

Item 1 – Cover Page



Valentine Ventures, LLC

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March 16, 2020

This Brochure provides information about the qualifications and business practices of Valentine Ventures, LLC (VVLLC). If you have any questions about the contents of this Brochure, please contact William L. Valentine, Chief Compliance Officer at 541-389-4148 or bill@valentineventures.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Valentine Ventures, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information upon which you determine to hire or retain an Adviser.

Additional information about Valentine Ventures, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The last annual update to the Valentine Ventures, LLC (“VVLLC”) Form ADV Part 1 was March 19, 2019.

There have been no material changes since our last annual update.

You will receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of each year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting William L. Valentine, Chief Compliance Officer at 541-389-4148 or bill@valentineventures.com. Additional information about Valentine Ventures, LLC is also available via the SEC’s website www.adviserinfo.sec.gov. The SEC’s website also provides information about any persons affiliated with Valentine Ventures, LLC who are registered, or are required to be registered, as investment adviser representatives of Valentine Ventures, LLC.

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Item 4 – Advisory Business

Valentine Ventures, LLC (VVLLC) has been offering investment management services since 1997. The principal owner of Valentine Ventures, LLC is the Valentine Revocable Trust.

Valentine Ventures, LLC is a fee-only investment management firm offering two asset management service programs. VVLLC's business philosophy is to seek to limit risk while targeting return potential rather than pursuing excess returns without regard to risk. We provide investment advice and management to individually managed accounts and qualified retirement plans with the goal of capital preservation and growth by investing in exchange traded investment funds ("ETFs"), open-ended mutual funds, and individual bonds. We tailor our advisory services to each separate account client's financial needs and risk constraints, and recommended asset allocations that assume the least amount of risk necessary to achieve your objectives, given account-specific constraints.

We attempt to reduce risk in an investment portfolio through a broad allocation to non-correlating investment classes, as well as diverse security allocation within each class. We believe that investing in individual securities poses too much "single-stock" risk and instead opt to keep you diversified across multiple market sectors by investing in ETFs and open-ended mutual funds.

Valentine Ventures offers its clients two separate account asset management service programs:

- Valentine Ventures Wealth Management
- Valentine 401(k)

As of February 29, 2020 VVLLC managed client assets totaling approximately \$137 million, all on a discretionary basis.

4.A - Valentine Ventures Wealth Management

Valentine Ventures, LLC offers investment advisory services with integrated financial planning services to individuals, trusts, retirement plans, and non-profit organizations with a minimum \$750,000 of investable assets through the Wealth Management division.

Wealth Management clients are offered financial planning services at no additional charge as part of the investment advisory offering. These financial planning services help determine the most appropriate asset allocation for you, based on a variety of factors, including:

- Risk tolerance
- Investment time horizon

- Income and liquidity needs
- Tax considerations

The investment advisory relationship begins when you sign the Valentine Ventures, LLC Investment Management Agreement (IMA). The IMA authorizes us to act on a discretionary basis with your funds, and generally you may not impose restrictions on the types of securities we purchase. Most client funds are deposited in custodial accounts held at Charles Schwab & Company, Inc. ("Schwab") and other independent and unaffiliated broker-dealers.

You may terminate your management account by giving us 30 days written notice pursuant to the terms of the IMA. In all cases, you are responsible for expenses incurred and a pro rata portion of the annual management fee through the date of termination.

Our current Investment Management Agreement states that we are not liable for: (a) any loss that you may suffer due to any investment decision made or other action taken or omitted by us, except in the case of our negligence, intentional misconduct or lack of good faith; or (b) any loss arising from our following your instructions. Your Investment Management Agreement also states that disputes are subject to arbitration in Portland, Oregon. The Investment Management Agreement, including the arbitration provision, does not waive your right to any applicable federal or state securities laws, including other laws whose applicability is not permitted to be contractually waived.

4.B– Valentine 401(k)

Valentine 401(k), a division of Valentine Ventures, LLC, provides general employee education for retirement plan participants, along with individual participant investment guidance services. Furthermore, we serve retirement plan sponsors, acting as 3(21) or 3(38) fiduciaries on the investment management and selection of funds in qualified retirement plans.

The investment advisory relationship begins when the Plan Sponsor signs the Valentine 401(k) Investment Management Agreement (IMA). The IMA authorizes Valentine 401(k) to provide investment advice and investment options, including both stand-alone investments and proprietary model portfolios, to the Plan Sponsor for the benefit of the plan participants. Five of the model portfolios are designed to meet the needs of plan participants whose risk tolerance and investment objectives range from conservative to aggressive. The other five model portfolios are designed to meet the needs of the typical plan participant with an expected retirement date at or near the specified year from 2020 to 2050+.

Each model's structure and allocation among the individual components is monitored, changed, and rebalanced as necessary. Valentine 401(k)'s role is that of an ERISA fiduciary on the entire plan's investment line-up and will report to the plan sponsor periodically regarding all of the plan's investments and recommend, when necessary, changes to the stand-alone investment options. With respect to new clients, Valentine 401(k) has discretionary authority regarding the initial selection, retention and removal of

investment options within the plan, based on changes to its model. For some existing clients, Valentine 401(k) has discretion only over its models and final discretion remains with the plan sponsors regarding whether to follow those recommendations. Most plan participant funds are deposited in custodial accounts held at Mid Atlantic Capital Group (“MACG”) and other independent and unaffiliated broker-dealers.

You may terminate your management account by giving us 60 days written notice pursuant to the terms of the IMA. In all cases, you are responsible for expenses incurred and a pro rata portion of the annual management fee through the date of termination.

Our current Investment Management Agreement states that we are not liable for: (a) any loss that you may suffer due to any investment decision made or other action taken or omitted by us, except in the case of our negligence, intentional misconduct or lack of good faith; or (b) any loss arising from our following your instructions. Your Investment Management Agreement also states that disputes are subject to arbitration in Portland, Oregon. The Investment Management Agreement, including the arbitration provision, does not waive your right to any applicable federal or state securities laws, including other laws whose applicability is not permitted to be contractually waived.

Item 5 – Fees and Compensation

5.A- Valentine Ventures Wealth Management

Our fees are established in your Investment Management Agreement. Certain legacy fee schedules exist for some clients and fees for accounts over \$2.5 million are negotiable. Certain legacy clients do not meet the current Wealth Management minimum asset requirement and these inclusions are at the discretion of Valentine Ventures. Our current management fee schedule is:

- an annual fee of 1.25% on the first \$1 million of assets under management,
- an annual fee of 1.00% on the balance of assets in excess of \$1 million.

After the end of each calendar quarter (March 31, June 30, September 30, December 31), we bill you and deduct fees for investment management services rendered during the preceding three months or calendar quarter. The fee calculation is based on the net market value of your managed accounts at the close of the market on the last business day of the quarter as calculated by your account custodian. In situations where we only provide investment advisory services for a portion of the quarter, your fees are prorated based on the number of days we managed your account during the quarter.

Mid-quarter contributions or withdrawals in amounts above \$10,000 are prorated based on the number of days we managed your account during the quarter. Quarterly fees are not adjusted for any mid-quarter contributions or withdrawals in amounts below \$10,000.

We deduct management fees directly from your accounts. Payment of fees may require the liquidation of your securities if there is not sufficient cash in the account to pay the fees. We attempt to avoid unnecessary liquidation of securities with appropriate cash management practices. We believe that our fees are competitive with the fees charged by investment advisers providing comparable services. Comparable services may be available, however, from other sources for lower fees.

Our fees do not include fees charged by custodians, brokers, third party investment advisers, and other third parties. These fees include (but are not limited to):

- brokerage commissions
- transaction fees
- custodial fees
- deferred sales charges
- odd-lot trade execution fees
- transfer fees
- wire and electronic fund transfer fees
- other fees on brokerage accounts and securities transactions

ETFs or mutual funds increase your total costs, because in addition to our management fee, you will incur annual operating expenses and/or management fees payable to the manager of the ETF or mutual fund. These fees are disclosed in a fund's prospectus. We do not share in these fees and expenses. If we believe an ETF or mutual fund investment is appropriate for your account, we will evaluate the relative annual costs as a part of the decision process. We do not receive any portion of commissions, fees, or costs charged by custodians, brokers, third party investment advisers, or other third parties.

Please see Item 12 for further description of the factors that we consider in selecting or recommending broker-dealers for your transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

5.B- Valentine 401(k)

Valentine 401(k) charges an annual fee for the consulting services we provide based on a percentage of the Client's (or plan sponsor's) total plan assets. The fee will be based on the size and complexity of the plan and the level of services required to properly serve the plan. Typically, the fee will be in the range of .15% - .75% of plan assets, and are negotiable, depending on the scope of services and complexity of the plan.

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

This Item is not applicable, as VVLLC's clients do not pay performance-based compensation.

Item 7 – Types of Clients

Valentine Ventures, LLC provides portfolio management services to:

- individuals
- high net worth individuals
- trusts
- corporate pension and profit-sharing plans
- charitable organizations
- foundations
- qualified retirement plans

Valentine Ventures offers two asset management divisions:

- Valentine Ventures Wealth Management - We require a minimum portfolio size of \$750,000 to engage in a Wealth Management investment management relationship.
- Valentine 401(k) – Qualified retirement plans are serviced by Valentine 401(k).

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

Methods of Analysis

VVLLC utilizes top-down fundamental, technical, and behavioral analysis to determine its investment strategy and the best securities for your portfolios.

- Top-down analysis focuses on macro-economic and market trends.
- Fundamental analysis considers financial metrics for price and valuation of prospective asset classes and markets.
- Technical analysis is a discipline that attempts to forecast the direction of stock prices through the study of past market data, primarily price, and volume.
- Behavioral financial analysis uses social, cognitive, and emotional factors in understanding the economic decisions of the individuals and institutions who perform economic functions, including

consumers, borrowers and investors, and their effects on market prices, returns, and resource allocation.

Investment Strategy

We attempt to achieve your financial goals by creating a portfolio that invests your assets in “growth” and “fixed income.” Growth assets are those that provide the bulk of their return from the appreciation in price over time. Examples of growth assets include stocks, real estate, and commodities via Exchange Traded Funds (“ETFs”). Fixed income tends to produce interest income as its primary return generator. Examples of fixed income include individually issued bonds, bond funds, bond ETFs, CDs, and money market funds.

Risk management is a foundational principle of VVLLC. We attempt to limit your risk exposure to acceptable amounts based on the risk required to achieve your goals. Within that framework, we seek to limit risk across all accounts through several methods.

- Allocating across multiple asset classes.
- Moderating the sensitivity of the portfolio to market movements during times of uncertainty.
- Broad diversification among securities within each asset class.
- Confining our fixed income investments to only high-quality instruments.

8.A- Valentine Ventures Wealth Management

For Valentine Ventures Wealth Management clients, the percentage of growth assets versus fixed income (“asset allocation”) in your portfolio is moderated depending on your needs/constraints. The financial planning software models various allocations to determine the optimal mix of growth to fixed income, based on your circumstances.

Growth Assets

The growth portion of Wealth Management accounts is invested principally in exchange-traded funds (“ETFs”) or, in rare cases, open-ended mutual funds. ETFs and open-ended funds diversify across many investments to limit the specific risk of any individual investment. Our growth strategy invests across the following broad list of non-correlating asset classes to smooth returns and reduce the effect of negative performance of any single asset class:

- U.S. Stocks
- Foreign Stocks
- Real Estate
- Commodities
- Foreign Currencies
- Volatility instruments

- Other Alternative Classes

The investment portfolio's overall sensitivity to changes in the market is controlled in order to reduce exposure to growth assets once a protracted decline has been identified, as measured by proprietary technical analysis.

Fixed Income

Wealth Management accounts typically* use a broad bond portfolio, based on high-quality individual bonds and similar instruments (CDs, money market funds, other). We invest in government bonds, municipal bonds, Treasury Inflation Protected notes, mortgage-backed bonds, and bond ETFs. We spread your portfolio across a "ladder" of bonds, gradually increasing the maturity date of the bonds to minimize fluctuations in income and reduce reinvestment risk. Additional consideration is given to protect your bond portfolio against rising interest rates and rising inflation. Specific consideration is given to your financial condition and risk profile in determining which types of bonds we buy for you. We hold bonds to maturity to achieve a positive return in all interest rate environments.

* In the event that the bond allocation is less than approximately \$100,000, we may construct the bond portfolio with bond ETFs because it is more practical than using individual bonds. Depending on the time of purchase, movement of interest rates, and timing of liquidation, bond funds may not achieve a positive return.

8.B- Valentine 401(k)

Valentine 401(k) utilizes proprietary model portfolios to balance risk and return across most participant timelines and risk tolerance levels.

Growth Assets

The growth portion of Valentine 401(k) accounts is invested principally in exchange-traded funds ("ETFs") or, in rare cases, open-ended mutual funds. ETFs and open-ended funds diversify across many investments to limit the specific risk of any individual investment. Our growth strategy invests across a broad list of non-correlating asset classes to smooth returns and reduce the effect of negative performance of any single asset class:

- US Stocks
- Foreign Stocks
- Real Estate
- Commodities
- Foreign Currencies
- Volatility instruments

- Other Alternative Classes

Fixed Income

The fixed income portion of Valentine 401(k) client portfolios is invested in a mix of bond ETFs. Utilizing bond ETFs in this manner allows VVLLC to provide low-cost investment exposure to a broad range of fixed income instruments.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. These risks include:

- Market risk – the risk that the value of a portfolio will decrease due to the change in the market values of the underlying securities from short-term market moves or over longer periods during market downturns.
- Credit risk – the risk of a borrower going into default and not being able to honor its obligations.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of VVLLC or the integrity of our management. We have never been part of any legal or disciplinary events, nor are we aware of any current legal or disciplinary issues pending.

Item 10 – Other Financial Industry Activities and Affiliations

Valentine Ventures, LLC is an SEC-registered investment adviser whose activities are described in this document. VVLLC has no other financial industry activities or affiliations.

Item 11 – Code of Ethics

We have adopted a Code of Ethics, pursuant to SEC rule 204A-1, for all employees and persons associated with the firm (also known as “supervised persons”). The Code of Ethics outlines our high standard of business conduct and fiduciary duty to you. All supervised persons at VVLLC must acknowledge the terms of the Code

of Ethics quarterly, or as often as it is amended. You may request a copy of the firm's Code of Ethics by contacting William L. Valentine, Chief Compliance Officer of VVLLC.

The Code of Ethics includes policies and procedures relating to:

- the confidentiality of client information
- personal securities trading procedures
- a prohibition on insider trading and rumor mongering
- books and records practices
- custody of client assets
- benefits from custodians
- restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items

Employee Trade Policy

Valentine Ventures' officers, directors, employees, and affiliates may trade the same securities for their own accounts that are purchased for you. The Code of Ethics is designed to assure that the personal securities transactions and investment activities of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

The Code of Ethics requires that employees request written pre-approval for any security transaction in their proprietary accounts. Employees will receive approval to trade the security on the day of the request after the CCO confirms with both the trader and portfolio manager whether Client securities transactions in the requested security are being executed that day. If Client accounts are trading the security that day, the employee trade will be aggregated, by price, with the Client trades. Whenever employees and clients participate in an aggregated trade, the employee and client accounts pay the same commission amount, if any, and receive the security at the same average price. In the event an employee seeks trade approval for a security during the trading day that has already been traded in a client account, the employee may be given permission to trade. If the trade is less advantageous than the price clients received, the shares cannot be aggregated with the client trade and must be traded in employee account. If the employee trades at a more-advantageous price, they must be allocated with the group. If no Client trades in that security are being executed, the Employee will be given approval to execute the trade for that day.

Our trading is consistent with the obligation of best execution.

The Code of Ethics outlines our internal controls of employee trading, including continual monitoring and quarterly reviews of employee trading by the Chief Compliance Officer, to reasonably prevent conflicts of interest between VVLLC employees and our clients.

Principal, Agency, and Non-Agency Cross Transactions

It is our policy that we will not affect any principal or agency cross securities transactions for your accounts.

- Principal transactions are generally defined as transactions where we buy or sell a security from our own account (or the account of an affiliated broker-dealer) to you.
- An agency cross transaction is defined as a transaction where we act as broker for both you and for the person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. We are not dually registered as an investment adviser and broker-dealer.

For Wealth Management clients, we are authorized to execute non-agency cross transactions when such a transaction is in the best interest of the participating clients.

- A non-agency cross transaction is one in which we affect a purchase or sale from one client account to another client account.

Because we manage the accounts of both the buyer and seller and receive an asset-based fee from both the buyer and seller, we have a potential conflict of interest. We will affect a non-agency cross transaction only if we believe that the transaction will aid both the buyer and seller in obtaining the best price for a trade. We will fully disclose to you all cross transactions involving your accounts. Cross transactions involving accounts subject to ERISA are also subject to applicable Department of Labor restrictions.

Item 12 – Brokerage Practices

Custodial Relationships

Valentine Ventures, LLC is independently owned and operated and is not affiliated, financially or otherwise, with any particular broker-dealer. We do not receive compensation for suggesting a particular broker-dealer or bank to serve as custodian of your assets. We require each client to have a third-party custodial relationship and currently recommend that Valentine Ventures Wealth Management clients use Charles Schwab & Co. (“Schwab”), a FINRA-registered broker-dealer, member SIPC, as their qualified custodian. Valentine 401(k) clients are generally referred to Mid-Atlantic Capital Group or Charles Schwab & Co. for custody.

Not all advisers require clients to use a specific brokerage. If you insist that we direct trading to a particular broker or dealer, you should be aware that you may lose out on certain benefits that would otherwise be obtained and should understand that we may not have the authority to obtain volume discounts, lower commissions, or narrower spreads. Consequently, clients directing the use of a particular broker may not receive best execution. We seek to recommend a custodian/broker who will hold your assets and execute

transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear, and settle trades
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests)
- breadth of investment products made available
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services
- reputation, financial strength, and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us

We believe that the custodians we recommend meet high standards of recordkeeping, trade execution, research, and that it charges competitive commissions. We also recommend these custodians so that all of our client accounts can be on the same respective electronic back-office platform. Having electronic access to our clients' account information on the same platform allows us to more quickly and accurately service our clients.

Schwab does not charge you for custody of your assets. Schwab's compensation comes from trade commissions and other transaction-related fees, including fees for the clearance and settlement of trades executed through broker-dealers other than Schwab. The clearance and settlement fees charged by Schwab are in addition to the commission charged by the other broker-dealer. We have determined that the fees charged to you by Schwab are reasonable, equitable, and fair when compared to fees charged by other custodians. Because of this, in order to maximize best execution, certain trades for your account are directed to these broker-dealers.

As part of the custodial relationship, Schwab provides us, at no extra charge, with products and services that assist in the management and administration of our client accounts. Because of the size of our assets under management and business model, Schwab offers us access to institutional-quality trading, research, and operations services which are not typically available to retail investors. They may also provide us with access to mutual funds and other investment options that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. These products and services include:

- software and other technology that provide access to client account data
- trade execution and allocation services
- exclusive investment options, including mutual funds, ETFs, and money markets
- research, pricing information, and other market data
- facilitation of payment of our fees from your accounts
- assistance with back-office support, recordkeeping, and client reporting

These products and services are used with all of our accounts, including accounts not custodied with Schwab. We reserve the right to accept or not accept clients who direct the use of brokers other than Schwab.

Schwab also offers other services, at no extra charge, intended to help us manage and further develop our business enterprise. These services include:

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

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

401(k) plans are charged 6 basis points by Mid-Atlantic Capital Group or \$400 per plan by Charles Schwab for custodial services.

These products and services are similar to those offered by other broker-dealers who could provide custodial services to VVLLC. Our relationship with Schwab and Mid-Atlantic does not negate our duty to select the best custodian for our clients. We regularly review these programs to ensure that our custodial recommendations are consistent with our fiduciary duty. We feel that Schwab and Mid-Atlantic's total service package is a benefit to our firm and to our clients.

Trading and Best Execution

For Wealth Management clients, we typically have complete discretion over the selection and amount of securities to be bought and sold without specifically obtaining your consent. We also typically have complete discretion over the selection of the broker to be used and the commission rates to be paid. In selecting the broker for any transaction or series of transactions, we consider a number of factors, including:

- net price of the transaction
- reputation, financial strength, and stability of the executing broker
- efficiency of execution and error resolution
- block trading and block positioning capabilities
- willingness to execute related or unrelated difficult transactions in the future
- online access to computerized data regarding client accounts and other matters involved in the receipt of general brokerage services
- commissions and additional clearance and settlement fees

We acknowledge our duty to seek the best execution of trades for your accounts and verify that the trades we place satisfy that requirement. We regularly review the commission rates our clients pay to determine that

they are competitive with commission rates paid by clients of other broker-dealers. Schwab has recently eliminated commissions for most equity trades which benefits our clients.

We may aggregate Valentine Ventures Wealth Management trade orders of the same security in order to obtain more favorable order execution and lower brokerage costs. When this happens, the average price of all securities purchased or sold is calculated and you are charged or credited the average transaction price. Occasionally, an aggregated order may only be partially filled. When this happens, the securities are allocated, to the degree possible, among the applicable clients on a pro-rata basis. Exceptions to the pro-rata allocation of partially filled orders may occur for several reasons, including (but not limited to) avoidance of odd-numbered quantities of stock or minimum numbers of shares and sensitivity toward the total transaction cost to be incurred by the client. When partially filled orders cannot be allocated on a pro-rata basis, we allocate trades equitably to the accounts participating in the trade allocation. There may be instances when partially-filled orders may adversely affect the size of the position or the price you pay or receive, as compared with the size of the position or price that would have been paid or received had no aggregation occurred.

Valentine 401(k) plan participants direct their own trading through MidAtlantic or Schwab, and participants are given end-of-day pricing on all investments. Valentine 401(k) provides multiple investment options, including proprietary model portfolios, for plan participants to select from. The model portfolios are designed to meet the needs of plan participants whose risk tolerance and investment objectives range from conservative to aggressive or of the typical participant with an expected retirement date at or near the specified year from 2020 to 2050+. Each model's structure and allocation among the individual components is monitored, changed, and rebalanced as necessary.

Soft Dollars and Brokerage for Referrals

We do not engage in any soft-dollar transactions. A soft-dollar transaction would occur if we executed a trade through a particular broker, at an increased trade commission rate than might normally be paid, in return for receiving securities research and execution from that broker.

We do not receive client referrals from particular brokers, nor do we execute trades through particular brokers in return for client referrals.

Trade Confirmations

Trade confirmations are provided directly to you by the brokerage firm executing the trade. We do not accept responsibility for any act or omission by any broker.

Trade Error Policy

From time to time we may make an error in submitting a trade order on your behalf. When this occurs, we may place a correcting trade with the broker-dealer which has custody of your account. If an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other

client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account and Schwab is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss greater than \$100 occurs, we will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted. A file of trade errors is maintained by William L. Valentine, VVLLC's Chief Compliance Officer.

Item 13 – Review of Accounts

We manage and review all client investment advisory accounts regularly. We use a portfolio accounting software provided by Schwab Performance Technologies to maintain Wealth Management client records.

- On a daily basis, the security holdings, cash holdings, and transactions made in your accounts are reconciled with Schwab by our Trading and Operations departments. Your asset allocation, cash management, and individual assets are considered when reviewing the accounts.
- On a quarterly basis, we provide Wealth Management clients with a written investment Outlook and Review, which discusses VVLLC's interpretation of the most recent events affecting the markets, as well as its outlook and how it affects investment decisions. Wealth Management clients also receive a report of performance and an accounting of the holdings in the account. These reports provide information regarding the total starting and ending value of your accounts, performance calculations for several time periods, performance numbers for comparative indices, and portfolio holdings. For the purposes of these reports, your security holdings, cash holdings, and transactions are reconciled with the custodian by our Trading and Operations departments. Your asset allocation, cash management, and individual assets are considered when reviewing the accounts.
- For Wealth Management clients, we review your asset allocation, financial plan, and account balances on no less than a yearly basis. We extend an invitation to meet with our staff to assess the accuracy of the important data points within your financial plan, in order to determine its ongoing success. These meetings are conducted by Andrew D. Gray and William L. Valentine.
- Valentine 401(k) model portfolios are reviewed quarterly for appropriate asset allocation and are rebalanced as necessary. Valentine 401(k) plan participants are provided an annual web conference which discusses VVLLC's interpretation of the most recent events affecting the markets, as well as its outlook.

Production of the VVLLC performance reports is performed by the VVLLC Operations Department and reviewed by William L. Valentine.

Item 14 – Client Referrals and Other Compensation

VVLLC has no client referral relationships to disclose.

Item 15 – Custody

You retain complete ownership of your assets. Separately managed account clients will receive monthly statements from Schwab for each of your accounts. These statements will describe the trading activity during the month as well as the current balance of cash and securities held in your accounts. You are urged to compare the performance reports you receive from us with the account statements you receive from Schwab. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

You have authorized us to deduct periodic investment advisory fees or initiate third-party money movement to an authorized account from one or more of your accounts managed by us. These are the only instances where we have “custody” over your accounts, as defined by the SEC Rule 206(4)-2 Custody Rule. We are not subject to the independent verification requirement under the ‘no-action relief’ Rule 206(4)-2(a)(4), by executing all seven conditions set forth by the SEC with the help of Schwab. All deductions are shown on the monthly account statements sent directly to you by Schwab.

Valentine 401(k) plan participants will receive quarterly statements from the recordkeeper. Plan sponsors authorize Valentine 401(k) to deduct periodic investment advisory fees directly from plan assets.

Item 16 – Investment Discretion

Wealth Management clients give us discretionary authority at the beginning of an advisory relationship to select the type and amount of securities to be bought or sold, the commission rates paid, and the broker-dealer to be used. This discretionary authority is granted when you complete the VVLLC Investment Management Agreement and you generally may not impose restrictions on this discretionary authority. We exercise our discretionary authority in a manner consistent with the stated investment objectives for your

account and we observe your investment policies, limitations, and restrictions when selecting securities and determining portfolio trading amounts for your accounts.

Valentine 401(k) only has discretionary control over the proprietary model portfolios it provides as an investment option for Valentine 401(k) plan participants. The model portfolios are designed to meet the needs of plan participants whose risk tolerance and investment objectives range from conservative to aggressive or of the typical participant with an expected retirement date at or near the specified year from 2020 to 2050+. Each model's structure and allocation among the individual components is monitored, changed and rebalanced as necessary.

Item 17 – Voting Your Securities

As an investment adviser with discretionary authority over its client holdings, we are generally authorized to vote proxies on behalf of our clients. We vote the proxies in accordance with our proxy voting policy, which is designed to ensure that proxies are voted in our clients' best interest. We exercise our voting responsibility with the goal of maximizing value consistent with applicable laws and your investment policies. We do not purchase securities on behalf of clients in order to exercise control or to effect corporate change through share ownership. We support sound corporate governance practices in the companies in which we invest, and we reflect that support through our proxy voting process. In deciding how to vote, we may rely on independent research, input, and recommendations from third parties, including independent proxy services and other independent sources, and from management and/or shareholder groups of the company submitting the vote to its shareholders.

We maintain a copy of the following documents for five years:

- proxy voting policy and records of votes cast by VVLLC on behalf of its clients
- records of written requests from clients for their proxy voting information and our written responses
- any document prepared by VVLLC, its affiliates or agents, in connection with any voting decision
- proxy statements in hard copy or as obtainable via the EDGAR system

We do not vote proxies for clients invested in the Valentine 401(k) program. Proxies related to the securities held in the Valentine 410(k) program are voted in line with company management, as per the custodial agreement with Mid-Atlantic and Schwab.

You can obtain a copy of our complete proxy voting policies and procedures, as well as information about how we voted any proxies on behalf of your account(s), by contacting William L. Valentine, Chief Compliance Officer at 541-389-4148 or bill@valentineventures.com.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition that might impair their ability to meet contractual and fiduciary commitments to clients. VVLLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

Notice of Privacy Policy

FACTS

What does Valentine Ventures, LLC do with your personal information?

Why?

Financial companies choose how they share your personal information.

Federal law gives consumers the right to limit some but not all sharing.

Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and account transactions
- Assets and income
- Risk tolerance and investment experience

When you are no longer our customer, we continue to share your information as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Valentine Ventures, LLC chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Valentine Ventures, LLC share?	Can you limit this sharing?
For our (and our affiliates) everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes - to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes - information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes - information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?

Call William Valentine at (541) 389-4148

What We Do

How does Valentine Ventures, LLC protect my personal information?	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law.</p> <p>These measures include computer safeguards and secured files and buildings.</p> <p>To protect you from “phishing” and other fraudulent activities, we will never request that you provide personal information to us via unsolicited e-mails, text messages or pop-up windows.</p>
How does Valentine Ventures, LLC collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> - give us your contact information or enter into an investment advisory contract - give us your income information or provide employment information - seek advice about your investments

Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> - sharing for affiliates' everyday business purposes - information about your creditworthiness - affiliates from using your information to market to you - sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
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Definitions

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. We currently do not have any affiliates.
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> - Valentine Ventures, LLC does not share with nonaffiliates so they can market to you.
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> - Valentine Ventures, LLC doesn't jointly market.