively easy to convert into cash. Specialized investments may have reduced liquidity.

*Bond risks:* Investments in bonds involve interest rate and credit risks. Bond values change according to changes in interest rates, inflation, credit climate and issue credit quality. Interest rate increases will reduce the value of a bond. Longer term bonds are more susceptible to interest rate variations than shorter term, lower yield bonds.

*Sector risks:* Investing in a particular sector is subject to cyclical market conditions and changes.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee or even imply that our services and 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.

### **Voting Client Securities**

Regardless of whether Company has discretion over a client's account(s), we will not vote proxies on behalf of any client or respond to any legal notices or class action claims on behalf of any client.

Company will instruct the qualified, independent custodian to forward all proxy materials, legal notices and class action information to the client to review. The client should make his or her own informed decision on how to vote or respond to a legal notice. In the event we receive such material, we will forward them directly to the client by mail or by electronic mail (if the client has authorized electronic communication).

### **Generally**

Cash balances are typically invested daily in interest-bearing money market accounts.

Our strategies and investments may have unique and significant tax implications. Company will manage portfolios with an awareness of tax implications, but long-term wealth compounding is our primary consideration. Specific goals regarding account tax efficiency should be set forth in a writing signed by both us and the client. Regardless of account size or other factors, Company strongly recommends that its clients continuously consult with a tax professional prior to and throughout the investing of clients' assets. Each client is responsible for contacting his/her tax advisors to determine which cost basis accounting method is the right choice for the client. Clients should provide Company with written notice of a client's selected accounting method, and Company will alert the client's custodian of the individually selected accounting method. Clients should be aware that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

## **Item 7: Client Information Provided to Portfolio Managers**

Company is the sole portfolio manager of the wrap fee program and does not share any personal information it collects from its clients other than as required by law, regulatory mandate or as otherwise disclosed in its privacy policies provided to its clients

Company collects the following information regarding the client in order to formulate its investment recommendations to the client: income; employment and residential information; social security number; bank account numbers; cash balance and security balances; liabilities and securitizations; transaction detail history; and investment objectives, goals and risk tolerance. Company considers the following factors, among others, when recommending and implementing investment recommendations: sources of wealth and/or deposits; risk assessment; investment time horizon; income and liquidity needs; asset allocation; and restrictions on management of accounts

Sources of information used to develop investment Company's recommendations may include, but are not limited to, the following:

- Client questionnaire(s) and interview(s)
- Client tax return(s)
- Review of client's current portfolio
- Analysis of historical risk/return characteristics of various asset classes
- Analysis of the long-term outlook for global financial market
- Analysis of the long-term global economic and political environments

## **Item 8: Client Contact with Portfolio Managers**

Company encourages and invites communications with its clients, and does not limit or condition the amount of time clients can spend with Company advisory professionals.

## **Item 9: Additional Information**

### **Disciplinary Information**

Company is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of us, our business or the integrity of our management or associated persons.

Neither Company nor any of our associated persons has any reportable disciplinary events to disclose.

### **Other Financial Activities and Affiliations**

Persons providing investment advice on behalf of Company are licensed insurance agents. Based on a client's specific financial goals, Company may offer clients insurance products, and clients may be referred to Valtinson Financial Group LLC and/or Bruner Financial Planning LLC, each of is an entity owned by a member of the Company, for these products. These products are separate and distinct from investment advisory services offered through Company. Clients should be aware that these insurance products pay a commission and involve a conflict of interest, as undisclosed commissionable products

conflict with the fiduciary duties of a registered investment adviser. All fees and commissions related to insurance products must be disclosed to the client. In no event is any client obligated, contractually or otherwise, to use the services of any licensed insurance agent acting in such capacity or to purchase products through said individual.

Company also may refer clients to Valtinson Tax Services LLC, a firm owned by one of the Company's members, for tax advice and services. Client is not obligated to use Valtinson Tax Services LLC for these services.

Company always acts in the best interest of the client, and any person providing investment advice on behalf of Company must act in the best interests of the client and put that client's interests ahead of the individual's own interests.

Company is not a registered broker-dealer, commodity firm, commodity trading advisor, or futures commission merchant, and does not have an application to register for any of the same pending. Company does not recommend investment products in which it receives any form of compensation from the separate account manager or investment product sponsor.

Company has no affiliations with any entity through common ownership.

## **Code of Ethics, Participation in Client Transactions and Personal Trading**

### Code of Ethics

Company has adopted a Code of Ethics that sets forth high ethical standards of business and professional conduct which we require our employees to follow. The Code of Ethics outlines proper conduct related to all services provided to clients by Company and our associated persons, and includes guidelines for compliance with applicable laws and regulations governing our practice. Our goal is to protect our clients' interests at all times and demonstrate our commitment to our fiduciary duties of honesty, good faith and fair dealing.

### Personal Securities Transactions and Interests

Through its professional activities, Company and its supervised persons are exposed to potential conflicts of interest and the Code of Ethics contains provisions designed to mitigate certain of these potential conflicts by governing the personal securities transactions of certain of its employees, officers and directors. In particular, the Code of Ethics governs the conduct of certain "access persons" in circumstances where Company or access persons may desire to purchase or sell securities for their personal accounts that are identical to those recommended by Company to its clients. For these purposes, the Code of Ethics defines an "access" person as a supervised person of Company that (1) has access to nonpublic information regarding any clients' purchase or sale of securities, (2) has access to nonpublic information regarding the portfolio holdings of any fund the adviser or its control affiliates manage or sponsor, or (3) is involved in making securities recommendations (or has access to such recommendations) to clients that are nonpublic.

Access persons' trades must be executed in a manner consistent with the following principles:

- The interests of client accounts will at all times be placed first.
- All personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility.

- Access persons must not take inappropriate advantage of their positions.
- Preclearance of access persons' transactions in securities in a limited offering or private placement is required.

Access persons must submit quarterly reports regarding securities transactions and newly opened accounts, as well as annual reports regarding holdings and existing accounts. Company monitors access persons' personal trading activity at least quarterly to ensure compliance with internal control policies and procedures and our Code of Ethics.

The Code of Ethics does not prevent or prohibit access persons from trading in securities that we may recommend or in which we may invest client assets, but rather prescribes the governing principals relative to the same (see above). As such, it is possible that (1) Company or its access persons could recommend to clients, or buy or sell for client accounts, securities in which one or more access persons (including Company or its affiliates) has a material financial interest, (2) access persons (including Company or its affiliates) could invest in the same securities (or related securities) that we recommend to clients, or (3) Company (including its affiliates) and its access persons could recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that one or more access persons (including Company or its affiliates) buys or sells the same securities for its own account. This presents a potential conflict in that the access person might seek to benefit himself or herself from this type of trading activity in the same securities, either by trading for personal accounts in advance of client trading activity, or otherwise. All such activity must be in strict adherence with our Code of Ethics and must fundamentally place the clients' interests first. Moreover, it is our policy that neither Company nor its associated persons will have priority over a client's account(s) in the purchase or sale of securities.

We may also combine orders to purchase securities for Company, its associated persons and/or their families with a client's order to purchase securities ("block trading"). A conflict of interest may exist in these events because we have the ability to trade ahead of clients and may potentially receive more favorable prices (for Company, its associated persons and/or their families) than the client will receive. To eliminate this conflict of interest, we will make reasonable attempts to trade securities in client accounts at or prior to trading the securities in Company accounts, or accounts of associated persons and/or their families. Trades executed the same day will likely be subject to an average pricing calculation. Moreover, it is our policy that neither Company nor its associated persons will have priority over a client's account(s) in the purchase or sale of securities.

Neither Company nor its associated persons has any material financial interest in client transactions beyond the provision of investment advisory services or other services as disclosed in this Brochure.

Company does not engage in principal trading (*i.e.*, the practice of selling stock to advisory clients from our inventory or buying stocks from advisory clients into our inventory). Nor does Company engage in agency cross transactions.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the e-mail or phone number listed on the cover page of this Brochure

### **Brokerage Practices**

Company will generally require discretionary advisory clients to provide us with written authority to determine the broker-dealer to use and the commission costs that will be charged to these clients for securities transactions.

### TD Ameritrade Relationship and Benefits

Only clients who establish accounts and custody their assets with TD Ameritrade are eligible to participate in the wrap fee program.

Company participates in TD Ameritrade's institutional customer program. Under this program, TD Ameritrade provides Company with access to institutional trading and custody services, which are typically not available to TD Ameritrade retail investors. These services include the execution of securities transactions, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors.

Although there is no direct link between our participation in the program and the investment advice we give to our clients, Company does receive economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. Discounted or no cost services provided by TD Ameritrade may include research (including mutual fund research, third-party research, and TD Ameritrade's proprietary research), brokerage, clearing, custody, and access to mutual funds and other investments that are available only to institutional investors or would require a significantly higher minimum initial investment. In addition, TD Ameritrade may make available software and other technologies that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution; provide research, pricing information, quotation services, and other market data; assist with contact management; facilitate payment of fees to Company from client accounts; assist with performance reporting; facilitate trade allocation; and assist with back-office support, record-keeping, and client reporting. TD Ameritrade may also provide access to financial planning software, practice management consulting support, best execution assistance, consolidated statements assistance, educational and industry conferences, marketing and educational materials, technological and information technology support, and corporate discounts. Many of these services may be used to service all or a substantial number of Company's clients' accounts, including accounts not maintained at TD Ameritrade and/or not in the wrap account program. Company may be eligible for a specific schedule of fees based upon our assets under management with TD Ameritrade.

TD Ameritrade may also have paid for business consulting and professional services received by us or our associated persons. Although the above benefits may assist Company in managing and administering clients' accounts, including those not maintained at TD Ameritrade and not in the wrap account program, some of the products and services made available by TD Ameritrade through the program may benefit Company in managing and developing its business, but may not directly benefit Company clients. Clients should be aware that the receipt of economic benefits by Company and/or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Company's choice of TD Ameritrade for custody and brokerage services.

Company and TD Ameritrade are not affiliates, and no broker-dealer affiliated with Company is involved in the relationship between Company and TD Ameritrade.

### Best Execution

All trades in accounts participating in the Wrap Fee Program will use TD Ameritrade for brokerage services.

If the client is receiving discretionary advisory services, Company, pursuant to the terms of its management agreement with clients, will have discretionary authority to determine which securities are to be bought and sold and the price of such securities to effect such transactions. Company recognizes that

the analysis of execution quality involves a number of qualitative and quantitative factors. Company will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include, but are not limited, to the following:

- The financial strength, reputation and stability of the broker-dealer;
- The efficiency with which the transaction is effected; the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any);
- The availability of the broker-dealer to stand ready to effect transactions of varying degrees of difficulty in the future;
- The efficiency of error resolution, clearance and settlement;
- Block trading and positioning capabilities;
- Performance measurements;
- Online access to computerized data regarding customer accounts;
- Availability, comprehensiveness, and frequency of brokerage and research services;
- Commission rate;
- The economic benefit to the clients; and
- Related matters involved in the receipt of brokerage services.

Consistent with its fiduciary responsibilities, Company seeks to ensure that clients receive best execution with respect to the clients' transactions by blocking client trades to reduce commissions and transaction costs, although Company will pay these commissions and costs. To the best of Company's knowledge and due diligence inquiries, TD provides high-quality execution, and Company's clients will pay competitive rates for such execution. Based upon its own knowledge of the securities industry, Company believes that TD's commission rates are competitive within the securities industry. Lower commissions or better execution may be able to be achieved elsewhere.

#### Order Aggregation/Block Trading/Allocations

Company's advice to certain clients and the action of Company for those and other clients are frequently premised not only on the merits of a particular investment, but also on the suitability of that investment for the particular client in light of his/her applicable investment objective, guidelines, risk tolerance and circumstances. Thus, any action of Company with respect to a particular investment may, for a particular client, differ or be opposed to the recommendation, advice or actions of Company to or on behalf of other clients. Company acts in accordance with our duty to seek best price and execution and will not continue any arrangements if we determine that such arrangements are no longer in the best interest of our clients.

As Company may be managing accounts with similar investment objectives, Company may aggregate orders for securities for such accounts. In this event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by Company in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts. Such aggregate orders may include transactions for accounts for employee benefit plans and private investment vehicles, such as limited partnerships or limited liability companies, in which Company, its affiliates, principals or employees are among the investors.

Company's allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account clients' best interests. Company will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

Company will aggregate, *i.e.*, "block," trades where possible and when advantageous to clients. We must reasonably believe that the order aggregation will benefit, and will enable us to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price. Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price.

Company will block trades among wrap clients. Blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, as long as transaction costs are shared equally and on a pro-rata basis between all accounts included in the block. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Subsequent orders may also be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended exposure. All clients participating in each aggregated order will generally receive the average price and, subject to minimum ticket charges and possible step outs, pay a pro-rata portion of commissions, provided, however, that an adjustment may be appropriate in some circumstances.

Prior to entry of an aggregated order, each client account participating is identified in the order and the proposed allocation of the order, upon completion, to those clients. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts. Our client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account. Funds and securities for aggregated orders are clearly identified in our records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

To minimize performance dispersion, "strategy" trades should be aggregated and average priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if Company believes that a larger size block trade would lead to best overall price for the security being transacted.

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, clients' liquidity needs and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

Company acts in accordance with our duty to seek best price and execution and will not continue any arrangements if we determine that such arrangements are no longer in the best interest of our clients.

#### Directed Brokerage

Company will not permit directed brokerage for wrap fee accounts.

### Client Referrals

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

### **Review of Accounts**

Our compliance personnel will also monitor managed and supervised accounts on an ongoing basis. Each account receives, at a minimum, an annual review by the advisor managing that account. Accounts may be reviewed more frequently through various means, including telephone calls, in-person meetings, overall strategy reviews, and/or the review of monthly and quarterly statements. Reviews are based on objectives and parameters established by clients, which are generally memorialized through their client management agreements. More frequent reviews may also be triggered by a change in the client's investment objectives or risk tolerance, tax considerations, large deposits or withdrawals, large purchases or sales, loss of confidence in investment or fund managers, or changes in the economy or financial markets.

The frequency of plan review will be dependent on the agreement terms. If deemed necessary it may be reviewed quarterly, yearly or some other determinate amount of time. Those reviews will revisit the initial plan and determine if any adjustments need to be made to the objectives.

Clients receive standard account statements from the independent, qualified custodian of their accounts no less frequently than quarterly. The account statements received from the custodian and/or broker-dealer are the official records of the client's account(s). With respect to certain client accounts, Company may provide, or cause to be provided, other statements setting forth the client's securities.

### **Client Referrals and Other Compensation**

Company does not receive any compensation from any third-party in connection with providing advice to our clients. It is our policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from any third-party in conjunction with the advisory services we provide our clients.

We do not compensate any individual or firm for client referrals.

As disclosed above, Company participates in TD Ameritrade's institutional customer program and we require participants in the wrap program to use TD Ameritrade for custody and/or brokerage services. Although there is no direct link between our participation in the program and the investment advice we give to our clients, Company does receive 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 (which are provided without cost, or at a discount, to us): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk services; 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 our clients' accounts; access to an electronic communications network for client's 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 Company by third-party vendors. TD Ameritrade may also have paid for business consulting and professional services received by use or our associated persons. Although the above benefits may assist Company in managing and administering clients'

accounts, including those not maintained at TD Ameritrade, some of the products and services made available by TD Ameritrade through the program may benefit Company in managing and developing its business, but may not directly benefit Company clients. The above benefits may assist Company in managing and administering clients' accounts, including those not maintained at TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by Company and/or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Company's choice of TD Ameritrade for custody and brokerage services.

### **Financial Information**

Under no circumstances does Company require or solicit the payment of fees in excess of \$1,200 per client and more than six months in advance. Nor does Company take custody of client funds or securities. Therefore, we are not required to include a financial statement.

Company does not have any financial issues that would impair its ability to provide services to clients, and Company has not been the subject of a bankruptcy petition at any time during the past ten years. We have no additional financial circumstances to report.