

Value Financial Advisers, Inc.
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Denver, Colorado 80237
(303) 770-3030
January 22, 2021

This Brochure provides information about the qualifications and business practices of Value Financial Advisers, Inc. (VFA). If you have any questions about the contents of this Brochure, please contact us at (303) 770-3030. 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.

Value Financial Advisers, Inc. is an investment adviser registered with the SEC. Registration of an Investment Adviser with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about VFA also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number known as an IARD number. The IARD number for VFA is 107321.

ITEM 2 – MATERIAL CHANGES

SUMMARY OF MATERIAL CHANGES

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) www.adviserinfo.sec.gov.

Currently, a free copy of our Brochure may be requested by contacting Mr. Bill Connors, President of VFA at 303-770-3030 or BC@Valuefin.com. It is also available on our web site www.valuefinancialadvisers.com.

The following Material Changes have occurred since our last annual filing on March 27, 2020.

- **Item 1: Main office location moved to 3600 S. Beeler Street, Suite 300 Denver, CO 80237**
- **Item 5: Fees and Compensation**
Language has been amended under the Financial Planning Fee section.
- **Item 8: Methods of Analysis, Investment Strategies, Risk of Loss**
Language has been amended under Risk of Loss section.
- **Item 12: Brokerage Practices**
Language has been amended under Aggregation and Allocation of Transactions section.

We encourage you to read this document in its entirety.

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ITEM 4 – ADVISORY BUSINESS

This Disclosure document is being offered to you by Value Financial Advisers, Inc. (“VFA” or “Firm”) about the investment advisory services we provide. It discloses information about our services and the way those services are made available to you, the client.

Value Financial Advisers, Inc. is a Colorado corporation continuously operating since February 18, 1983. The firm’s original name was Omnivest Financial Services, Inc. (OFS). In 1990 the corporation merged with Baron Investments Ltd. and continued to use the name OFS. OFS registered with the SEC as an Investment Advisor December 28, 1990 and has maintained registration and provided advisory services since. The corporation changed its name to Value Financial Advisers, Inc. effective January 1, 2005.

William H. Connors is the sole stockholder of VFA. William (Bill) joined Baron Investments Ltd. in 1985 and has been continuously employed by the firm since.

We are committed to helping clients build, manage and preserve their wealth, and to provide assistance that helps clients to achieve their stated financial goals. We will offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and VFA execute an Investment Management Agreement. Just as a prospective client may decide we are not the right adviser for them, we reserve the right to decline to work with any prospective client for any reason. This would most likely occur in cases we feel our services are not a good ‘fit’ for a particular client’s situation.

INVESTMENT AND WEALTH MANAGEMENT AND SUPERVISION SERVICES

We manage advisory accounts on a discretionary and non-discretionary basis. For discretionary accounts, once we have determined a profile and investment plan with a client, we will execute the day to day transactions without seeking prior client consent. We may accept accounts with certain restrictions, if circumstances warrant. We primarily allocate client assets among various stocks, bonds, Exchange Traded Funds (“ETFs”), Exchange Traded Notes (“ETNs”), no-load or load-waived mutual funds, options and money market funds in accordance with their stated investment objectives.

During personal discussions with clients, we determine the client’s objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review a client’s prior investment history, as well as family composition and background. Based on client needs, we develop a client’s personal profile and investment plan. We then create and manage the client’s investments based on that policy and plan.

It is the client’s obligation to notify us immediately if circumstances have changed with respect to their goals, health, employment or other material criteria

Once we have determined the types of investments to be included in your portfolio and allocated them, we will provide ongoing investment review and management services. This approach requires us to periodically review your portfolio.

With our discretionary relationship, we will make changes to the portfolio, as we deem appropriate, to meet your financial objectives. We trade these portfolios based on the combination of our market views and your objectives, using our investment process.

With our non-discretionary relationships, we must obtain the client’s approval before buying or selling in their account. These types of accounts represent a small part of our advisory work. For a number of reasons, in general, we discourage non-discretionary accounts. The process of contacting clients to obtain approval often causes delays that can interfere with the timing of transactions, so clients may pay higher

prices to buy or receive lower prices to sell. Additionally, their transactions may not be aggregated with other clients and lose any quantity pricing advantage.

We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities. We reserve the right to decline said request for any reason. While we are sensitive to our clients' needs and concerns, as a practical matter it is hard for us to be efficient if there are too many such restrictions. Such a decline on our part may result in terminating an advisory relationship with an existing or prospective client.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. For most accounts we have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with the appropriate written authorization from you.

Occasionally clients request that we hold or purchase specific securities for them that we don't buy or sell for others. We reserve the right to decline said request for any reason. In these cases, clients must understand the difficulty we face trying to be knowledgeable about these unique investments and the risk that some material information may be overlooked and result in a negative result in their account. As above, such a decline on our part may result in terminating an advisory relationship with a prospective or existing client.

You are advised and expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that can adversely affect an account's performance. This could result in capital losses in your account.

FINANCIAL PLANNING

We also offer general financial planning and related financial advice for a fee. Note: when discussing these types of matters with clients whose money we manage, we usually do not charge in addition to our management fee.

Through the financial planning process, we strive to engage our clients in conversations around the family's goals, objectives, priorities, vision, and legacy – both for the near term as well as for future generations. With the unique goals and circumstances of each family in mind, our team will offer financial planning ideas and strategies to address the client's all-in financial picture, including estate, income tax, charitable, cash flow, wealth transfer, and family legacy objectives. With permission our team can consult with our client's other advisors (CPAs, Enrolled Agents, Estate Attorneys, Insurance Brokers, etc.) to ensure a coordinated effort of all parties toward the client's stated goals. Such services include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets, and periodic updates.

Our specific services in preparing your plan may include:

- Review and clarification of your financial goals
- Assessment of your overall financial position including cash flow, balance sheet, investment strategy, risk management, and estate planning
- Creation of a unique plan for each goal you have, including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession, and other personal goals

- Development of a goal-oriented investment plan, with input from various advisors to our clients around tax suggestions, asset allocation, expenses, risk, and liquidity factors for each goal. This includes IRA and qualified plans, taxable, and trust accounts that require special attention
- Design of a risk management plan including risk tolerance, risk avoidance, mitigation, and transfer, including liquidity as well as various insurance and possible company benefits; and
- Crafting and implementation of, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death

A written evaluation of each client's initial situation or Financial Plan is provided to the client. An annual review can be provided by the Advisor, if agreed upon by the Client and Advisor per the Agreement.

WRAP FEE PROGRAM

We do not participate in a Wrap Fee Program.

ASSETS

As of June 30, 2020, we have a total of \$96,349,369 assets under our management. We have \$90,694,444 of discretionary assets under management and \$5,654,925 of non-discretionary assets under management.

ITEM 5 - FEES AND COMPENSATION

INVESTMENT MANAGEMENT FEES AND COMPENSATION

Our Firm charges a fee as compensation for providing Investment Management services on your account. These services include advisory services, trade entry, investment supervision, and other account maintenance activities. Our custodian charges transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for details.

The fees for investment management are based on an annual percentage of assets under management or a flat annual retainer and are applied to the household asset value on a pro rata basis. Fees are billed quarterly in advance based on the value of the account at the end of the preceding quarter. Fees are assessed on all assets under management, including securities, cash, and money market balances. Margin account balances are not included in the fee billing. Management fees are not prorated for each capital contribution or withdrawal made during a calendar quarter.

Our maximum investment advisory fee is 1.50%, or we may negotiate a lower advisory fee. The specific advisory fees are set forth in your Investment Advisory Agreement. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account, or other reasons agreed upon by us and you as the client. In certain circumstances, our fees and the timing of the fee payments may be negotiated. Our employees, their family and select friends may be charged a reduced fee, or no fee for our services.

Unless otherwise instructed by the Client, we will aggregate related client accounts for the purposes of determining the account size and annualized fee. The common practice is often referred to as "house-holding" portfolios for fee purposes and may result in lower fees than if fees were calculated on portfolios separately.

If you provide written authorization, the independent and qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. Further, the qualified

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custodian agrees to deliver an account statement to you indicating all the amounts deducted from the account including our advisory fees. Clients may request to be billed and pay fees by check.

Either VFA or you may terminate the management agreement upon five days written notice to the other by certified or registered mail. The management fee will be pro-rated to the date of termination in which the cancellation notice was given, and any unearned fee will be refunded to you.

Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of client's death or disability, VFA will continue management of the account until we are notified of client's death or disability and given alternative instructions by an authorized party.

FINANCIAL PLANNING FEES

For stand-alone financial planning arrangements, VFA will negotiate the planning fees with the client using an hourly rate. Fees may vary based on the extent and complexity of the client's individual or family circumstances and the amount of the client's assets under our management. VFA will determine the client's fee for the designated financial advisory services based on an hourly fee arrangement described below.

We will provide consulting, analysis, and any deliverables agreed upon and our fees will be based on the amount of time we spend providing such services and deliverables, at a negotiated hourly rate. The hourly rate will include time spent meeting with you, time we spend researching and analyzing the agreed upon issues, as well as time we spend documenting or communicating with you about those issues. We may negotiate a flat rate based on our estimate of time necessary to complete the work.

We may require a partial retainer in advance based on an estimate of the fee to be earned. In all circumstances the balance or full fee is due at the time the financial plan is delivered to you. Financial planning fees can be deducted from client's custodian account at their discretion. Written authorization will be required by the client. The client may terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to the client based on the negotiated hourly rate. Services provided up to the date of termination but not yet paid to VFA will be billed to the client based on the negotiated hourly rate. We will not require prepayment of more than \$1200 in fees per client and six (6) or more months in advance of providing any services.

In no case are VFA fees based on, or related to, the performance of the client's funds or investments.

When both investment management or plan implementation and financial planning services are offered, there is a conflict of interest since there is an incentive for us offering such planning services to recommend products or services for which VFA receives compensation. However, VFA will make all recommendations independent of such considerations and based solely on our obligations to consider the client's objectives and needs. As a financial planning client, the client has the right not to act upon any of our recommendations and not affect the transaction(s) through us if the client decides to follow the recommendations.

ADMINISTRATIVE SERVICES PROVIDED BY ENVESTNET | TAMARAC

We have contracted with Envestnet | Tamarac, a division of Envestnet, Inc., to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation, client relationship maintenance, quarterly performance evaluations, and other functions related to the administrative tasks

of managing client accounts. Due to this arrangement, Envestnet | Tamarac will have access to client accounts, but Envestnet | Tamarac will not serve as an investment advisor to our clients or bill the accounts. VFA and Envestnet | Tamarac are non-affiliated companies. Envestnet | Tamarac charges our Firm an annual fee for each account administered by its software. Please note that the fee charged to the client will not increase due to the annual fee VFA pays to Envestnet | Tamarac. VFA may contract similar services with different vendors in the future under the same conditions as above.

ADDITIONAL FEES AND EXPENSES:

In addition to the advisory fees paid to our Firm, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks, and other financial institutions (collectively “Financial Institutions”). These additional charges may include transaction fees, custodial fees, fees charged by the Independent Managers, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. VFA’s brokerage practices are described at length in Item 12, below. Neither our Firm nor its supervised persons accept compensation for the new sale of securities or other investment products. Further, our firm does not share in any of these additional fees and expenses outlined above unless agreed upon in writing with the client.

VFA may include mutual funds and exchange traded funds, (“ETFs and ETNs”) in our investment strategies. VFA’s policy is to purchase institutional share classes of those mutual funds selected for the client’s portfolio where available. The institutional share class generally has the lowest expense ratio. The expense ratio is the annual fee that all mutual funds or ETFs charge their shareholders. It expresses the percentage of assets deducted each fiscal year for funds expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Some fund families offer different classes of the same fund and one share class may have a lower expense ratio than another share class. These expenses come from client assets which could impact the client’s account performance. Mutual fund expense ratios are in addition to our fee. If an institutional share class is not available for the mutual fund selected, the adviser will purchase the least expensive share class available for the mutual fund. As share classes with lower expense ratios become available, we may use them in the client’s portfolio, and/or convert the existing mutual fund position to the lower cost share class. Clients who transfer mutual funds into their accounts with VFA would bear the expense of any contingent or deferred sales loads incurred upon selling the product. If a mutual fund has a frequent trading policy, the policy can limit a client’s transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits or tax harvesting). All mutual fund expenses and fees are disclosed in the respective mutual fund prospectus.

When selecting investments for our clients’ portfolios we might choose mutual funds on your account custodian’s No-Transaction Fee (NTF) list. This means that your account custodian will not charge a transaction fee or commission associated with the purchase or sale of the mutual fund.

The mutual fund companies that choose to participate in your custodian’s NTF fund program pay a fee to be included in the NTF program. The fee that a mutual fund company pays to participate in the program is ultimately borne by the owners of the mutual fund including clients of our Firm. When we decide whether to choose a fund from your custodian’s NTF list or not, we consider our expected holding period of the fund, the position size and the expense ratio of the fund versus alternative funds. Depending on our analysis and future events, NTF funds might not always be in your best interest.

ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees).

ITEM 7 - TYPES OF CLIENTS

We provide investment advice to individuals, trusts, corporations and other legal entities. A very high percentage of VFA advisory clients are individuals including accounts titled to their trusts and IRS related retirement vehicles: SEPs, IRAs, Roth IRAs, 401-Ks, etc.

For a managed account VFA requires a minimum of \$ 100,000. Exceptions can be made for clients who expect to increase their account to this level in the future.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Once the client's profile, financial situation, investment objectives, time horizon and risk tolerance have been determined, we will utilize various methods of analysis including, fundamental, technical and cyclical to determine the most reasonable course for investing the client's assets. Our representatives will rely on a variety of tools in selecting a reasonable course for investing; those tools may include asset allocation, portfolio modeling, and income projection software.

The main sources of investment information may include financial newspapers and magazines, media outlets that report on business, various internet resources, and company press releases and filings with the Securities and Exchange Commission.

INVESTMENTS

Typical investments for clients may include stocks, bonds, ETFs, ETNs, mutual funds, options and money market funds. All investments involve some form of risk and no guarantees are warranted or implied.

INVESTMENT STRATEGIES

Value Financial Advisers, Inc. services are based on long-term investing strategies. VFA's approach is based on the belief that high quality investments bought at a fair or low price will show attractive rates-of-return in the future. We do not utilize computer programs to manage our portfolios or asset allocation, nor do we use any market-timing systems. The employees within VFA who have authority to buy and sell in clients' accounts serve on our Investment Committee (IC). All securities (except securities backed by the U.S. Government, certain corporate bonds and those specific ones held at the request of individual clients) must be reviewed and approved by the Investment Committee prior to their purchase in any advisory account. The IC also may disapprove any previously approved security. This will result in the selling of said security from client accounts in a timely manner. The IC also serves as an ongoing forum for the discussion of pertinent financial news, macro-economic analysis, and general asset allocation strategy.

RISK OF LOSS

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments, there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is 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 you from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

- **PERMANENT LOSS OF CAPITAL** - Regardless of its history, any security can become worthless. Such risk can be mitigated through proper due diligence and diversification.
- **MARKET RISK** - Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.
- **FOREIGN SECURITIES AND CURRENCY RISK** - Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.
- **CAPITALIZATION RISK** - Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services. Their stocks have historically been more volatile and less liquid than the stocks of larger, more established companies.
- **INTEREST RATE RISK** - In a rising rate environment, the value of fixed-income securities generally declines, and the value of equity securities may be adversely affected.
- **CREDIT RISK** - Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and thus, impact the fund's performance.
- **EXCHANGE-TRADED FUNDS** – ETFs and ETNs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets, and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."
- **PERFORMANCE OF UNDERLYING MANAGERS** - We select the mutual funds, ETFs and ETNs in our portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.
- **CYBERSECURITY RISK** - In addition to the Material Risks listed above, investing involves various operational and "cybersecurity" risks. These risks include both intentional and unintentional events at VFA or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm's ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients' information,

including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

- **OPTIONS** - Certain types of option trading are permitted in order to generate income or hedge a security held in the program account; namely, the selling (writing) of covered call options or the purchasing of put options on a security held in the program account. Client should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such case, the security may be called away and the program account will no longer hold the security. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold by the program account.

ITEM 9 - DISCIPLINARY INFORMATION

We do not have any legal, financial, or other “disciplinary” item to report.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

INSURANCE & BROKER DEALER

Certain IARs of our Firm are registered representatives of Leigh Baldwin & Co., LLC (LB) a securities broker-dealer, and will be compensated for effecting securities transactions. A portion of the time of these IARs is spent in connection with broker/dealer activities.

As a broker-dealer, LB engages in a broad range of activities normally associated with securities brokerage firms. Pursuant to the investment advice given by VFA or its IARs, investments in securities may be recommended for clients. If LB is selected as the broker-dealer, LB and its registered representatives, including IARs of VFA, may receive commissions for executing securities transactions.

You are advised that if LB is selected as the broker-dealer, the transaction charges may be higher or lower than the charges you may pay if the transactions were executed at other broker/dealers. You should note, however, that you are under no obligation to purchase securities through IARs of VFA or LB.

Our Firm may provide advice regarding mutual funds, ETFs and ETNs.. You should be aware that, in addition to the advisory fees you pay in connection with any VFA program, each mutual fund also pays its own separate investment advisory fees and other expenses which reduce the return of the portfolio. Such fees and expenses are disclosed in the mutual fund’s and ETF’s prospectus. In addition, clients should be aware that mutual funds may be purchased separately, independent of the investment management services of VFA.

Moreover, you should note that under the rules and regulations of FINRA, LB has an obligation to maintain certain client records and perform other functions regarding certain aspects of the investment advisory activities of its registered representatives. These obligations require LB to coordinate with, and have the

cooperation of its registered representatives that operate as, or are otherwise associated with, investment advisers other than LB.

Certain IARs of our Firm may, in their capacity as registered representatives of LB, or as agents appointed with various life, disability or other insurance companies, receive commissions, trails, or other compensation from the respective product sponsors and/or as a result of effecting securities transactions for clients. . However, clients should note that they have the right to decide whether to purchase any investment products through our Firm or its IARs.

Clients should be aware that the ability to receive additional compensation by VFA and its management persons or employees creates conflicts of interest that could impair the objectivity of the Firm and these individuals when making advisory recommendations. VFA acts in the best interest of clients as part of our fiduciary duty as a registered investment adviser; we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees;
- we disclose to clients that they have the right to decide to purchase or not purchase the recommended investment products from our IARs;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients. Conflicts of interests are properly addressed with our clients, disclosed in our Firm documents and mitigated by our Firm's policies and procedures.

IARs of our Firm do not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

ITEM 11 - CODE OF ETHICS

Our Firm and persons associated with us are allowed to invest for their own accounts, or to have a financial investment in the same securities or other investments that we recommend or acquire for your account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interest and have established policies to mitigate conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, and the prohibition against the use of inside information. The Code of Ethics is **VALUE FINANCIAL ADVISERS, INC.**

designed to protect our clients, to detect and deter misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of VFA, safeguard against the violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

We have established the following restrictions in order to ensure our firm's fiduciary responsibilities:

- A director, officer, or employee of VFA shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No supervised employee of VFA shall prefer his or her own interest to that of the advisory client.
- We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of VFA.
- We emphasize the unrestricted right of the client to decline implementation of any advice rendered, except in situations where we are granted discretionary authority of the client's account.
- We require that all supervised employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- Any supervised employee not in observance of the above may be subject to termination.

INVESTMENT POLICY

None of our associated persons may affect for himself/herself or for accounts in which he/she holds a beneficial interest, any transactions in a security which is being actively recommended to any of our clients, unless in accordance with the Firm's procedures.

You may request a complete copy of our Code by contacting us at the address, telephone, or email on the cover page of this Part 2; ATTN: Mr. Bill Connors, Chief Compliance Officer.

ITEM 12 - BROKERAGE PRACTICES

The Custodian and Brokers We Use

Investment Management Services

Clients must maintain assets in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. Advisor Services ("Schwab"), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated, and unaffiliated with Schwab. Schwab will hold client assets in a brokerage account titled to the client and buy and sell securities when we instruct them to.

While we recommend that clients use Schwab as Custodian, client must decide whether to do so and open accounts with Schwab by entering into account agreements directly with them. The Client opens the accounts with Schwab. The accounts will always be held in the name of the client and never in VFA's name.

How We Select Custodians

We seek to recommend a custodian who will hold client 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, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to VFA and our other clients
- Availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us from Schwab)

Client Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge separately for custody services. However, Schwab receives compensation by charging ticket charges or other fees on trades that it executes or that settle into clients' Schwab accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see How We Select Custodians).

Products and Services Available to Us from Schwab

Schwab provides VFA and our clients with access to its institutional brokerage, trading, custody, reporting, and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts; others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. These are considered economic benefits because there is an incentive to do business with Schwab. This creates a conflict of interest. We recognize the fiduciary responsibility to always act in best interest of our clients and have established policies in this regard to mitigate any conflicts of interest.

Following is a more detailed description of Schwab's support services:

Services That Benefit Our Clients

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit our clients and their accounts.

Services That May Not Directly Benefit Our Clients

Schwab also makes available to us other products and services that benefit us but may not directly benefit our clients or their accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting
-

Services That Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise.

These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

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

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions. We believe that our recommendation of Schwab as custodian is in the best interests of our clients.

Some of the products, services and other benefits provided by Schwab benefit VFA and may not benefit our client accounts. Our recommendation or requirement that you place assets in Schwab's custody may be based in part on benefits Schwab provides to us, or our agreement to maintain certain Assets Under Management at Schwab, and not solely on the nature, cost or quality of custody and execution services provided by Schwab.

We place trades for our clients' accounts subject to its duty to seek best execution and its other fiduciary duties. Schwab's execution quality may be different than other custodians.

BROKERAGE FOR CLIENT REFERRALS

Our Firm does not receive client referrals from any custodian or third party in exchange for using that broker-dealer or third party.

AGGREGATION AND ALLOCATION OF TRANSACTIONS

Our IARs are responsible for managing their client accounts. Each IAR may buy or sell at different times and prices than other IARs. Each IAR may aggregate transactions if they believe that aggregation is consistent with the duty to seek best execution for their clients and is consistent with the disclosures made to clients and terms defined in the client investment advisory agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day.

If we do not receive a complete fill for an aggregated order, we will allocate the order on a pro rata basis. If we determine that a pro rata allocation is not appropriate under the particular circumstances, we will base the allocation on other relevant factors, which may include:

- We may allocate shares to the account with the smallest order, or to the smallest position, or to an account that is out of line with respect to security or sector weightings, relative to other portfolios with similar mandates
- If an account reaches an investment guideline limit and cannot participate in an allocation, we may reallocate shares to other accounts. For example, this may be due to unforeseen changes in an account's assets after an order is placed
- If a pro rata allocation of a potential execution would result in a de Minimis allocation in one or more accounts, we may exclude the account(s) from the allocation
- We will document the reasons for any deviation from a pro rata allocation.

TRADE ERRORS

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the Firm. If the error is caused by the Custodian, the Custodian will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

DIRECTED BROKERAGE

We do not routinely recommend, request, or require that you direct us to execute transaction through a specified broker dealer. Additionally, we typically do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.

ITEM 13 - REVIEW OF ACCOUNTS

ACCOUNT REVIEWS AND REVIEWERS – INVESTMENT SUPERVISORY SERVICES

An employee of VFA, who is a member of the Investment Committee, is assigned to each advisory account. All managed accounts are monitored continuously and formally reviewed each calendar quarter by the assigned employee. At least once per year all accounts are reviewed by the Chief Compliance Officer. The review process includes:

- . Reviewing the client goals.
- . Evaluating the suitability of the investments and allocation in the account.
- . CCO and the assigned employee discussing the investment strategy employed.

More frequent reviews may be triggered by changes in an account holder's personal, tax, or financial status. Geopolitical and macroeconomic specific events may also trigger reviews.

STATEMENTS AND REPORTS

The custodian for the individual client's account will provide clients with an account statement at least quarterly.

Reports may also be provided at every client meeting. Communication to clients will be done on an as needed basis.

You are urged to compare the reports provided by VFA against the account statements you receive directly from your account custodian.

Financial Planning only clients (i.e. those who have no assets under management with us in our advisory program) will not receive regular reports from the firm.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Our firm neither accepts nor pay fees for client referrals. Further, we do not have any compensation arrangements other than what is disclosed in this Brochure.

ITEM 15 – CUSTODY

We do not have physical custody, as it applies to investment advisors. Custody has been defined by regulators as having access or control over client funds and/or securities.

DEDUCTION OF ADVISORY FEES

For most accounts, our Firm has the authority to have fees deducted directly from client accounts. Our Firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients, or an independent representative of the client, will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address, and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. The client should carefully review those statements and are urged to compare the statements against reports received from VFA. When the client has questions about their account statements, the client should contact VFA or the qualified custodian preparing the statement.

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STANDING LETTERS OF AUTHORIZATION (“SLOA”)

Our Firm is deemed to have custody of clients’ funds or securities when clients have standing authorizations with their custodian to move money from a client’s account to a third-party (“SLOA”) and, under that SLOA, it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. We do not have a beneficial interest on any of the accounts we are deemed to have Custody where SLOAs are on file. In addition, account statements reflecting all activity on the account(s), are delivered directly from the qualified custodian to each client or the client’s independent representative, at least quarterly. The client should carefully review those statements and are urged to compare the statements against reports received from us. When the client has questions about their account statements, the client should contact us, the client’s Advisor or the qualified custodian preparing the statement.

Please refer to Item 5 for more information about the deduction of advisor fees.

ITEM 16 – INVESTMENT DISCRETION

For discretionary accounts, prior to engaging VFA to provide investment advisory services, you will enter a written Agreement with us granting the firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client’s investment objective and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable Value Financial, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell, or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange, and trade any security, (2) determine the amount of securities to be bought or sold, and (3) place orders with the custodian. Any limitations to such discretionary authority will be communicated to our Firm in writing by you, the client.

The limitations on investment and brokerage discretion held by Value Financial for you are:

- For discretionary accounts, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
- Any limitations on this discretionary authority shall in writing as indicated on the investment advisory Agreement, Appendix B. You may change/amend these limitations as required.

In some instance, we may not have discretion. We will discuss all transactions with you prior to execution or you will be required to make the trades if in an employer sponsored account.

ITEM 17 – VOTING YOUR SECURITIES

A client may authorize Value Financial Advisers, Inc. to vote proxies on securities held in their account(s). A client may withhold this authorization, in which case the client will receive all proxy voting communication and be solely responsible for any voting activity.

VFA has Proxy Voting Policies and Procedures. These Policies address the potential conflicts of interest that VFA may encounter as it votes these proxies.

VFA might encounter a conflict of interest if VFA managed an account for any corporation that had a proxy vote, had a business relationship with any such corporation or had a relationship with any individual working for any such corporation. Another conflict of interest might occur if VFA had a business relationship with any mutual fund or other fund that had a proxy vote.

VFA Policies require VFA and its employees to place clients' interest above any other, to maximize shareholder value and to never put VFA's interests above its client. It is likely that all clients' securities will be voted in the same manner. VFA may abstain on any proxy vote. The Investment Committee is responsible for timely voting of all client accounts where proxy voting is authorized.

Additionally, the nature of VFA's business does not entail managing funds for public companies or mutual funds. Inasmuch, VFA does not believe it has or is likely to have any material conflict of interest when voting client proxies.

VFA will maintain proxy-voting records for five years. Any client may request how their shares were voted by mailing a specific vote request to Bill Connors at the company address.

Anyone may receive a copy of VFA's Proxy Voting Policies and Procedures by contacting Bill Connors, President at (303) 770-3030 or email at BC@Valuefin.com.

ITEM 18 – FINANCIAL INFORMATION

We do not require or solicit prepayment of more than \$1200 in fees per client and six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.