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This Brochure provides information about the qualifications and business practices of Valmark Advisers, Inc. If you have any questions about the contents of this Brochure, please contact us at 330-576-1234 or [www.valmarkfg.com](http://www.valmarkfg.com) or you may contact your financial advisor.

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.

Valmark Advisers, Inc. is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Valmark Advisers, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Material Changes**

This section of our brochure summarizes material changes since the previous brochure was released March 31, 2020. Valmark Advisers, Inc adopted no material changes with this filing.

On an annual basis we send a summary of those changes along with a copy of our privacy policy. At that time, we will also offer to provide you with a full copy of the brochure without charge.

Additionally, you can request our brochure anytime free of charge by contacting your personal investment advisor representative (“IAR”) or by contacting Valmark Advisers, Inc. at 330-576-1234. Our brochure is also available on our web site [www.valmarkfg.com](http://www.valmarkfg.com).

## Contents

Item 4 Advisory Business .....	4
Item 5 Fees and Compensation .....	11
Item 6 Performance-Based Fees .....	15
Item 7 Types of Clients .....	15
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss.....	15
Item 9 Disciplinary Information .....	17
Item 10 Other Financial Industry Activities and Affiliations .....	17
Item 11 Code of Ethics .....	18
Item 12 Brokerage Practices .....	19
Item 13 Review of Accounts.....	20
Item 14 Client Referrals and Other Compensation.....	20
Item 15 Custody .....	22
Item 16 Investment Discretion.....	23
Item 17 Voting Client Securities.....	23
Item 18 Financial Information .....	24

## Item 4 Advisory Business

Valmark Advisers, Inc. (For simplicity, hereafter, when referring to the services provided by Valmark Advisers, Inc. or by its IARs, a reference will be made simply to “Valmark”) was founded in 1997. It is a registered investment advisory firm under the Investment Advisers Act of 1940 and is an affiliate of Valmark Securities, Inc. (a member of the Financial Industry Regulatory Authority (“FINRA”) and Securities Investor Protection Corporation (“SIPC”)) and Valmark Retirement Advisers, LLC, a U.S. Securities and Exchange Commission (“SEC”) registered investment adviser. Valmark Retirement Advisers, LLC is also registered in Ohio. Valmark and Valmark Securities, Inc. are registered in all 50 states, and their affiliated agencies are licensed in a number of states as life insurance agencies. The firm’s principal owners are: Valmark Investments, LLC (parent company) and Lawrence J. Rybka, President and Director. The firm utilizes an investment committee consisting of individuals with significant industry experience. The committee assists in making strategic investment decisions for Valmark investment programs.

Valmark offers its services primarily through individual investment advisory representatives (“IAR”), who are also registered representatives of Valmark Securities, Inc. Each IAR of Valmark must be properly registered in each state in which they offer advisory services. Some IARs operate their own financial service organizations, including state or SEC Registered Investment Advisory firms. They desire access to certain advisory services available through Valmark. Valmark provides back-office support to these IARs and their clients who also become Valmark’s clients and is compensated for those services.

Valmark also offers sub-advisory and consulting services to outside organizations. These advisory and consulting services routinely involve portfolio modeling and/or allocation services as well as consulting services related specifically toward the use of exchange traded funds (“ETF”). Users of Valmark’s sub-advisory and consulting services include banks, trust companies, investment companies, and non-affiliated registered investment advisors. Valmark primarily offers these services in regard to the management of portfolios utilizing ETFs. For these services, Valmark often uses the non-registered TOPS® Investment Management moniker of Valmark Investment Alliance™.

Valmark offers to its clients a full menu of investment and advisory options. Investment vehicles include equity securities, corporate debt securities, certificates of deposit, municipal securities, investment company securities and United States government securities. These investments are available from a variety of platforms, including those offered by certain third-party managers as well as Valmark’s proprietary programs.

Valmark’s advisory solutions include a number of wrap programs, each program is further defined in the Valmark Advisers ADV Part 2A – Appendix 1, the Wrap Fee Program Brochure, as an available supplement to this brochure. Valmark offers clients the Valmark ACCESS program, a proprietary advisory platform which allows IARs of Valmark to create and monitor goal-based asset allocation portfolios for clients using no-load or advisor class mutual funds from unaffiliated mutual fund companies. Valmark also offers the ACCESS Direct and Select Manager programs for clients to gain access to certain unaffiliated managers and investments. The ACCESS and ACCESS Direct programs are described in more detail below.

Additionally, Valmark offers clients financial planning and consulting services as well as qualified retirement plan services to sponsors of participant-directed plans covered by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

## INVESTMENT MANAGEMENT SERVICES

### Valmark ACCESS®

Valmark is the sponsor of the “Valmark ACCESS® program” (“ACCESS”). ACCESS is an investment advisory program designed to allow the IARs of Valmark to create and monitor goal-based asset allocation portfolios for their clients with a targeted investment time horizon of at least three years. In exchange for these services, the IARs are able to assess an advisory fee which is calculated as a percentage of account assets. ACCESS accounts are primarily designed to utilize mutual funds, individual bonds, and select managers. However, accounts are able to hold a limited number of individual stocks upon approval by Valmark.

After the appropriate ACCESS portfolio has been selected, based upon the Client’s needs and objectives, the Client’s assets will be invested in accordance with the selected portfolio. Clients will receive account statements from the account custodian with all activities conducted in the client’s ACCESS account along with internet access to view his/her account. Clients’ accounts are monitored by Valmark and/or IARs and generally, rebalanced annually. Accounts that deviate from the targeted ranges throughout the year due to market influences, deposits, withdrawals or other factors are rebalanced by the IAR more often.

Valmark provides quarterly performance reports to its IARs. IARs are encouraged to share these performance reports with clients. Quarterly performance reports will provide actual account returns. Returns are not presented in accordance with Global Investment Performance Standards (GIPS) and Valmark is not responsible for the accuracy of this data. Clients should always refer to their account statements provided by the custodian for accurate information.

In order for clients to open an account in Valmark’s ACCESS program, the client must generally invest a minimum of \$50,000. Certain circumstances develop where accounts less than \$50,000 are accepted.

The chart below illustrates the ACCESS program and the basic requirements of the program:

Available Model Allocations:	Capital Preservation Conservative Flexible Income Income & Growth	Conservative Balanced Balanced Moderate Growth Growth	Core Equity Aggressive Growth Custom
Account Minimum:	\$50,000		
Primary Investment Vehicle:	Mutual Funds		
Available Custodians:	Charles Schwab & Co., Inc. TD Ameritrade, Inc Pershing, LLC		
Portfolio Construction and Trading Performed by:	IAR		

## ACCESS Direct

ACCESS Direct is an expansion of the ACCESS program described above. It differs in that IARs can refer clients directly to certain unaffiliated advisory solutions approved by Valmark. A description of each solution follows:

### Fee-Based Third-Party Management Programs

The ACCESS Direct program offers clients the ability to obtain management services beyond those available from proprietary Valmark programs. Valmark has established relationships with Third-Party Managers (“TPM”) to provide various management services. Valmark is paid a portion of the fee charged and collected by the TPM. This fee will either be in the form of a co-management fee or in the form of a solicitor fee. The fee is generally a portion of the overall management fee charged by the TPM.

Valmark IARs assist a client with identifying the client’s risk tolerance and investment objectives. The IAR then, if appropriate, recommends a TPM in relation to the client’s stated investment objectives and risk tolerance. A client will select a recommended TPM based on the client’s needs. Once selected, clients will enter into an agreement directly with the TPM who will provide asset management services. IARs meet with clients periodically to review their TPM accounts for ongoing suitability.

Valmark has reviewed the TPM strategies for management that Valmark refers clients to. However, clients should be aware that Valmark is not affiliated with the TPM, does not custody the accounts opened, does not control the daily investment management of securities held in these accounts, and that with some management programs the client will be authorizing the third-party investment adviser to act with discretion (i.e. execute trading decisions without first consulting client).

Each management program involves different custodial, administrative, and fee arrangements, and require certain minimum initial account investments. Account minimums and advisory fees charged may be negotiable at the discretion of the TPM involved. Further information regarding any investment management program is described in the Form ADV Part 2A of the TPM. Clients should become familiar with the specific features of any managed account program before selecting such a program.

Third party asset management programs utilized by Valmark have minimum investment requirements. In all cases, the minimum investment amount would be specifically disclosed in that third-party manager’s Form ADV Part 2A.

Clients who select a TPM program will receive a copy of Valmark’s investment advisory agreement, Form ADV Part 2A and other disclosure documents from the TPMs involved in a managed account program. For managed account wrap fee programs (i.e. programs that charge clients a single fee for any investment advisory service and brokerage services incurred), the client will also receive the wrap fee program disclosure document of any advisor sponsoring the wrap program. Additionally, a solicitor disclosure statement required by Rule 206(4)-3 of the Investment Advisers Act will be contained in the TPM account opening documents when Valmark’s role is that of a solicitor. It provides, among other things, disclosure regarding the affiliation, if any, between Valmark and the TPM, the terms of the solicitation agreement between Valmark and the TPM (including the amount of compensation to be paid to Valmark for the solicitation), and the additional cost to the Client, if any, resulting from the solicitation. As a solicitor, Valmark will not take any action that could cause the client to believe it renders advisory services for the client’s account on behalf of a third-party investment adviser.

Valmark reviews the performance of TPMs on a regular basis and only enters into relationships with a limited number of TPMs that meet the due diligence process. IARs will only recommend TPMs

Valmark has approved. Valmark IARs have a conflict of interest in only offering those TPMs Valmark has approved and who agree to pay a portion of their fees to Valmark. Clients may be able to obtain similar management services to those recommended by Valmark at a lower or higher fee. No guarantees can be made that a client's financial goals or objectives will be achieved. Further, no performance guarantees can be offered.

### American Funds F-2 Direct Program

The ACCESS Direct program also offers clients access to certain American Funds F-2 class share mutual funds and is designed for investors who choose to compensate their Investment Adviser based on the total assets in their portfolios, rather than a commission or sales charge. Class F-2 shares do not have up-front or contingent deferred sales charges. F-2 share do not carry a 12b-1 fee, but in some cases, they have slightly higher administrative expenses than other share classes. This program offers a direct-at-fund investment utilizing certain target date and asset allocation mutual funds. These funds are custodied at Capital Bank and Trust Company, the parent of American Funds. Clients receive quarterly statements with performance returns directly from Capital Bank and Trust Company. Clients can sign an agreement that provides American Funds with authority to rebalance the account, generally on an annual basis. Valmark imposes no minimum account opening requirement. Further information about American Funds F-2 program, fees and account requirements can be found in the American Funds account opening applications.

### Linked Annuity and Life Insurance Accounts

Clients investing in the ACCESS Direct program can receive the investment and insurance benefits of an annuity or life insurance contract by linking approved fee-based low-cost annuities or life insurance contracts to a new and/or existing Valmark advisory account. Any approved products are specifically designed for investors working with a fee-based advisor. The advisory fees for the annuity/insurance contract will be billed from the linked Valmark advisory account. Charges for mortality administration, expenses and rider costs, when applicable, will be charged according to the contractual provisions of the annuity or life insurance contract. Clients are encouraged to read the product prospectus carefully and completely.

In order to invest in an approved linked annuity or insurance contract within the Valmark programs the following restrictions exist:

1. Clients must have a Valmark advisory account (ie: ACCESS) to which the contract is linked.
2. For variable annuity contracts, clients must hold in the Valmark advisory account an amount equal to at least 25% of the initial linked product investment.
3. For life insurance contracts, clients must hold in the Valmark advisory account an amount equal to at least 25% of the summation of the first ten premium payments.

### Linked Annuity/Life Insurance Fee

The market value of the Linked Product will be included with the market value of the Client's Valmark Advisory Account for purposes of calculating billing at the rate described in the corresponding Valmark Advisory Agreement.

Additional Compensation: As Advisor to the TOPS® ETF portfolios within the Jefferson National, now Nationwide, Monument Advisor and Lincoln Financial Group fee-based annuities, Valmark is compensated from the funds. The fee is equal to 0.10% of assets within each fund. This fee for advisory

services is in addition to the flat fee charged for direct advisory services to each investor within the Valmark investment program.

### Fee-Based Variable Annuity

The ACCESS Direct program also offers clients the ability to invest in certain fee-based variable annuities with no requirement to have a separate, linked advisory account. Advisors are compensated exclusively through an advisory fee based on assets under management rather than through a commission for each product sale. The annuity company deducts the agreed upon advisory fee from the annuity on a quarterly basis. Further, the annuity company provides periodic statements and performance reporting to clients. Charges for mortality administration, expenses and rider costs, when applicable, will be charged by the annuity company according to the contractual provisions of the annuity contract. Any account minimums will also be included in the prospectus. Clients are encouraged to read the product prospectus carefully and completely.

**Additional Compensation:** As Advisor to the TOPS® ETF portfolios offered by Lincoln Financial Group and Nationwide, Valmark is compensated from the funds. The fee is equal to 0.10% of assets within each fund. This fee is in addition to the flat fee charged for direct advisory services to each investor within the Valmark investment program.

### Select Manager Programs

#### Charles Schwab Managed Account Select® Program

Valmark also offers clients access to separate account management services through the Charles Schwab Managed Account Select® (“Select”) program. A Select program account is a portfolio of individual securities managed on behalf of a client by a professional asset management firm unrelated to Valmark. A wide range of investment managers and focused investment strategies are available in the Select program, including diversified portfolios that include multiple asset classes, domestic and international equity strategies, and fixed income strategies. Research and ongoing due diligence are conducted by Charles Schwab Investment Advisory, Inc (“CSIA”) for all managers providing services through the Select platform. The IAR and Valmark rely on CSIA for initial and ongoing due diligence. For clients to open a Select account, clients must generally have more than \$100,000 to invest. Accounts in the Select program are managed by the respective Select manager on a discretionary basis. Further information about the Select manager’s services and fees will be provided by the Select manager in its Form ADV Part 2A and/or wrap fee program brochure (as applicable). Clients receive account statements with performance returns from Charles Schwab.

#### Charles Schwab Managed Account ACCESS® Program

Valmark also offers clients access to additional separate account management services through the Charles Schwab Managed Account ACCESS® (“Schwab ACCESS”) program. A Schwab ACCESS account is also a portfolio of individual securities managed on behalf of a client by a professional asset management firm unrelated to Valmark. Charles Schwab negotiates service and pricing contracts with these additional managers and those services and fees are described in detail in the Charles Schwab Managed Account Services Disclosure Brochure and in the Charles Schwab account opening documents. Research and ongoing due diligence are not performed by CSIA for these managers. Therefore, IARs and Valmark are responsible for initial and ongoing review and managers must be pre-approved by Valmark before implementing client accounts with any managers on the Schwab ACCESS platform. Generally, clients must have more than \$100,000 to invest. Schwab ACCESS accounts are managed by the



respective Schwab ACCESS manager on a discretionary basis. Further information about the Schwab ACCESS manager's services and fees will be provided by the Schwab ACCESS manager in its Form ADV Part 2A and/or wrap fee program brochure (as applicable). Clients receive account statements with performance returns from Charles Schwab.

### Charles Schwab Managed Account Marketplace® Program

Valmark also offers clients access to certain additional separate account management services through the Charles Schwab Managed Account Marketplace® ("Marketplace") program. Accounts will contain individual securities which are managed on a discretionary basis by a professional asset management firm unrelated to Valmark. Marketplace allows Valmark and its IARs to negotiate management fees directly with certain managers, conduct due diligence and choose, in some cases, from transaction or asset-based pricing for Schwab's brokerage services. The Marketplace program also requires a minimum investment. The minimum investment is generally \$100,000 for equity strategies and \$250,000 for fixed-income strategies. The asset management firm sets each account minimum. Charles Schwab does not research or evaluate the Marketplace managers; therefore, IARs and Valmark are responsible for initial and ongoing reviews. IARs who wish to use managers in the Marketplace program must receive pre-approval from Valmark before implementing client accounts with any managers on the Marketplace platform. Further information about the Marketplace manager's services and fees will be provided by the Marketplace manager in its Form ADV Part 2A and/or wrap fee program brochure (as applicable). Clients receive account statements with performance returns from Charles Schwab.

### TD Ameritrade Institutional Separate Account Exchange

Valmark also makes additional separate account management services available through TD Ameritrade's Separate Account Exchange ("SAE") program. Accounts will consist of individual securities which are managed on a discretionary basis by a professional asset management firm unrelated to Valmark. The SAE program requires a minimum investment that will vary depending on the strategy and the asset management firm. TD Ameritrade does not research or evaluate the SAE managers; therefore, IARs and Valmark are responsible for initial and ongoing reviews. IARs who wish to use managers in the SAE program must receive pre-approval from Valmark before implementing client accounts with any managers on the SAE platform. Further information about the SAE manager's services and fees will be provided by TD Ameritrade in account opening documentation and by the manager in its Form ADV Part 2A and/or wrap fee program brochure (as applicable). Clients receive account statements with performance returns from TD Ameritrade Institutional.

### Qualified Retirement Plan Services

Valmark provides retirement plan advisory services to sponsors of participant account directed plans covered by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). There is no plan size minimum; however, plans typically are \$500,000 or greater. Open architecture retirement plan services are provided in conjunction with an administration and recordkeeping service provider and generally a broker-dealer or investment advisory firm. The Plan Sponsor enters into both (i) an investment advisory agreement with Valmark, and (ii) separate services agreement(s) with each service provider, e.g. administrative, recordkeeping, third-party manager.

Plan Sponsors authorize Valmark IARs to recommend the selection, addition, removal and/or replacement of funds available for purchase by plan participants. Recommendations must be consistent with any written investment policy approved by the Plan Sponsor and provided to Valmark along with any requirements under ERISA. Based upon the Valmark IAR's evaluation of each fund's performance the

Plan Sponsor will determine the appropriateness and continued suitability of available investment options. At least annually, Valmark IAR will meet with Plan Sponsor and review the plan's investment options to determine ongoing appropriateness. If an existing fund is no longer appropriate as an investment option, Valmark IAR will assist in the transition to the replacement option if requested by Plan Sponsor.

Valmark IAR is responsible for monitoring the relevant data on the performance of each investment option and providing the Plan Sponsor, through the record keeper or administrator, with services described in the Retirement Plan Agreement – Advisory.

### Valmark Strategic Allocation Portfolios Maintained by Matrix Trust Company

Valmark sub-advises a series of Collective Investment Funds for which Matrix Trust Company, formerly TD Ameritrade Trust Company, acts as trustee and custodian. The Matrix Trust Company Strategic Allocation Portfolios ("SAPs") represent a total of ten funds available only for qualified retirement and governmental plans as described in IRC section 401(a), e.g. 401(k), Profit Sharing, Cash Balance, Money Purchase Pension Plans, and governmental 457 plans. These sixteen funds are comprised of six risk-based and ten target date funds which allow plan participants to elect a fund based on their individual risk tolerance or their target retirement date. The SAPs are available to most any plan throughout the country as they trade via CUSIPs on the National Securities Clearing Corporation ("NSCC"). There are two share classes available for each fund. Share Class I is available for plans advised by an adviser not affiliated with Valmark. Share Class II is available for plans advised by a Valmark IAR. Valmark receives compensation for its work as a sub-advisor in the amount of 0.03% of account assets in Share Class I annually. Valmark does not receive a sub-advisor fee for Share Class II account assets.

### Fee-Based Planning / Consulting

In addition to fee-based asset management, Valmark IARs also provides comprehensive fee-based planning services and / or consulting services to its clients.

Financial planning is a process that focuses on ascertaining a client's financial goals and then developing a written plan to help the client achieve those goals. A written financial plan is created by the IAR to carry a client from his or her present financial position to the attainment of financial goals. Since no two clients are alike, the plan must be designed for the individual, with the IAR's recommended strategies tailored to each particular client's needs, abilities, and financial goals. Further, financial plans will vary based on the information provided by the client. The information provided often includes a client's net income, net worth, risk tolerances, major spending needs, retirement needs, estate transfer needs, and tax planning needs. A financial plan often includes asset allocation, investment planning, estate planning, succession planning, retirement planning, education planning, charitable planning, life insurance analysis, college savings, and other financial topics.

Consulting is a professional service that focuses on ascertaining client's financial goals and then provides financial advice to help a client achieve those goals. Financial consultations will vary based on the information provided by the client. The information provided includes a client's net income, net worth, risk tolerances, major spending needs, retirement needs, estate transfer needs, and tax planning needs. A financial consultation addresses one or more topics, including asset allocation, investment planning, retirement planning, estate planning, business planning, succession planning, education planning, charitable planning, life insurance analysis, and college savings, and other financial topics.

In performing these services IARs will work with clients to understand their current financial situation, their financial goals and dreams, and their understanding of and comfort with various financial strategies

and/or products. Based upon the information obtained from the client, IAR will work closely with the client to develop a comprehensive written financial plan or advice that could include specific advice in one or more of the following topic areas:

1. Financial Planning
2. Estate Planning
3. Business Succession Planning
4. Education Planning
5. Charitable Planning
6. Life Insurance Analysis
7. 529 & College Savings Plans
8. Retirement Plan Analysis, including reviews of 401(k) Plans, 403(b) Plans, and IRAs
9. Group Plan Analysis, including but not limited to Pension Plans, Profit Sharing Plans, Keogh Plans

Valmark's recommendations to the client often include specific financial and investment strategies as well as specific product recommendations, including equity, fixed income and insurance products.

### Asset Under Management

As of 12/31/2020 assets under management were \$6,317,794,837 which are entirely managed on a discretionary basis.

## Item 5 Fees and Compensation

### ACCESS Fees

In exchange for services provided by Valmark and the account custodian, each Client agrees to pay Valmark annually a set percentage of the total assets held in the Client's ACCESS account. Further explanation regarding the fees associated with ACCESS accounts are provided in the ACCESS Investment Advisory Agreement that each Client signs before participating in the ACCESS program. Advisory fees are collected from the Client's account quarterly, in advance, and are based upon the aggregate market value of the assets in the Client's ACCESS account at the close of business on the last business day of the preceding calendar quarter. The advisory fees are negotiated between the Client and IAR. These fees charged to the Client by Valmark and/or the IAR will not exceed these established percentages:

Average Account Balance	Total Annual Fee Will Not Exceed
\$50,000 to \$1,000,000	1.95%
\$1,000,001 to \$2,000,000	1.75%
\$2,000,001 and above	1.50%

Valmark reserves the right, in its sole discretion, to negotiate, reduce or waive the advisory fee for certain Client Accounts for any period of time as determined by Valmark. In addition, Valmark reserves the right to reduce or waive its fees for the Accounts of some Clients without notice to, or fee adjustment for, other Clients.

The client will pay additional trading costs such as brokerage trading costs associated with purchasing and/or selling securities. The schedule of costs for each custodian (i.e. Schwab, TD Ameritrade or Pershing) will vary. Likewise, the transaction costs for different securities will vary. The full transaction fee schedule is available through the IAR. Circumstances may exist where an IAR may elect to pay

certain trade costs directly. Mutual funds and ETFs also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Valmark's fee, and Valmark shall not receive any portion of these commissions, fees, and costs.

Valmark, through its available custodians, offers No Transaction Funds ("NTF") programs which are comprised of no-load (i.e. no-commission or sales charge) mutual funds. When NTF mutual funds are purchased within an advisory account, there is no transaction charge for the purchase. Clients should, however, be aware that funds available through NTF programs often contain higher internal expenses than mutual funds that do not participate in NTF programs. Clients should also be aware that mutual fund companies offer multiple share classes of the same mutual fund, and some share classes have higher internal expenses than other share classes (i.e. advisory or institutional share classes). Advisory and institutional share classes are available to clients who meet specific eligibility requirements which vary by fund and are described in the mutual fund prospectuses. Eligibility requirements include, but are not limited to, investment amount and certain account types that the mutual fund considers eligible. It is possible that Valmark does not have access to the lowest cost share class of a given fund. It is Valmark's practice to purchase the lowest cost mutual fund share class based upon the classes of a given fund available to Valmark and: the client's anticipated investment amount, holding period, trading frequency, transaction charges, and related tax considerations.

For purposes of meeting billing breakpoints, Valmark permits clients to household ACCESS accounts together. Valmark generally uses the guidelines below to determine household eligibility but Valmark offers house holding in other reasonable circumstances.

1. Any family member sharing the same legal residence - (i.e. spouses, children, parents, siblings, grandparents, grandchildren)
2. Any family member that is dependent on the primary account owner(s) (i. e. father, mother, children, siblings, grandparents, in-laws)
3. Any trust or business account where one or more of the household members above are named on the account as an affiliated person

### ACCESS Direct Program Fees

#### Third-Party Manager ("TPM") Fees

When Valmark acts as a solicitor, Valmark will receive a portion of the advisory fees charged by a TPM. The solicitor's disclosure statement provides, among other things, disclosure regarding the affiliation, if any, between Valmark and the TPM, the terms of the solicitation agreement between Valmark and the third- party investment adviser (including the amount of compensation to be paid to Valmark for the solicitation), and the additional cost to the client, if any, resulting from the solicitation. Upon termination of any account, any prepaid, unearned fees will be handled in accordance with the applicable manager's description of services.

Where Valmark acts as an investment advisor, Valmark will receive a separate, negotiated advisory fee. The advisory fees are specified in the client's advisory agreement with Valmark. Compensation for these managed accounts is based on the amount of assets under management. Fees will be deducted from the accounts in accordance with and as agreed to in the investment account opening application and contract. These fees will be billed monthly or quarterly, in advance or in arrears and will be automatically debited by the custodian as authorized by the client in the application or contract. Accounts initiated during the calendar quarter will generally be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be handled in accordance with the applicable manager's description of services.

### American Funds F-2 Direct Program Fees

Fees for the ACCESS Direct – American Funds F-2 Direct Program are 100 basis points or 1% of account value regardless of the account balance and the fees are not negotiable. Fees will be deducted by American Funds on a quarterly basis proportionally. Accounts are not eligible for billing breakpoints through household eligibility that is available with other ACCESS accounts. There are no trading fees to buy or sell F-2 shares in these accounts. American Funds imposes account setup fees for certain account types. See the American Funds application, prospectus or Statement of Additional Information for details.

### Fee-Based Variable Annuity Program Fees

Like other ACCESS accounts, in exchange for services provided by Valmark, each Client agrees to pay Valmark annually a set percentage of the total assets held in the Client's fee-based annuity account. Further explanation regarding the fees associated with fee-based annuity accounts are provided in the ACCESS Investment Advisory Agreement that each Client signs before participating in the ACCESS program.

Fees will be deducted by the annuity company on a quarterly basis proportionally. The advisory fees are negotiated between the Client and IAR. These fees charged will not exceed these established percentages:

Average Account Balance	Total Annual Fee Will Not Exceed
\$50,000 to \$1,000,000	1.95%
\$1,000,001 to \$2,000,000	1.75%
\$2,000,001 and above	1.50%

### Select Manager Program Fees

#### Charles Schwab Select®, Charles Schwab ACCESS®, Charles Schwab Marketplace® and TD Ameritrade Institutional Separate Account Exchange Fees

In exchange for services provided by Valmark and the account custodian, each Client agrees to pay Valmark annually a set percentage of the total assets held in the Client's Select Manager account. Further explanation regarding the fees associated with Select Manager accounts are provided in the ACCESS Investment Advisory Agreement that each Client signs before participating in the Select Manager program. Advisory fees are collected from the Client's account quarterly, in advance, and are based upon the aggregate market value of the assets in the Client's Select Manager account at the close of business on the last business day of the preceding calendar quarter. The advisory fees are negotiated between the Client and IAR. These fees charged to the Client by Valmark and/or the IAR will not exceed these established percentages:

Average Account Balance	Total Annual Fee Will Not Exceed
\$50,000 to \$1,000,000	1.95%
\$1,000,001 to \$2,000,000	1.75%
\$2,000,001 and above	1.50%

Valmark reserves the right, in its sole discretion, to negotiate, reduce or waive the advisory fee for certain Client accounts for any period of time as determined by Valmark. In addition, Valmark reserves the right to reduce or waive its fees for the Accounts of some Clients without notice to, or fee adjustment for, other Clients.

Each Select Manager utilized will also charge additional management fees and, in some cases, there will be additional transactional costs to trade securities in the account. Refer to the custodial and specific manager account opening documents for full details.

### Fees for Planning / Consulting Services

Valmark has several fee structures for the services set forth above. The specific fee structure utilized in any given situation shall be fully discussed with the client and disclosed in the investment advisory agreement which the client signs with Valmark prior to the commencement of any services. Some of the possible fee structures are:

**Hourly Fees:** Valmark IARs have the ability to charge an hourly fee for services which could vary depending upon the needs of the client and the complexity of the plan/consulting. The exact hourly rate, as well as the work to be performed, will be specifically disclosed in the investment advisory agreement and agreed to by the client.

**Negotiated Flat Fee or Periodic Fee:** Valmark IARs have the ability to charge a flat fee one-time or periodically for services typically ranging from \$50 to \$50,000 or more depending on the needs of the client, the complexity of the plan/consulting, and the frequency of billing (monthly, quarterly, annually). The flat fee negotiated between IAR and the client, as well as the work to be performed, will be specifically disclosed in the investment advisory agreement and agreed to by the client.

For financial planning engagements, a portion of the planning fee is typically due and payable at the time the investment advisory agreement is signed with the balance of the fee due as portions of the plan are completed and delivered to the client. Valmark clients will not be charged more than an initial fee of \$1,200 for any financial or estate plan that is expected to exceed 6 months for completion, nor will they be charged in advance for any subsequent portion of a planning engagement.

The investment advisory agreement by and between Valmark and the client can be canceled at any time by providing written notice to the other party of their desire to cancel the agreement. In the event that the client wishes to cancel the planning or consulting services prior to any services being performed by Valmark, any advance payments shall be fully refunded to the client upon request. If the client cancels the agreement after Valmark has begun the services requested in the agreement, the client shall be charged for the services completed in a manner to be determined by Valmark and the remainder of any advance payments, if any, shall be refunded to the client.

### Other Compensation Information

For discretionary accounts, such as ACCESS, Valmark has the authority to determine, without obtaining specific client consent beyond what is disclosed in the advisory agreement, the securities to be bought or sold, the amount of securities to be bought or sold, or the broker to be used in executing the purchases. Valmark does not, however, have the authority to determine the commission rates to be paid in connection with the charges associated with buying or selling securities.

We act as an agent for our clients and do not engage in principal or agency cross transactions or transactions where we are paid for order flow, or any similar activities that raise other conflict issues.

Valmark's IARs are also registered representatives of Valmark Securities, Inc. ("VSI"), a registered broker-dealer and, as such, they have the ability to affect securities transactions through VSI on behalf of their clients. In such instances, the registered representative is eligible to receive commissions, markups, markdowns, 12b-1 fees or other sums for any securities transactions placed through VSI. Clients are



advised that they are not required to affect their securities transactions through VSI and may use any broker-dealer they desire. For securities transactions placed through VSI, commissions for securities paid pursuant to a prospectus will be the same. However, commissions or fees for other securities transactions may be higher or lower if placed through VSI than if placed through another broker-dealer. VSI provides registered representatives with due diligence, compliance information and regulatory review. Furthermore, all securities transactions made on behalf of a client and placed through VSI are reviewed and approved by VSI supervisory principals as required by FINRA.

## Item 6 Performance-Based Fees

Valmark does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

## Item 7 Types of Clients

Valmark provides portfolio management services primarily to individuals, including through trusts, estates, 401(k) plans, and IRAs, high net-worth individuals, corporate pension and profit-sharing plans, corporations or other businesses, insurance companies, and investment companies, charitable institutions, foundations, banks, governmental agencies, and endowments.

Valmark IARs perform investment advisory services for itself, directors, and/or shareholders as well as various other clients. In doing so Valmark and IAR are eligible to give advice with respect to any of its other clients which differs from advice given, timing, or nature of action taken with respect to a client account. Further, Valmark, or those affiliated or associated with Valmark are not limited from buying, selling, or trading in any securities or other investments for their own accounts.

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

### Methods of Security Analysis:

Valmark employs various methods of research when analyzing investment markets and available investment opportunities. Individual stock positions are rarely purchased within a Valmark advisory account. However, if individual stock positions are purchased, fundamental analysis is considered an appropriate format to review the merits of purchasing a stock. Fundamental analysis is a method of evaluating a security that entails attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysis attempts to study everything that can affect the security's value, including macroeconomic factors, such as the overall economy and industry conditions, and company-specific factors, such as financial condition and management. Primarily, Valmark utilizes investment company products and similar products. When performing analysis on investment companies, Valmark attempts to verify the consistency and appropriateness of the investment strategy. Valmark has extensive experience in working with investment company products, specifically ETFs.

### Investment Strategies:

Valmark primarily follows an investment policy of diversified model portfolios for clients. Across all advisory accounts, Valmark encourages its IAR's and clients to diversify assets across many different asset classes in an effort to help reduce portfolio volatility. While diversification\* has been successful

over time in many different types of investment cycles, there is no guarantee that diversifying assets will lead to lower volatility.

\*Diversification – a portfolio strategy designed to reduce exposure to risk by combining a variety of investments, such as stocks, bonds, and real estate, which are unlikely to all move in the same direction. The goal of diversification is to reduce the risk in a portfolio. Volatility is limited by the fact that not all asset classes or industries or individual companies move up and down in value at the same time or at the same rate. Diversification helps to reduce both the upside and downside potential and allows for more consistent performance under a wide range of economic conditions.

### Risk of Loss:

Investing in securities involves risk of loss that clients should be prepared to bear. Equity based securities face the risk of lower valuations over time, as well as bankruptcy and total loss. Fixed income (debt) securities face the risk of default. Examples of the risks clients could face include:

- *Business risk:* The chance that a business sector, industry and/or specific company's security will fall in value because of business issues affecting it.
- *Credit risk:* The chance that a company will not be able to pay its debts, including interest on its bonds.
- *Duration risk:* The risk that longer-term securities may be more sensitive to interest rate changes. Heightened risk is posed by rising market interest rates.
- *Emerging market risk:* The risk that countries with emerging markets may have relatively unstable governments, social and legal systems that do not protect shareholders. Further their economies tend to be based on a few industries with securities markets that trade a small number of issues.
- *ETF risk:* The risk that investing in a portfolio may be higher than the cost of investing directly in ETFs and the cost may be higher than other mutual funds that invest directly in stocks and bonds. Each ETF is subject to specific risks that will depend on the nature of the fund.
- *Foreign currency risk:* The possibility that foreign investments fluctuate in dollar value against the currency of the investment's origination country. This is also known as exchange rate risk.
- *Foreign investment risk:* The risk that foreign investing involves a number of economic, financial social and political considerations that could affect an account's performance.
- *Inflation risk:* The possibility that the interest paid on an investment will be lower than the inflation rate, decreasing purchasing power.
- *Interest rate risk:* The chance that interest rate fluctuations cause investment values to fluctuate. For example, typically bond prices decrease when interest rates rise.
- *Junk bond risk:* Investment risk is generally greater when investing in high-yield bonds, sometimes known as "junk" bonds, as compared to investing in bonds of higher quality, including increased risk of default and reduced liquidity.
- *Liquidity risk:* The risk that a security may not be readily converted to cash. As an example, treasuries and most mutual funds are highly liquid; real estate investments are less liquid.
- *Management risk:* The risk that VAI's methodologies and judgements about the attractiveness, value and potential appreciation of particular asset classes and invested securities may prove to be incorrect and may not produce the desired results.
- *Market risk:* The chance that the overall securities market can decrease in value due to conditions in the economic and/or political environment.
- *Model risk:* The risk that the allocation model utilized in the securities selection process does not optimize returns or risk. No assurance can be given that an account will be successful under all or any market conditions.



- *Natural resource risk:* The risk that natural resource companies are affected by commodity price volatility or other factors affecting a particular industry such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political and regulatory developments.
- *Portfolio turnover risk:* The risk that portfolios with high turnover ratios can lead to increased trade costs and higher tax liabilities for investors.
- *Real estate risk:* The risk that real estate values rise and fall in response to a variety of factors, including local and national economic conditions, interest rates and tax considerations.
- *Small and medium capitalization risk:* The risk that small or medium capitalized company equities may be subject to more abrupt or erratic market movements than those of larger, more established companies or the market in general.

Diversifying investments can help to reduce, but not eliminate, these risks.

The Valmark strategy of diversifying assets in model portfolios does not involve trading daily. Clients should not therefore expect that Valmark will be able to correctly time and profit from daily investment market fluctuations.

Clients should read the prospectus(es) for all investments before investing or contact Valmark for additional information.

## Item 9 Disciplinary Information

Valmark has no legal or disciplinary events relating to the firm's advisory services or business. Our affiliated insurance agency has been the subject of an administrative sanction. A summary of the event is provided for reference.

On January 15, 2015, the New York State Department of Financial Services ("DFS") approved a Stipulation in which Valmark Insurance Agency and Lawrence J. Rybka, as sub-licensee, agreed that during the approximate period July 2013 through November 2014, they transacted insurance business under the unlicensed agency name of Executive Insurance Agency, Inc. They also agreed to pay a \$3000 penalty. Lawrence J. Rybka was named solely in his capacity as a sub-licensee; there were no allegations of knowledge or individual wrongdoing against him individually. In November 2014, the New York DFS approved a name change from Valmark Insurance Agency to Executive Insurance Agency, Inc. as the name of the agency in New York.

## Item 10 Other Financial Industry Activities and Affiliations

The principal business of Valmark is as a Registered Investment Adviser. The principal executive officers of Valmark also hold executive positions with other financial institutions, including Valmark Securities, Inc., a FINRA member broker dealer, Valmark Retirement Advisers, LLC, and Executive Insurance Agency, Inc., an insurance agency.

Valmark has material relationships with Valmark Securities, Inc., a broker-dealer and affiliate corporation of Valmark, Executive Insurance Agency, Inc., an insurance agency and Valmark Retirement Advisers, LLC, a SEC registered investment adviser. Certain Valmark IARs also act as registered representatives of Valmark Securities, Inc., agents of Executive Insurance Agency, Inc. and IARs of Valmark Retirement Advisers, LLC.

Any securities transactions placed through these IARs in their capacity as registered representatives of Valmark Securities, Inc. would generate standard and customary brokerage commissions and other sums, a portion of which is paid to the IARs. The receipt of commissions and other sums by Valmark's IARs for securities and variable insurance transactions presents a conflict of interest.

Valmark has also entered into selling agreements with other Registered Investment Advisers to provide advisory services to clients of Valmark. Valmark IARs are authorized only to provide advisory services and work with advisory service providers and custodians that have been approved by Valmark.

Additionally, many Valmark IARs are insurance agents with Executive Insurance Agency, Inc. and possibly other insurance agencies. Any insurance product placed through these IARs will generate standard and customary insurance commissions and other sums, a portion of which can be paid to the IARs. The receipt of commissions and other sums by Valmark's IARs for insurance transactions presents a conflict of interest.

Valmark serves as advisor to the TOPS® ETF Variable Insurance Trust funds within the Northern Lights Variable Trust ("NLVT"). NLVT is an independent variable trust consisting of funds managed by multiple different advisors. Valmark's role in advising the variable trust ETF portfolios involves full portfolio management and assistance in marketing and/or servicing client relationships. For three of the funds, notated as "Managed Risk" funds, Valmark has hired the services of Milliman, Inc. as sub advisor. Milliman, Inc. is a Registered Investment Adviser with a specific expertise in hedging financial risk for insurance companies and insurance related products. For these services, Valmark is paid compensation equal to 0.10% of assets within each fund. IARs of Valmark, if properly registered and appointed, have the ability to recommend an insurance product that offers the TOPS® ETF Variable Insurance Trust funds as investment options. When an investor selects a TOPS® fund in their insurance or annuity contract which is serviced by a Valmark IAR, in their capacity as a registered representative of Valmark Securities, Inc., Valmark will receive greater total compensation, creating a conflict of interest. Valmark Securities, Inc. registered representatives do not receive additional compensation for recommending a TOPS® fund as an investment option. Valmark Securities, Inc. registered principals review transactions to ensure recommendations are made in the client's best interest. Please reference the fund prospectus(es) for additional information.

Valmark serves as sub-advisor to Milliman Financial Risk Management, LLC ("Milliman"), a Registered Investment Advisor, to provide investment advice on Milliman's Dynamic Hedged Portfolios. The portfolios are Insurance Dedicated Funds (IDF) managed by Milliman and SALI Fund Services provides the administration to enable Milliman to offer the funds as investment options in certain private placement variable annuities and private placement variable life insurance contracts. For these services, Valmark is paid 0.10% of net assets of all funds it sub-advises.

## Item 11 Code of Ethics

All personnel and associated persons of Valmark strive to meet the highest ethical standards of behavior. Valmark has adopted a formal Code of Ethics Policy pursuant to SEC Rule 204A-1, a copy of which is available to clients or prospective clients upon request. The objective of Valmark's policy is to assure that all personnel and associated persons clearly understand the level of commitment that is required on behalf of the clients of Valmark; to assure that client interests always take priority over the interests of Valmark and its personnel; that personal securities transactions must avoid even the appearance of conflict with the interests of clients; and that all applicable federal and state securities laws, including insider trading, are complied with.

## Item 12 Brokerage Practices

### Soft Dollars

Valmark does not make it a practice to accept or participate in formal soft dollar benefits if offered by brokerage firms. However, certain research, trading software and related systems support is available to Valmark from custodial firms. Custodial firms also provide Valmark with other services intended to help Valmark manage and further develop its business enterprise. Custodial firms may provide some of these services directly or they may arrange for third-party vendors to provide services to Valmark at no cost or at discounted costs. These services include general consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, marketing, and back office support. These services indirectly benefit Valmark, but not its clients directly. Custodial firms may also reimburse clients for account closing costs that may be associated with moving an account. In fulfilling its duties to its clients, Valmark endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Valmark's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits have the ability to influence Valmark's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

### Trade Aggregation

Valmark and its IARs will generally place trades individually through your accounts unless we decide to purchase or sell the same securities for several clients at approximately the same time. Valmark will, from time to time, combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our client's differences in prices and commission or other transaction costs. Under this procedure, transactions will be price-averaged and allocated among our client groups in proportion to the purchase and sale orders placed for each client account on any given day.

### Brokerage for Client Referrals

Valmark and its IARs have no significant incentive to select or recommend a particular custodial broker-dealer over another in the interest of receiving client referrals from a broker dealer or third party. In an effort to generally receive the most favorable execution for its clients, Valmark has the flexibility to utilize certain firms for custody and execution services on a regular basis. It is Valmark's belief that these firms provide the best overall execution services, including asset custody services, capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, etc.), breadth of investment products, competitive pricing for services, quality customer service, research capabilities, strong reputation and financial stability, and technology services.

### Directed Brokerage

Valmark does not permit "directed brokerage," meaning that we do not allow clients to direct us to execute transactions through a specified broker-dealer. The broker-dealer that will be used for trades for any given client depends upon the program in which the client participates. In other circumstances Valmark will determine, in its discretion, the broker-dealer through which trades will be placed.

Valmark's IARs are also registered representatives of Valmark Securities, Inc. and, as such, they have the ability to recommend the use of products that are in the client's best interest and offered through Valmark Securities, Inc. Clients have the unrestricted right to decline to implement any advice as well as the right to select and use any broker they may choose.

If the client elects to have securities transactions placed through Valmark Securities, Inc. commissions for securities paid pursuant to a prospectus will be the same. However, commissions or fees for other securities transactions differ if placed through Valmark Securities, Inc. than if placed through another broker-dealer. No transaction-based commissions or sales commissions are paid directly to the IAR or RIA; however, certain IARs share in such compensation as disclosed in Item 10 “Other Financial Industry Activities and Affiliations.”

## Item 13 Review of Accounts

Review of your advisory accounts are ordinarily conducted at least annually or at a frequency determined between you and your IAR. Significant changes in areas such as general market conditions, your investment objectives, your financial situation or third-party manager status prompt more frequent review of your accounts. Reviews of investment accounts typically look at portfolio consistency with regard to your risk tolerance, tax situation, investment time horizon, performance objectives, and asset allocation instructions. Each third-party manager to whom you are recommended for advisory services provides regular quarterly account reports.

If your IAR provides financial planning advice on an ongoing basis, your IAR will review your financial plan with you generally at least annually for adherence to your goals. Reviews of your financial plan cover progress toward financial independence, anticipated distributions toward family legacy goals, anticipated distributions for social capital or charitable goals, as well as your other goals. In addition, accounts will be reviewed upon notice of changes in your circumstances as described above.

Custodians provide you with monthly or quarterly account statements, depending on the activity in the account. Custodial statements generally include details of client holdings, asset allocation, and other transaction information. You must notify us of any discrepancies in the account or any concerns you have about the account.

For ACCESS accounts, Valmark provides quarterly performance reports to its IARs. IARs are encouraged to share these performance reports with clients. Quarterly performance reports will provide actual account returns. Returns are not presented in accordance with Global Investment Performance Standards (GIPS) and Valmark is not responsible for the accuracy of this data. Clients should always refer to their account statements provided by the custodian for accurate information.

Valmark is also responsible for the establishment of a compliance program and the general supervision over the activities of its staff. Our compliance program includes written policies and procedures designed to:

- Reasonably expected to prevent and detect violations of law by our advisory personnel.
- Analyze operations and create a system of controls to ensure compliance with applicable securities laws.
- Inform all advisory personnel of Valmark’s policies and procedures.
- Establish an internal review system designed to provide reasonable assurance that our policies and procedures are effective and being followed.

## Item 14 Client Referrals and Other Compensation

Valmark receives financial benefit or other compensation in addition to referral fees and investment advisory fees in connection with providing the advisory service programs described in this brochure.

Through its clearing relationship with Pershing, our affiliated broker-dealer, Valmark Securities, Inc., receives service fees and/or 12b-1 fees (collectively, “12b-1 fees”) from mutual fund companies when clients purchase certain mutual funds. Mutual funds with 12b-1 fees are generally more expensive than those funds without. This creates a conflict of interest when we purchase these products in advisory accounts since it results in additional compensation to Valmark’s affiliated broker-dealer. To mitigate this conflict of interest, it is Valmark Securities, Inc. practice to credit back to advisory clients an amount equal to the 12b-1 fees collected in connection with 12b-1 paying mutual fund transactions executed through the Pershing platform. Charles Schwab and TD Ameritrade do not pay Valmark Securities, Inc. 12b-1 fees in connection with any mutual fund transaction.

Additional compensation which will benefit Valmark, its IARs and qualified custodians, and will not directly benefit clients consists of, but is not limited to, receipt of promotional incentives, sales and marketing allowances, investment research services, product education, bundled statements, compliance guidance, occasional business travel and entertainment, and monetary contributions to Valmark’s educational conferences.

Valmark’s IARs are also registered representatives of Valmark Securities, Inc. and, as such, have the ability to recommend the use of suitable products and services offered through Valmark Securities, Inc. Clients have the unrestricted right to decline to implement any advice as well as the right to select and use any broker of their choice. If the client elects to have securities transactions placed through Valmark Securities, Inc., commissions for securities paid pursuant to a prospectus will be the same. However, commissions or fees for other securities transactions may differ when placed through Valmark Securities, Inc. than when placed through other broker-dealers.

Many of Valmark’s IARs are insurance agents with Executive Insurance Agency, Inc for implementation of insurance transactions. Executive Insurance Agency is compensated for these insurance transactions and shares that compensation with appointed agents. These commissions may be higher or lower if placed through other agencies. The receipt of commissions and other sums by Valmark’s IARs for insurance transactions presents a conflict of interest.

Clients of Valmark, who are also clients of Valmark Securities, Inc. and/or Executive Insurance Agency, Inc. are advised that these firms maintain special compensation relationships with a variety of providers. These relationships are often called “revenue sharing”, “special compensation”, “marketing allowances”, or “due diligence compensation.” In exchange for such payments, Valmark furnishes the providers with support assistance in many forms, including increased access to representatives regarding marketing, product promotion, training, and education.

In addition, “override” compensation is paid to Valmark Securities, Inc. by some insurance carriers and other financial service providers. Override compensation is based upon such factors as aggregate policy premiums paid to a carrier from sales by all member offices and aggregate assets placed under financial management from sales by all member offices. The amount of compensation varies among products and carriers. Valmark Securities, Inc. complete special compensation disclosure can be viewed at [www.valmarkfg.com](http://www.valmarkfg.com).

Valmark offers some of its IARs financial assistance to help defray the costs of running their practice, or to transition from another advisory firm to Valmark, or to move accounts between custodians. The types of financial assistance include, individually or in some combination, loans, cash payments, discounted pricing on certain technology or other administrative fees. IARs receiving financial assistance from Valmark use the assistance for operating expenses, including but not limited to printing, postage, rent, computer hardware/software, administrative support, and/or reimbursement of fees associated with moving client accounts, among other operating expenses. Some of the loans Valmark makes to its IARs

are forgivable based on varying factors including tenure, the amount of IAR's production, or maintaining targeted assets under management in certain Valmark investment programs. The receipt of financial assistance and/or loans creates a conflict of interest in that the IAR has a financial incentive to either affiliate with Valmark instead of another firm or maintain a relationship with Valmark, and to recommend Valmark's investment programs and services. Notwithstanding the conflicts described above, Valmark's IARs make recommendations and give advice in the best interest of their clients.

## Item 15 Custody

### Custodial Broker-Dealer Platforms

Valmark does not maintain custody of client assets, except in very limited circumstances. Client assets must be held in an account at a custodial broker-dealer. Valmark is owned and operated independently from, and is not affiliated with, any qualified custodial platform. Approved TPMs are deemed to have custody of the assets under their management, unless they utilize a separate custodian. ACCESS Direct and Select Manager accounts are also custodied at the sponsor's custodian of choice.

Based on recent SEC guidance, Valmark Advisers, Inc. has determined that it has custody of certain client assets when we have authority under a standing letter of instruction or similar arrangement ("SLOA") by which a client authorizes the custodian to accept instructions from us to make payments from the client's account to one or more third parties specifically designated by the client. We have decided to rely on guidance from the SEC that it will not seek enforcement action against an adviser for not subjecting itself to surprise custody examination by an independent accounting firm provided that the firm's custody of client assets exists only under SLOAs that meet certain requirements and under other arrangements not requiring a surprise audit.

While Valmark or its IARs recommend that clients use a specific custodial broker-dealer, clients decide whether to do so. Clients open accounts by entering into an account agreement directly with the selected custodial broker-dealer. Valmark does not open accounts for clients, although it assists clients in doing so.

Custodians will hold client assets in a brokerage account and buy or sell securities when instructed. Transaction costs vary by custodian and are usually negotiated by Valmark or one of its affiliates. Generally, there are no separate charges for custodial services. Instead, a custodial broker-dealer is compensated by charging commissions or other fees on trades it executes.

### Custodial Broker-Dealer Selection

Valmark is owned and operated independently from, and is not affiliated with, any qualified custodial platform. Client assets must be held in an account at a custodial broker-dealer. Each client will receive a custodial recommendation based on our understanding of their goals, objectives, and excepted activity. Valmark seeks to offer custodial platforms that will hold client assets and execute transactions on terms that are overall advantageous when compared to other available providers. Valmark considers a wide range of factors in the selection process, including but not limited to:

- Execution and operational capabilities of the broker-dealer (e.g. adequacy of order entry systems; promptness of execution; competent block trading coverage, if necessary; capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, etc.); and ability and willingness to correct errors).



- Expertise of the broker-dealer (e.g. to execute trades for the particular type of security; to maintain anonymity for the adviser; to access various market centers; and to locate liquidity and minimize trade costs).
- Access to people, products, and services provided by the broker-dealer including non-transaction fee mutual funds and TPMs.
- Competitiveness of the price for services (e.g. reasonableness of trading costs and margin costs).
- Financial condition and business reputation of the broker-dealer.
- Prior service to Valmark and its other clients.

Some of the platforms and programs described above are inherently available only with specific custodial broker-dealers. In those circumstances Valmark and its IARs have no significant incentive to select or recommend a particular custodial broker-dealer over another in the interest of receiving client referrals from a broker-dealer or TPM. Valmark regularly reviews the custodial platforms it offers to clients to ensure they continue to meet Valmark's best execution expectations. Valmark will not accept accounts for clients that require the use of a custodian that is unacceptable to Valmark for any reason.

If a client directs Valmark to use a specified custodial broker-dealer, even though that custodial broker-dealer is acceptable to Valmark, the use of that custodial broker-dealer, in some instances could cost the client more money. For example, there is a possibility the client would pay higher brokerage commissions because Valmark would be unable to aggregate orders to reduce transaction costs. Additionally, the client could receive less favorable prices.

## Item 16 Investment Discretion

Valmark receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the client's account.

When selecting securities and determining amounts, Valmark observes the investment policies, limitations, and restrictions of the clients for which it advises. For registered investment companies, Valmark's authority to trade securities is limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made. Investment guidelines and restrictions must be provided to Valmark in writing.

## Item 17 Voting Client Securities

As a matter of firm policy and practice, Valmark does not exercise proxy voting on behalf of retail advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent.

In connection to Strategic Allocation Portfolios, proxy voting will be performed by the administrator, Matrix Trust Company.

In regard to the institutional TOPS® Variable Insurance Trust funds, Valmark has adopted policies and procedures to vote proxies in accordance with SEC Rule 206(4)-6 of the Investment Advisers Act of 1940. Those policies are designed to vote proxies in the best economic interests of the portfolios and include procedures for mirror voting conducted through a third party. This means proxies received for the portfolios will be voted in the same proportion as that of shares cast through the proxy voting vendor as of

the proxy vendor's cutoff time for such votes. If a conflict of interest ever arises Valmark is committed to resolving the conflict and will inform the Chief Compliance Officer of the conflict and solicit direction from him or her as to how to vote. The firm's voting records are available, free of charge, by contacting the portfolio's transfer agent, Gemini Fund Services, LLC 17605 Wright Street Suite #2, Omaha, Nebraska 68130, or by calling 1-855-572-5945.

## Item 18 Financial Information

Registered Investment Advisers are required to provide certain financial information or disclosures about Valmark's financial condition. Valmark 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. However, in light of the COVID-19 pandemic in April 2020, Valmark Financial Group, the ultimate corporate parent of Valmark Advisers, Inc., applied for and received a Paycheck Protection Program loan in the amount of \$2,214,700. Less than 1/8<sup>th</sup> of the loan went to cover payroll costs of individuals who were primarily responsible for performing functions for Valmark Advisers, Inc.