

Item 1 - Cover Page



Registered Investment
Advisor CRD # 107203
SEC File # 801-36836

Victory Asset Management Co., Inc. (also
known as "Victory Fiduciary Consulting")
53 North Main Street Mullica Hill, NJ 08062

Tel: (856) 464-3100
Fax: (856) 464-3101
www.victoryfiduciary.com

Form ADV Part 2A Firm Brochure
March 30, 2023

This Brochure provides information about the qualifications and business practices of Victory Asset Management Co., Inc. Please contact Howard Verfaillie at (856) 464-3100 if you have any questions about the content of this Brochure.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about Victory Asset Management Co., Inc. is available on the SEC's website at www.adviserinfo.sec.gov. Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the Firm's IARD ("CRD") number, which is 107203.

While the Firm and its associates may be registered and/or licensed within a particular jurisdiction, that registration and/or licensing in itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the Firm or its associated personnel.

Item 2 - Material Changes

We update this document annually, or more frequently in the event of certain material changes. This section discusses only material changes to Form ADV Part 2A Brochure since the date of our last update on March 31, 2022. As well, minor changes have been made to this Brochure such that we encourage you to read the Brochure in its entirety.

- Item 9 has been revised with respect to settlement matter involving the State of Massachusetts Securities Division.
- Item 4 has been revised to provide additional information regarding our advisory services.
- Item 14 has been revised with respect to the Firm's use of promoters.

Additional information about Victory Fiduciary Consulting is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Victory Fiduciary Consulting who required to be notice filed as investment adviser representatives of Victory Fiduciary Consulting.

Item 3 - Table of Contents

Item 1 - Cover Page.....	1
Item 2 - Material Changes	2
Item 3 - Table of Contents.....	3
Item 4 - Advisory Business	4
Item 5 - Fees and Compensation	13
Item 6 - Performance-Based Fees and Side-By-Side Management.....	17
Item 7 - Types of Clients	17
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....	18
Item 9 - Disciplinary Information.....	22
Item 10 - Other Financial Industry Activities and Affiliations.....	22
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	23
Item 12 - Brokerage Practices	26
Item 13 - Review of Accounts.....	29
Item 14 - Client Referrals and Other Compensation	30
Item 15 – Custody	30
Item 16 - Investment Discretion.....	31
Item 17 - Voting Client Securities.....	31
Item 18 - Financial Information	32

Important Information

Throughout this document, Victory Asset Management Co., Inc. shall also be referred to as “Victory Fiduciary Consulting”, “the Firm,” “Firm,” “our,” “we” or “us.” The client or prospective client may be also referred to as “you,” “your,” etc., and refers to a client engagement involving a single person as well as two or more persons and may refer to natural persons and legal entities. The term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (e.g., internet address, etc.).

Item 4 - Advisory Business

Description of the Firm

Victory Asset Management Co., Inc. is a New Jersey corporation formed on August 21, 1995 and is an SEC registered investment adviser. We generally operate under the trade name Victory Fiduciary Consulting. Our advisory Firm is not a subsidiary of, nor do we control, another financial services industry entity. Item 10 of this Brochure describes other business activities in which Firm associates may be engaged.

Victory Asset Management Co., Inc. was originally registered as an SEC investment advisor in June of 1990 under a previous name. In addition, our Firm and its associates may notice-file (register), become licensed or meet certain exemptions to registration and/or licensing in other jurisdictions in which we conduct investment advisory business.

Howard R. Verfaillie, Jr., AIF®, AIFA®, PPC®, CFF® CFP®, is the Firm's Chief Executive Officer, Chief Compliance Officer and maintains a 50% interest in the Firm. Ashley R. Rosser, AIF® is the Firm's President, Compliance Officer and she maintains a 50% interest in the Firm.

Our advisory Firm provides a broad range of solutions to our client base which include retirement plan services to plan sponsors and financial planning and portfolio management to individuals and businesses. These individualized services are described in further detail below.

Description of Services Provided to Retirement Plan Sponsors

Victory Fiduciary Consulting provides services intended to assist plan sponsors¹ in understanding the scope of their fiduciary duties and responsibilities, develop prudent practices and procedures to enable them to effectively discharge those duties and responsibilities, and document their actions and decisions. Our Firm assists plan fiduciaries in the development of committee charters, fiduciary eligibility documentation, and committee meeting documentation, investment policy and other activities that generally relate to prudent plan governance. Also included is assistance in preparing an annual report to the board of director or trustees as our client deems prudent and appropriate.

Our Firm is available to provide process assessments on the practices currently in place to manage fiduciary duties and responsibilities, as well as offer recommendation to improve current plan practices. We can assist in benchmarking service providers by evaluating existing providers and the expenses incurred for their services, and we can prepare a vendor request for information and complete an analysis of the vendor responses. We provide our services as a fiduciary as defined in § 3(21)(a)ii of the Employee Retirement Income Security Act of 1974 (ERISA) as well as an ERISA § 3(38). Our level of account authority is defined in further detail in Item 16 of this Brochure. We do not serve as ERISA § 3(16) plan third-party administrator (TPA), but we will assist the plan sponsor in identifying a TPA if appropriate.

An initial interview is conducted with the plan sponsor to discuss their current situation, goals, and the scope of services that may be provided by our Firm. Prior to or during this first meeting, the plan sponsor will be provided with this Brochure that includes a statement involving our privacy policy (see Item 11).

The Firm discloses material conflicts of interest that could be reasonably expected to impair the rendering of unbiased and objective advice in Items 5, 10, 11 and 12 of this Brochure.

When a plan sponsor wishes to engage Victory Fiduciary Consulting, parties must enter into a written agreement; thereafter, discussion and analysis will be conducted to determine plan requirements. We will then provide written recommendations and deliverables as specified within our engagement scope. With respect to advisory services provided to plan sponsors, we are available to conduct:

¹ Throughout this Brochure, the term "plan sponsor" includes any person with the authority to review and implement plan investment decisions, such as executive management, investment committees, retirement plan committees, general counsel, plan advisor, etc.

- Due diligence on existing, potential, and selected investment managers and/or service providers
- Retirement plan asset-class menu recommendations
- Trustee education
- Plan design recommendations
- Plan mid-year and year-end reviews with trustee(s), as appropriate
- Investment monitoring reports
- Substitution recommendations
- Watch list recommendations
- Model portfolio generation
- Participant educational workshops
- Site visits when/where needed, upon request

Upon request, we will review an existing or prepare a new IPS or similar written plan guidelines. The purpose of the IPS is to assist plan investment committees in effectively supervising, monitoring and evaluating their company's retirement plan. Topics may include:

- Investment committee's expectations, objectives and guidelines for the plan, as well as assessing for effective communications between the investment committee and all parties involved with investment management decisions;
- Establishing formal criteria for provider selection and evaluation; and
- Complying with all ERISA, fiduciary, prudence and due diligence requirements applicable with laws, rules and regulations from various local, state or federal entities that may impact plan assets.

Victory Fiduciary Consulting is available to conduct ongoing assessments of selected providers. We may recommend replacement of some or all of plan investments, a recordkeeper, TPA and/or custodian. Our recommendations will depend on a combination of plan goals and objectives, updated due diligence information, as well as cost or other service considerations.

If the plan does not call for self-directed investing by plan participants, the plan sponsor may choose to engage our Firm to assist with implementing investment strategies. For those plans that Victory Fiduciary Consulting serves as portfolio manager, we employ strategies and a range of investment vehicles as described in Item 8 of this Brochure. We manage plan portfolios on a discretionary basis as defined in Item 16. Our Firm does not sponsor or serve as portfolio manager in an investment program involving wrapped (bundled) fees.

We will utilize the plan's IPS, observing reasonable investment constraints as stated in the IPS. For example, the plan may choose to exclude certain securities (e.g., options, stocks, illiquid securities, etc.). Investment guidelines should be designed to be specific enough to provide future guidance while allowing flexibility to work with changing market conditions. It will remain the plan sponsor's responsibility to promptly notify us if there is any change in the sponsor's financial situation and/or investment objectives for the purpose of our reviewing, evaluating or revising previous account restrictions or Firm investment recommendations.

Description of Advisory Services

Ongoing supervision of our clients' accounts is accomplished through our portfolio management services, and we may recommend institutional investment managers for certain client engagements. We provide periodic educational workshops involving a broad range of planning and investing topics.

The Firm provides discretionary (change/add to reflect and/or include non-discretionary) investment advisory services on a *fee* basis as discussed at Item 5 below. Before engaging Firm to provide investment advisory

services, clients are generally required to enter into an *Investment Advisory Agreement* with Firm setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. To commence the investment advisory process, Firm will ascertain each client's investment objective(s) and then allocate the client's assets consistent with the client's designated investment objective(s). Once allocated, Firm provides ongoing supervision of the account(s).

For individual retail (i.e., non-institutional) clients, the Firm's annual investment advisory fee shall generally (exceptions can occur-*see below*) include investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of the Firm), Firm may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

Our engagement begins with one or more conversations to discuss your current situation, goals and scope of services that may be provided to you. During or prior to the first meeting, you will be provided with our Form ADV Part 2 Firm Brochure that includes a statement involving our privacy policy (see Item 11). We will also disclose material conflicts of interest that could be reasonably expected to impair our ability to render unbiased and objective advice, such as information identified in Items 5, 10, 11 and 12 of this Brochure.

If you choose to engage Victory Asset Management Co., Inc. as your investment advisor, you must first enter into an engagement agreement with our Firm. We may request that you complete a risk profile questionnaire and other forms to assist us in gathering information on your financial needs, goals, holdings, etc. Depending on the scope of the engagement and your situation, you may be asked to provide copies of the following documents early in the process:

- Current income documentation (W-2s, 1099s, tax returns)
- Credit card information and other revolving debt statements
- Employment or other business agreements you may have in place
- Mortgage and/or student loan information
- Statements reflecting current investments in retirement and non-retirement accounts
- Wills, codicils and trusts
- Insurance policies and statements
- Other pertinent agreements such as employment agreements, trusts, divorce decrees, etc.

It is important that we are provided with an adequate level of information and supporting documentation throughout the term of the engagement including but not limited to: source of funds, income levels, and an account holder or attorney-in-fact's authority to act on behalf of the account, among other information that may be necessary for our services. The information and/or financial statements provided to us need to be accurate.

It is also essential that you inform our Firm of significant issues that may call for an update to your plan. Events such as changes in employment or marital status, an unplanned windfall, etc., can have an impact on your circumstances and plans.

Financial Planning Services

Our financial planning services provide clients with advice on key topics such as cash flow and budgeting, funding a college education, retirement, and risk management, estate or tax planning, among others. Our financial planning service is customized for each of our clients; it is as broad-based or narrowly focused as you may require. The incorporation of most or all of the following components allows for not only a thorough analysis but also a refined focus so that the Firm is able to assist the client in reaching their goals.

Cash Flow Analysis and Debt Management

A review of your income and expenses may be conducted to determine your current surplus or deficit. Based upon the results, we might recommend prioritizing how any surplus could be used, or how to reduce expenses if they exceed your income. In addition, advice on the prioritization of which debts to repay may be provided, based upon such factors as the debt's interest rate and any income tax ramifications.

Risk Management

A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").

Employee Benefits

A review is conducted and analysis is made as to whether you, as an employee, are taking maximum advantage of your employee benefits. We will also offer advice on your employer-sponsored retirement plan, deferred compensation, stock options, along with other benefits that may be available to you.

Personal Retirement Planning

Retirement planning services typically include projections of your likelihood of achieving your financial goals, with financial independence usually the primary objective. For situations where projections show less than the desired results, a recommendation may include showing you the impact on those projections by making changes in certain variables (i.e., working longer, saving more, spending less, taking more risk with investments). If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

Education Planning

Advice may include projecting the amount that will be needed to achieve post-secondary education funding goals, along with savings strategies and the "pros-and-cons" of various college savings vehicles that are available. We are also available to review your financial picture as it relates to eligibility for financial aid or the best way to contribute to other family members.

Tax Planning Strategies

Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, recommendations may be offered as to which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation. We generally recommend that you consult with your accountant or tax attorney, and we may provide you with contact information for various specialists when you wish to hire an accountant or an attorney.

Estate Planning and Charitable Giving

Our review may include an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. We may assess ways to minimize or avoid future estate taxes by implementing various estate planning strategies (i.e., trusts, charitable giving, etc.). We generally recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. We are available to participate in meetings or phone calls between you and your attorney with your approval or request.

Divorce Planning

We are available to work with you to help you gain an understanding of your unique financial situation to better prepare you to communicate with legal counsel, a mediator or soon to be ex-spouse. We can assist in the analysis of cash flow and net worth projections, budgetary analysis, division of property, as well as help you to understand the financial consequences involving a settlement.

Investment Consultation

Investment consultation services often involve providing information on the types of investment vehicles available, employee retirement plans and/or stock options, investment analysis and strategies, asset selection and portfolio design, as well as limited assistance if your investment account is maintained at another broker/dealer or custodian. The strategies and types of investments that may be recommended are further discussed in Item 8 of this Brochure.

Business Consultation

We are available to assist businesses in a variety of ways that may include corporate finance advice, budgeting and forecasting, strategy, concepts to retain key personnel, as well as coordination with financial institutions, corporate attorneys or accounting firms.

Broad-Based v. Modular Financial Planning

We are available to provide a broad-based financial plan. Certain variables can affect the development of the plan, such as the quality of your own records, complexity and number of current investments, diversity of insurance products and employee benefits you currently hold, size of the potential estate, and special needs of the client or their dependents, among others. At your request, we may concentrate on reviewing only a specific area (modular planning), such as an employer retirement plan allocation, or evaluating the sufficiency of your current retirement plan. When our services focus only on certain areas of your interest or need, your overall situation or needs may not be fully addressed due to limitations you may have established.

Whether we have created a broad-based or modular plan for you, we will present you with a summary of our recommendations, guide you in the implementation of some or all of them (per your decision), as well as offer you periodic reviews thereafter. In all instances involving our financial planning engagements, our clients retain full discretion over all implementation decisions and have the right to accept or reject any recommendation we make.

Educational Workshops

The Firm provides periodic educational seminars about personal finance and investing. Topics may include issues related to general financial planning, educational funding, estate planning, retirement strategies, implications involving changes in marital status, and various other current economic or investment topics. Our workshops are complimentary and educational in nature; they do not involve the sale of insurance or investment products. Information presented will not be based on any one person's need, nor do we provide individualized investment advice to attendees during our general sessions.

Third-Party Investment Managers

Following our review of your situation and/or plan development, we may recommend that you engage an institutional investment manager to serve your portfolio. Prior to referring you to a third-party investment manager, we may conduct what we believe to be an appropriate level of due diligence that includes ensuring the third-party investment manager is appropriately registered or notice-filed within your state of residence. Certain third-party investment managers require a higher asset-level to invest in their program which we will inform you in advance of each manager's minimum criteria.

Under this type of engagement, we gather input from you which may include information about your financial situation, investment objectives, reasonable restrictions you may want to impose on the management of the account, and we may then provide this information to the third-party investment manager to develop your portfolio. Third-party investment managers invest on behalf of client accounts in accordance with the strategies set forth in their own disclosure documents which will be provided to you by our Firm prior to your employing their strategies. The selected third-party investment manager assumes discretionary authority over your account, and some programs will not be available for those clients that prefer an account to be managed under a nondiscretionary engagement or have other unique account restrictions.

Portfolio Management Services

You may engage our Firm to implement investment strategies that we have recommended to you. Depending on your risk profile, goals and needs, among other considerations, your portfolio may involve the employment of one of our investment strategies as well as either a broad range or more narrowly focused choice of investment vehicles that are further discussed in Item 8 of this Brochure.

We typically prepare written investment guidelines reflecting your objectives, time horizon, tolerance for risk, as well as any reasonable account constraints you may have for the portfolio. We refer to this as an Investment Policy Statement (IPS). These guidelines will be designed to be specific enough to provide future guidance while allowing flexibility to work with changing market conditions. You will then be able to select one of our standardized Investments Models based on your unique situation and goals.

We serve as portfolio manager on either a discretionary or nondiscretionary basis (defined in Item 16).

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. To the extent requested by the client, the Firm will generally provide financial planning and related consulting services regarding matters such as tax and estate planning, insurance, etc. Firm will generally provide such consulting services inclusive of its advisory fee set forth at Item 5 below (exceptions could occur based upon assets under management, extraordinary matters, special projects, stand-alone planning engagements, etc. for which Firm may charge a separate or additional fee). **Please Note:** Firm believes that it is important for the client to address financial planning issues on an ongoing basis. The Firm's advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with Firm. **Please Also Note:** Firm **does not** serve as an attorney or accountant and no portion of our services should be construed as same. Accordingly, Firm **does not** prepare legal documents or tax returns, nor does it offer or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose, including our representatives in their separate capacities as licensed insurance agents (i.e. attorneys, accountants, etc.). The client is not under any obligation to engage any such professional(s). The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Firm and/or its representatives. If the client engages any professional (i.e., attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the engaged professional shall remain exclusively responsible for resolving any such dispute with the client. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and **not** Firm, shall be responsible for the quality and competency of the services provided.

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. To the extent requested and engaged by the client to do so, the Firm will generally provide financial planning and related consulting services regarding matters such as tax and estate planning, insurance, etc. per the terms and conditions of a separate agreement and a separate fee as discussed at Item 5 below, the fee for which shall generally be based upon the individual providing the service and the scope of the services to be provided. Prior to engaging Firm to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Firm setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to the Firm commencing services.

Custodian Charges-Additional Fees. As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Firm generally recommends that Mid-Atlantic Trust Company, Inc. and Pershing, LLC (collectively “MATC”) serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian. While certain custodians, including *MATC*, generally (with the potential exception for large orders) do not currently charge fees on individual equity transactions (including ETFs), others do. **Please Note:** there can be no assurance that *MATC* will not change their transaction fee pricing in the future. **Please Also Note:** *MATC* may also assess fees to clients who elect to receive trade confirmations and account statements by regular mail rather than electronically. **Tradeaways:** When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom Firm and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a “trade-away” fee charged by *MATC*). The above fees/charges are in addition to Firm’s investment advisory fee at Item 5 below. Firm does not receive any portion of these fees/charges.

Asset-Based Pricing Arrangements and Limitations. The Firm may recommend that clients enter into an “Asset-Based” pricing agreement with the account broker-dealer/custodian. Under an asset based pricing arrangement, the amount that a client will pay the custodian for account commission/transaction fees is based upon a percentage (%) of the market value of the account, generally expressed in basis points and/or a percentage. One basis point is equal to one one-hundredth of one percent (1/100th of 1%, or 0.01% (0.0001). This differs from transaction-based pricing, which assesses a separate commission/transaction fee against the account for each account transaction. Account investment decisions are driven by security selection and anticipated market conditions and not the amount of transaction fees payable by you to the account custodian. Under either the asset-based or transaction-based pricing scenario, the fees charged by the respective broker-dealer/custodian are separate from, and in addition to, the advisory fee payable by the client to Firm per Item 5 below. Firm does not receive any portion of the asset based transaction fees payable by the client to the account custodian. The client is under no obligation to enter into an asset-based arrangement, and, if the client does so, the client can request at any time to switch from asset based pricing to transactions based pricing. However, there can be no assurance that the volume of transactions will be consistent from year-to-year given changes in market events and security selection. Thus, given the variances in trading volume, any decision by the client to switch to transaction based pricing could prove to be economically disadvantageous.

Cybersecurity Risk. The information technology systems and networks that Firm and its third-party service providers use to provide services to the Firm’s clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in the Firm’s operations and result in the unauthorized acquisition or use of clients’ confidential or non-public personal information. Clients and Firm are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Firm has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that Firm does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

Portfolio Activity. The Firm has a fiduciary duty to provide services consistent with the client’s best interest. Firm will review client portfolios on an ongoing basis to determine if any changes are necessary based upon

various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when the Firm determines that changes to a client's portfolio are unnecessary. Clients remain subject to the fees described in Item 5 below during periods of portfolio inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by the Firm will be profitable or equal any specific performance level(s).

Please Note-Use of Mutual and Exchange Traded Funds: The Firm utilizes mutual funds and exchange traded funds for its client portfolios. In addition to Firm's investment advisory fee described below, and transaction and/or custodial fees discussed above, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Retirement Rollovers-Potential for Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Firm recommends that a client roll over their retirement plan assets into an account to be managed by Firm, such a recommendation creates a conflict of interest if Firm will earn new (or increase its current) compensation as a result of the rollover. If Firm provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), The Firm is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. **No client is under any obligation to roll over retirement plan assets to an account managed by the Firm, whether it is from an employer's plan or an existing IRA.**

ERISA PLAN and 401(k) INDIVIDUAL ENGAGEMENTS:

- **Trustee Directed Plans.** The Firm may be engaged to provide discretionary investment advisory services to ERISA retirement plans, whereby the Firm shall manage Plan assets consistent with the investment objective designated by the Plan trustees. In such engagements, The Firm will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 ("ERISA"). Firm will generally provide services on an "assets under management" fee basis per the terms and conditions of an *Investment Advisory Agreement* between the Plan and the Firm.

Participant Directed Retirement Plans. Firm may also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a *Retirement Plan Services Agreement* between Firm and the plan. For such engagements, Firm shall assist the Plan sponsor with the selection of an investment platform from which Plan participants shall make their respective investment choices (which may include investment strategies devised and managed by Firm), and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision making process.

Client Retirement Plan Assets. If requested to do so, Firm shall provide investment advisory services relative to 401(k) plan assets maintained by the client in conjunction with the retirement plan established by the client's employer. In such event, Firm shall allocate (or recommend that the client allocate) the retirement account assets among the investment options available on the 401(k) platform. The Firm's ability shall be limited to the allocation of the assets among the investment alternatives available through the plan. Firm will not receive any communications from the plan sponsor or custodian, and it shall remain the client's exclusive obligation to notify Firm of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account. Unless expressly indicated by the Firm to the contrary, in writing, the client's 401(k) plan assets shall be included as assets under management for purposes of Firm calculating its advisory fee.

Please Note: Non-Discretionary Service Limitations. Clients that determine to engage Firm on a non-discretionary investment advisory basis must be willing to accept that Firm cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that Firm would like to make a transaction for a client's account, and client is unavailable, Firm will be unable to effect the account transaction (as it would for its discretionary clients) without first obtaining the client's consent.

Please Note: Cash Positions. Firm continues to treat cash as an asset class. As such, unless determined to the contrary by Firm, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Firm's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), Firm may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Firm's advisory fee could exceed the interest paid by the client's money market fund.

Client Obligations. In performing our services, the Firm shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, it remains each client's responsibility to promptly notify Firm if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Firm) will be profitable or equal any specific performance level(s).

Disclosure Brochure. A copy of our written Brochure as set forth on Part 2A of Form ADV and Form CRS (Client Relationship Summary) shall be provided to each client prior to, or contemporaneously with, the execution of an agreement between the client and our Firm.

Firm shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment representative will ascertain each client's investment objective(s). Thereafter, the Firm shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on our services.

Our Firm does not sponsor or serve as a portfolio manager in an investment program involving wrapped (bundled) fees.

As of December 31, 2022, our Firm had \$122,306,958 of client assets under its management, on a discretionary basis.

General Information

Victory Fiduciary Consulting does not provide legal or accounting services. You are encouraged to consult with professional providers in these areas and we can assist with coordinating these services and monitoring them in the context of your financial plan. Any engagements you pursue will be independent of our engagement and subject to separate fees from these providers. We do not accept any compensation for any referrals we may provide to other service providers.

We cannot warrant or guarantee the achievement of a planning goal or a particular level of account performance or that your account will be profitable over time. Past performance is not indicative of future results. Except as may otherwise be provided by law, our Firm will not be liable to the client, heirs, or assignees for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by our Firm with the degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from our adherence to your direction or that of your legal agent; any act or failure to act by a service provider maintaining an account. Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing contained in this document or our client engagement agreement shall constitute a waiver of any rights that a client may have under federal and state securities laws.

Item 5 - Fees and Compensation

Forms of payment are based on the types of services being provided, term of service, etc., and will be stated in your engagement agreement with our Firm. Our fees are negotiable, with final determination to be made by an officer of our Firm. We may waive or reduce our fees for our associates and their family members. We strive to offer fees that are fair and reasonable in light of the experience of our Firm and the services to be provided to you. Similar services may be made available from other sources and potentially at a lesser fee.

Fees are to be paid to our Firm by check or draft from US-based financial institutions. With your prior authorization, payment may also be made by credit or debit card through a qualified, unaffiliated PCI compliant² third-party processor, or via withdrawal from your investment account held at your custodian of record. Our Firm does not accept cash, money orders or similar forms of payment for its engagements. Our advisory fee will be noted in your account statement that you will receive from your custodian.

Financial Planning Services Fees

Financial planning engagements are assessed a fixed fee ranging from \$500 to \$5,000. The rate takes into consideration the complexity of your financial profile, the depth of services that may be required, number of accounts and holdings that comprise your overall investment portfolio, among others. A deposit equaling one-half of the quoted fee will be due upon execution of the engagement agreement and the remaining portion upon plan delivery.

Advisory services clients interested in a limited planning component may engage us at an hourly rate, such as when there is a need for business valuation, advice on a retirement plan asset allocation, etc. Our rate ranges from \$75 to \$250 per hour depending upon the level and scope of the services required and the professionals providing those services. We assess our hourly fee on 10-minute increments, and a partial increment (e.g., seven minutes) will be treated as a whole increment. Prior to entering into an agreement with our Firm you will receive an estimate of the overall cost based on your requirements and the time involved. A 50% deposit is required at the time an engagement letter is executed and the remaining payment in full is required at delivery of our invoice which coincides with the presentation of your plan. An hourly engagement lasting more than one month may be billed at the end of each month for time incurred.

Educational Workshops

Workshops sessions are complimentary; no fee is assessed.

Third-Party Investment Manager Arrangements

Each third-party investment manager program has a stated fee range that will be described to you in the investment manager's disclosure documents that we recommend you receive and review prior to your selection of the third-party manager. We recommend you review the disclosure documents to understand whether the selected third-party investment manager(s) will allow for account aggregation for the purpose of fee discounts.

² For an explanation of the term "PCI," who the PCI Security Standards Council is, as well as its comprehensive standards to enhance payment card data security, please go to https://www.pcisecuritystandards.org/security_standards/index.php

The annualized asset-based fee ranges from 0.75% to 1.50% (75 to 150 basis points). We may share that fee with a Victory approved Advisor who will be act as your direct servicing contact.

Investment management services fees, including debits and credits, will be noted on account statements that you will receive directly from your custodian of record on at least a quarterly basis. We are not directly involved in the billing process of third-party investment accounts. We recommend that you verify the accuracy of fee calculations; the custodian may not verify the accuracy of third-party investment manager fees for you.

Your written authorization is required in order for the custodian of record to deduct advisory fees from your investment account. By signing the custodian account documents, you will be authorizing the withdrawal of fees from your account. The withdrawal of these fees from your account will be accomplished by the custodian of record. Most third-party investment managers do not allow for direct payment (e.g., payment by check, etc.). Our portion of the advisory fee will be remitted directly to our Firm via the third-party investment manager.

Portfolio Management Fees

Retirement Plan Sponsors and Plan Participants

At the beginning of each calendar quarter, the plan or plan participant (as determined by the engagement) will pay Victory Fiduciary Consulting an asset-based fee based on an annualized rate as indicated in the following fee table. Our fee schedule is based on a straight tier; all accounts are charged a single percentage rate that declines as asset levels increase. Our Firm aggregates plan accounts for all participants in order to apply a discount to the asset-based fee.

The fee is determined by the value of account assets calculated on each calendar quarter-end by multiplying that quotient by the applicable number of basis points set forth in the fee table (one basis point equals 1/100 of one percent). The result is then divided by 4 to determine the quarterly fee.

Formula: ((quarter-end market value) x (applicable number of basis points))/4

Assets Under Management	Annualized Asset-Based Fee
\$50,000 - \$99,999	1.50% (150 basis points)
\$100,000-\$999,999	1.00% (100 basis points)
\$1,000,000-\$1,999,999	.75% (.75 basis points)
\$2,000,000-3,999,999	.50% (.50 basis points)
\$4,000,000 - Above	Negotiable

Our Firm reserves the right to assess an annualized asset-based up to but not exceeding two percent (2.00%) if the aggregated account values managed by our Firm are opened with or subsequently maintained at combined values less than \$50,000.

In the rare absence of a reportable market value, our Firm may seek a third-party opinion from a recognized industry source (e.g., unaffiliated public accounting Firm), and the plan sponsor and/or plan participant may choose to separately seek such an opinion at their own expense as to the valuation of “hard-to-price” securities if they believe it to be necessary.

The first billing cycle will begin once the engagement agreement is executed with our Firm and assets have settled into the plan account(s) held by the custodian of record. Advisory fees for partial quarters will be prorated based on the remaining days in the reporting period. Fee payments will generally be assessed within the first 15 days of each billing cycle. Our Firm will concurrently send TPA, recordkeeper and plan sponsor

(as stated in the plan engagement agreement) as well as the custodian of record a notice each period that describes the fees to be deducted from an account. Deducted fees will be noted on statements that the plan sponsor and/or participant (per the engagement) receives from the custodian of record and/or third-party administrator on at least a quarterly basis. It is important that the plan/plan participants also verify the accuracy of fee calculations; the custodian may not verify the accuracy of advisory fee assessments for each account.

By signing our Firm's engagement agreement, as well as the selected custodian account opening documents and/or TPA forms, the plan sponsor/participant will be authorizing the withdrawal of both advisory and transactional fees (described below) from their account. The withdrawal of these fees will be accomplished by the selected custodian or TPA, not by our Firm, and our advisory fees will be remitted directly to our Firm. Alternatively, the plan sponsor may request to directly pay our advisory Firm its portfolio management fee in lieu of having the advisory fee withdrawn from plan accounts. Our valuation assessment will remain the same as described above, and the plan's direct payment must be received by our Firm within 15 days of our invoice. We do not accommodate requests for direct payment from plan participants.

Individual Investment Accounts

Investment accounts managed by our Firm are assessed an annualized asset-based fee that is paid quarterly, in advance, as indicated in the following fee table. Our fee schedule is based on a straight tier; all accounts are charged a single percentage rate that declines as asset levels increase. We require a minimum account size of \$50,000 to initiate and maintain an account via our portfolio management services engagement. Our Firm's asset-based fee is calculated by multiplying the assets by the applicable number of basis points (one basis point equals 1/100 of one percent). The result is then divided by four to determine the quarterly fee.

Formula: ((quarter-end market value) x (applicable number of basis points))/4

Assets Under Management	Annualized Asset-Based Fee
\$50,000 - \$99,999	1.50% (150 basis points)
\$100,000-\$999,999	1.00% (100 basis points)
\$1,000,000-\$1,999,999	.85% (.85 basis points)
\$2,000,000-3,999,999	.75% (.75 basis points)
\$4,000,000 - Above	Negotiable

We reserve the right to assess an annualized asset-based up to but not exceeding two percent (2.00%) if the aggregated value of the client's accounts managed by the Firm are opened with or subsequently maintained at combined values less than \$50,000.

Assets will be determined by the reporting account value as of the last calendar day of each quarter, and in consonance with the statement you will receive from your custodian of record for the purpose of verifying the computation of our advisory fee. In the rare absence of a reportable market value, our Firm may seek a third-party opinion from a recognized industry source (e.g., unaffiliated public accounting Firm), and our clients may choose to separately seek such an opinion at their own expense as to the valuation of "hard- to-price" securities if necessary.

The first billing cycle will begin once the client agreement is executed and account assets have settled into your separately identifiable account held by your custodian of record. Fees for partial quarters will be prorated based on the remaining days in the reporting period in which the Firm services the account. Fee payments will generally be assessed within the first 15 calendar days of each billing cycle. Your written authorization is

required in order for the custodian of record to deduct advisory fees from your account. By signing our Firm's engagement agreement, as well as the custodian account opening documents, you will be authorizing the custodian to withdraw our advisory fees from your account. The custodian will remit our fees directly to our Firm. Fees deducted from your account will be noted on statements that you will receive directly from your custodian of record.³ We encourage you to verify the accuracy of fee calculations; the custodian may not verify the accuracy of advisory fee assessments for each account or on a consistent basis.

Fee Dispersion

The Firm's investment may adjust its advisory fee at its discretion, depending upon objective and subjective factors including but not limited to: the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professional(s) rendering the service(s); prior relationships with the Firm and/or its representatives, and negotiations with the client. As a result of these factors, similarly situated clients could pay different fees, the services to be provided by the Firm to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth above.

Additional Client Fees

Any transactional or service fees (sometimes termed *brokerage fees*), individual retirement account fees, qualified retirement plan fees, account termination fees, or wire transfer fees will be borne by the account holder per their custodian of record's fee schedule. We encourage you to review the custodian's fee schedule that is delivered at the beginning of the engagement.

Advisory fees paid to our Firm for its services are separate from any internal fees or charges a client may pay for mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), or similar investments. Additional information about our fees in relationship to our brokerage and operational practices is noted in Item 12.

Per annum interest at the current statutory rate in the state in which the client resides may be assessed on fee balances overdue more than 30 days, and we may refer past due accounts to collections or legal counsel for processing. We reserve the right to suspend some or all services once an account is deemed past due.

External Compensation

Our advisory Firm does not charge or receive a commission or mark-up on your securities transactions, nor do we receive "trailer" or SEC Rule 12b-1 fees from any investment company ("mutual fund") we may recommend when we are engaged to provide portfolio management services. Fees charged by mutual funds are detailed in their prospectuses or product descriptions and you are encouraged to read these documents before investing.

When there is the potential for the receipt of a commission and other similar compensation via an insurance product transaction (e.g., purchase of a fixed annuity, life insurance policy, etc.), an associate of our Firm that is licensed as an insurance agent has an incentive to make such a recommendation based on the compensation they may receive rather than a client's needs. Our advisory Firm and its associates take their responsibilities seriously and only intend to recommend investments, insurance or advisory services we believe appropriate for each client. Please refer to Items 10 and 11 of this Firm Brochure.

Our clients retain the right to purchase recommended or similar investments through a provider of their choice. Note that many third-party investment managers do not make themselves directly available to the public.

³ Periodic account value variances between the Firm's invoice and custodian statement (beyond the Firm's control) may occur due to late trade settlement, dividend distribution, etc., requiring adjusted transaction reporting from the custodian of record.

Termination of Services

Either party may terminate the agreement at any time by communicating the intent to terminate in writing. If you verbally notify our Firm of the termination and if in two business days following this notification, we have not received your notice in writing, we will make a written notice of the termination in our records and send you our own termination notice as a substitute. Our Firm will not be responsible for investment allocation, advice or transactional services (except for limited closing transactions) upon receipt of a termination notice. It will also be necessary that we inform the custodian of record and/or third-party investment manager that the relationship between parties has been terminated.

If a client did not receive our Form ADV Part 2 Firm Brochure at least 48 hours prior to entering into our Firm's agreement, then that client will have the right to terminate the engagement without fee or penalty within five business days after entering into the agreement. If a client terminates a planning service after this five-day rescission period, the client is assessed fees at the Firm's current hourly rate for any time incurred in the preparation of the client's analysis or plan. A client terminating a portfolio management agreement after the five-day rescission period will be assessed fees on a prorated basis for services incurred from either (i) as a new client, the date of the engagement to the date of the Firm's receipt of the written notice of termination, or (ii) all other accounts, the last billing period to the date of the Firm's physical or constructive receipt of written termination notice.

Our Firm will return any prepaid, unearned fees within 30 days of the Firm's receipt of termination notice. Earned fees in excess of any prepaid deposit will be billed at the time of termination and will be due upon the client's receipt of Firm invoice. If we are unable to deduct our fees from the client's account at the custodian of record, then our earned fees will be due upon the client's receipt of our invoice.

Our return of payment to a client for our planning services will be completed via check from our Firm's US-based financial institution. We will coordinate remuneration of prepaid asset-based fees to an investment account via the account custodian.

Neither the Firm, nor its representatives accept compensation from the sale of securities or other investment products.

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

Our Firm's advisory fees will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as performance-based fees. Our fees will also not be based on side-by-side management, which refers to a Firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not.

Item 7 - Types of Clients

The Firm provides its services to individuals and high net worth individuals, businesses of various scale and their retirement plans (via separate Firm disclosure document and agreement). We generally require a \$50,000 minimum account size to initiate and maintain our portfolio management services (see Item 5). Our Firm reserves the right to decline services to any prospective client for any reason.

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

Methods of Analysis

We generally employ Momentum Investing using fundamental analyses; evaluating economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. Our research is often drawn from sources that may include:

- financial periodicals
- Nasdaq Dorsey Wright
- Results from the combined Investment Company of our aligned companies
- research reports from economists and other industry professionals
- Fi360 services and company annual reports
- regulatory filings (i.e., prospectus, financial filings, etc.)

Investment Strategies

We recognize that each client's needs and goals are different; subsequently, portfolio strategies and underlying investment vehicles may vary. Portfolios typically contain a broad range of mutual funds and ETFs. The following paragraphs describe common strategies utilized within our client's portfolios.

Victory's Math-Based Investment Selection and Monitoring Process

Victory frequently develops and manages Investment Models for use in some of our client accounts based on a math-based investment selection and monitoring process. Victory's Investment Committee which combines with other member Investment Committees, track six primary indicators that help determine the overall strength of the stock and bond market. This Collaborative Investment Committee overlays two screens and a variety of secondary indicators to indicate the overall relative strength of various asset classes and sectors to help confirm potentially promising areas. This Collaborative Investment Committee monitors these areas weekly to determine trend and momentum changes. Victory uses a variety of ETF's and mutual funds to satisfy the Investment Model allocation requirements. Victory may use passive, active or momentum investment manager styles. Victory uses both a "quantitative" (math based) and also a "qualitative" (fiduciary scoring) process to select and monitor the underlying mutual funds and ETF's. There is no guarantee that this approach will be successful.

New Generation of Variable Annuities

Our Firm may recommend to some of our clients a fee-based Variable Annuity whose positive returns are based on changes in the S&P 500 index. This strategy may also provide some protection against principal losses based on selecting various downside protection options. This advisor-based approach offers liquidity and the ability to change investment options. There is no guarantee that all investments losses will be avoided.

Risk of Loss

Our Firm believes its strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, there is no guarantee that a planning goal or investment objective will be achieved. Past performance is not necessarily indicative of future results. Investing in securities involves risk of loss that clients should be prepared to bear. While the following list is not exhaustive, we provide some examples of such risk in the following paragraphs, and we believe it is important that our clients review and consider each prior to investing.

Active Management

A portfolio that employs active management strategies may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or “turnover.” This may result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, thereby potentially reducing or negating certain benefits of active asset management.

Annuities

Traditional Fixed and indexed annuities are an insurance contract sold by licensed insurance agents, and variable annuities are offered through broker/dealers. The features, benefits, and various guarantees associated with an annuity are determined by the quality and solvency of its issuer -- the insurance company. Insurance guaranty associations provide limited protection to insurance policyholders and beneficiaries of policies issued by an insurance company that has become insolvent and is no longer able to meet its obligations. All states, as well as the District of Columbia, and Puerto Rico have insurance guaranty associations. Insurance companies are required by law to be members of the guaranty association in states in which they are licensed to do business. The amount of coverage provided by the guaranty association is set by statute and differs from state to state. For example, in New Jersey the coverage for a fixed annuity cash surrender value is \$100,000 and \$500,000 in present value of annuity benefits if the contract has been annuitized. Benefits in excess of the noted limits may be eligible to be submitted as a priority claim against the failed insurer, through which the policyholder may receive additional payments as the insurer's assets are liquidated.

Company Risk

When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as *unsystematic risk* and can be reduced or mitigated through diversification.

Core + Satellite Strategies

Strategies involving Core + Satellite investing may have the potential to be affected by “active risk” (or “tracking error risk”), which might be defined as a deviation from a stated benchmark. Since the core portfolio attempts to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a satellite portfolio or position, or from a “sample” or “optimized” index fund or ETF that may not as closely align the stated benchmark.

Currency Risk

The risk of loss from fluctuating foreign exchange rates when a portfolio has exposure to foreign currency or in foreign currency traded investments is known as currency risk.

Equity (Stock) Risk

Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in and perceptions of their issuers change. If an investor held common stock or common stock equivalents of any given issuer, they may be exposed to greater risk than if they held preferred stocks and debt obligations of the issuer.

Preferred stocks can be affected by interest rate and liquidity risks (described in adjacent paragraphs). Also note that their dividend payment is not guaranteed; some are subject to a call provision, meaning the issuer can redeem its preferred shares on demand, and usually when interest rates have fallen.

ETF and Mutual Fund Risks

The risk of owning ETFs and mutual funds reflect their underlying securities (e.g., stocks, bonds, etc., described in other paragraphs of this section). These forms of securities typically carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. Certain ETFs and indexed funds have the potential to be affected by “active risk;” a deviation from its stated index.

While many ETFs and index mutual funds are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be a holding within an ETF or mutual fund), maybe considered “non-qualified” under certain tax code provisions. A holding’s QDI will be considered when tax-efficiency is an important aspect of the client’s portfolio.

Leveraged and/or inverse ETFs attempt to achieve multiples of the performance of an index or benchmark through the opposite (inverse) of the performance of the tracked index or benchmark. This strategy attempts to profit from, or hedge exposures to, downward drifting markets. There is risk involving this strategy and part of the concern is based on the fact that leveraged and inverse exchange traded funds “reset” daily, which means they are designed to achieve their stated objectives on a *daily basis*. It is due to the compounding effect of daily adjustments that ETF performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of an underlying index or benchmark during the same period. This effect is potentially magnified during volatile markets. If effects contrary to the ETF strategy occur, losses may be significant; therefore, leveraged and/or inverse ETFs will be considered for portfolios either properly hedged or for clients able to sustain potentially higher risks. Leveraged and inverse ETFs should not be used in portfolios where a “buy-and-hold” philosophy is important.

Failure to Implement

As our planning client, you are free to accept or reject any or all of the recommendations made to you. While no advisory Firm can guarantee future performance, no plan can succeed if it is not implemented. Clients who choose not to take the steps recommended in their plan may face an increased risk that their stated goals and objectives will not be achieved.

Financial Risk

Excessive borrowing to finance a business operation increases profitability risk because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Fixed Income Risks

Various forms of fixed income instruments, such as bonds, money market or bond funds may be affected by various forms of risk, including:

- Credit Risk - The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

- Interest Rate Risk - The risk that the value of the fixed income holding will decrease because of an increase in interest rates.
- Reinvestment Risk - With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

Fundamental Analysis

The challenge involving fundamental analyses is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value. If a security's price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

Inflation Risk

Also called *purchasing power risk*, is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.

Liquidity Risk

The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

Market Risk

This is also called systemic risk. In cases where markets are under extreme duress, many securities lose their ability to provide diversification benefits.

Passive Investing

A portfolio that employs a passive, efficient markets approach has the risk of generating lower-than-expected returns due to its broad diversification when compared to a portfolio narrowly focused/invested.

Political Risk

The risk of financial and market loss because of political decisions or disruptions in a particular country or region and may also be known as "geopolitical risk."

Research Data

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a Firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While our Firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

Third-Party Investment Managers

We will review with the client the Form ADV Part 2A of any recommended third-party investment manager to ensure the client is familiar with the investment strategy and types of investment vehicles they employ so that they align with the client's investment objectives, as well as discuss the risks these may impose on the account.

Force Majeure

A “Force Majeure Event” means any act of God, terrorist act, failure of utilities or other similar circumstance not within the reasonable control of Firm, but only if and to the extent that (i) such circumstance, despite the exercise of reasonable diligence, cannot be, or be caused to be, prevented, avoided or removed by Firm, and (ii) such circumstance materially and adversely affects the ability of Firm to perform its obligations to its Clients, and Firm has taken all reasonable precautions, due care and reasonable alternative measures in order to avoid the effect of such event on Firm’s ability to perform its obligations to its Clients and to mitigate the consequences thereof. Firm shall be excused from performance and shall not be in default in respect of any obligation hereunder to the extent that the failure to perform such obligation is due to a Force Majeure Event.

Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues. Our business activities could be materially adversely affected by pandemics, epidemics and outbreaks of disease in Asia, Europe, North America and/or globally or regionally, such as COVID-19, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome (SARS), and/or other epidemics, pandemics, outbreaks of disease, viruses and/or public health issues. Specifically, COVID-19 has spread (and is currently spreading) rapidly around the world since its initial emergence in China in December 2019 and has severely negatively affected (and may continue to materially adversely affect) the global economy and equity markets (including, in particular, equity markets in Asia, Europe and the United States). Although the long-term effects or consequences of COVID-19 and/or other epidemics, pandemics and outbreaks of disease cannot currently be predicted, previous occurrences of other pandemics, epidemics and other outbreaks of disease, such as H5N1 flu, H1N1 flu, SARS and the Spanish flu, had a material adverse effect on the economies and markets of those countries and regions in which they were most prevalent. Any occurrence or recurrence (or continued spread) of an outbreak of any kind of epidemic, communicable disease or virus or major public health issue could cause a slowdown in the levels of economic activity generally (or cause the global economy to enter into a recession or depression), which would adversely affect the business, financial condition and operations of the Adviser. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to spread or materially impact the day to day lives of persons around the globe), the Adviser could be adversely affected by more stringent travel restrictions, additional limitations on the Adviser’s operations or business and/or governmental actions limiting the movement of people between regions and other activities or operations (or to otherwise stop the spread or continued spread of any disease or outbreak).

Item 9 - Disciplinary Information

On July 14, 2022, the Firm and the Commonwealth of Massachusetts. Office of the Secretary of the Commonwealth, Securities Division entered into a Settlement Agreement. This Settlement arises from the Firm’s failure to file a renewal IAR registration in the Commonwealth of Massachusetts for the year 2021, by the registration deadline in accordance with the settlement. Firm agreed to pay a fine of \$40,000 to the Commonwealth of Massachusetts, agreed to review its Policies and Procedures, agreed to censure with respect to the conduct described, and agreed to permanently cease and desist from future violations of the pertinent Massachusetts laws.

Item 10 - Other Financial Industry Activities and Affiliations

Our advisory Firm and its management are not registered nor have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member Firm or associated person of such a Firm. We are not required to be registered with such entities, nor do they supervise our Firm, its activities or our associates. Neither our Firm nor its management is or has a material relationship with any of the following types of entities:

- ☐ another financial planning Firm
- ☐ bank, credit union or thrift institution, or their separately identifiable department or division

- ☐ lawyer or law Firm
- ☐ pension consultant (other than our own services)
- ☐ real estate broker, dealer or advisor
- ☐ sponsor or syndicator of limited partnerships
- ☐ trust company
- ☐ issuer of a security, to include investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)

As referenced in Item 4 of this Brochure, we provide recommendations to pre-screened third-party investment managers (who are also required to be registered as investment advisors) to service a client portfolio, and in which both Firms inevitably receive a portion of the advisory fee paid by the client as described in Item 5. Since our Firm’s compensation may differ among various external investment managers, we have an incentive to recommend one Firm over another with whom we may have less favorable compensation arrangements. In light of this potential conflict of interest, our Firm will review its recommendations across all similar offerings to ensure an appropriate “mix of business” has occurred, and in light of the client’s needs, goals and objectives, and with respect to a preferred external investment manager.

Clients are welcome to review all our investment program offerings and their stated fee ranges, and they should review their fee schedule referenced in their agreement with our Firm before the engagement. In addition, there is the potential for clients’ fees assessed via an external investment manager engagement to be higher than had a client obtained those services directly from that investment manager. As stated in Item 5, each client has the right to purchase recommended or similar investment through a service provider of their choice, and that certain third-party investment managers may not be available to self-directed investors.

Associates of our Firm, including its management, are licensed insurance agents appointed with various unaffiliated insurance carriers and agencies. Certain Firm associates are certified public accountants (CPA) and/or a partner in accounting and tax practice unaffiliated with our advisory Firm, under separate engagement agreements, and are prohibited from serving in a role that allows their having physical custody of a client account (see Item 15).

Whether they are serving a client in one or more capacities, they are obligated to disclose in advance how they are being compensated and if there is a conflict of interest involving any advice or service provided.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Our Firm holds itself to a *fiduciary standard*, which means the Firm and its associates will act in the utmost good faith, performing in a manner believed to be in the best interest of its clients. Our Firm believes that business methodologies, ethics rules, and adopted policies are designed to eliminate or at least minimize material conflicts of interest and to appropriately manage any material conflicts of interest that may remain. We will disclose to our advisory clients any material conflict of interest relating to the Firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

Code of Ethics

We have adopted a Code of Ethics that establishes policies for ethical conduct for our personnel. Our Firm accepts the obligation not only to comply with all applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Firm policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others.

We periodically review and amend our Code of Ethics, and we require Firm personnel to annually attest to their understanding of and adherence to the Firm's Code of Ethics. A copy of the Firm's Code of Ethics is made available to any client or prospective client upon request.

Firm associates that are CERTIFIED FINANCIAL PLANNERTM Practitioners are subject to the Certified Financial Planner Board of Standards, Inc.'s Code of Ethics & Professional Responsibility which you may find at www.cfp.net.

Privacy Policy Statement

Our Firm respects the privacy of all clients and prospective clients (collectively termed "customers" per privacy regulations), both past and present. It is recognized that you have entrusted our Firm with non- public personal information, and it is important that both access persons and customers are aware of Firm policy concerning what may be done with that information.

We collect personal information about customers from the following sources:

- Information customers provide to complete their financial plan or investment recommendation;
- Information customers provide in client engagement agreements and other documents completed in connection with an investment management engagement;
- Information customers provide verbally; and
- Information received from service providers, such as custodians, about customer transactions.

We do not disclose non-public personal information about our customers to anyone, except in the following circumstances:

- When required to provide services our customers have requested;
- When our customers have specifically authorized us to do so; or
- When required during the course of a Firm assessment (i.e., independent audit) or bylaw

To ensure security and confidentiality, the Firm maintains physical, electronic, and procedural safeguards to protect the privacy of customer information. Within the Firm, access to customer information is restricted to personnel that need to know that information. All access persons and service providers understand that everything handled in Firm offices are confidential and they are instructed not to discuss customer information with anyone else that may request information about an account unless they are specifically authorized in writing by the customer to do so. This includes providing information about a family member's account.

Our Firm will provide clients with our privacy policy statement upon request.

Firm Recommendations and Conflicts of Interest

Our associates are prohibited from borrowing from or lending to a client unless that client is an approved financial lending institution.

Neither our Firm nor its associates are authorized to recommend to a client, or effect a transaction for a client, involving any security in which our Firm or a "related person" (associates, their immediate family members, etc.) has a material financial interest, such as in the capacity as an underwriter, advisor to the issuer, etc.

Our Firm and its related persons may buy or sell securities that are the same as, similar to, or different from, those we recommend to clients for their accounts. A recommendation made to one client may be different in nature or in timing from a recommendation made to a different client. Clients often have different objectives

and risk tolerances. At no time will our Firm or any related party receive preferential treatment over our clients. In an effort to reduce or eliminate certain conflicts of interest involving the Firm or personal trading, our policy may require that we restrict or prohibit associates' transactions in specific securities transactions. Any exceptions or trading pre-clearance must be approved by our Firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records.

Under certain conditions that have been established by the United States Department of Labor (DOL), Victory Asset Management Co., Inc. may qualify as a "DOL fiduciary" to certain clients. As a DOL fiduciary, our Firm must adhere to specific standards relating to the investment advice and recommendations we provide. These standards may act to limit the investment advice and recommendations we can give to clients, and may require that we provide certain additional disclosures not already contained in this Form ADV Part 2A. As a DOL fiduciary, we also incur additional liability above and beyond that we currently operate under as it relates to the investment advice and recommendations we provide.

Status as a DOL fiduciary is governed by federal law and DOL regulations. Such fiduciary status is triggered when we provide investment advice or other investment recommendations to a client who is a "retirement investor." Retirement investors primarily consist of those individuals or organizations who are participants or beneficiaries of a retirement plan that is subject to Title I of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, and who possess the authority to direct the investment of assets in his or her plan account or to take a distribution; or (ii) the beneficial owner of an individual retirement account (IRA) who is acting on behalf of the IRA. Not every client will trigger this fiduciary status, as this status is based on the source of investment funds previously listed. In addition to other standards noted in this Item, in the event that our Firm qualifies as a DOL fiduciary, the following applies:

- We will provide investment advice that is, at the time of the recommendation, in the client's best interest.
- Our recommendations will be made in the client's "best interest" when the advice or recommendations our Firm makes reflect the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the client's investment objectives, risk tolerance, financial circumstances, and needs. Investment advice or recommendations will be made without regard to our Firm's financial interests or those of our advisors, related entities or other parties.
- Any recommended transactions will not cause us or any related entities to receive, directly or indirectly, compensation for services that is in excess of reasonable compensation.
- As used herein, the DOL defines "reasonable compensation" to mean that any compensation that is reasonably expected to be received for investment recommendations must be reasonable in relation to the value of the specific services provided to a retirement investor and not in excess of the services' fair market value.
- Any statements made by our Firm about any recommended transaction, fees and compensation, material conflicts of interest, and any other matters relevant to your investment decisions, will not be materially misleading at the time they are made.

In addition to the standards listed above, as a DOL fiduciary we may also be required to provide you additional information or disclosures regarding the fees we charge for our services. Such additional information will disclose to you if we offer any proprietary products (which are products that are managed, issued, or sponsored by us) or if we receive any payment from a third party for recommending a specific investment service. Victory Asset Management Co., Inc. does not offer, nor limit, its investment services to proprietary products. Regarding third party payments, we may receive an economic benefit from our primary custodians in the form of the support products and services they make available to us and other independent investment advisors. Additional information regarding such economic benefits is noted in Items 10 and 12 of this Brochure, and information relating to our fees and compensation for our services can be found in Item 5.

Our Firm is able to provide a range of advisory services to you and all of our clients. Due to our Firm's ability to offer two or more services and receive a fee for each engagement, the potential for a conflict of interest exists due to the extended services provided. We therefore note that you are under no obligation to act on our recommendations and, if you elect to do so, you are under no obligation to complete them through our Firm or a recommended provider.

Item 12 - Brokerage Practices

Factors Used to Select Broker/Dealers for Client Transactions

Your accounts must be separately maintained by a qualified custodian (generally a broker/dealer, national bank, or insurance company) that is frequently reviewed for its capabilities to serve in that capacity by their respective industry regulatory authority. Our Firm is not a custodian, there is not an affiliate that is a custodian, nor does a custodian supervise our Firm, its activities or our associates. We do not receive referrals from a custodian, nor are client referrals a factor in our recommendation of a custodian.

When engaged to provide an investment consultation component of our financial planning service, we may recommend the service provider where client assets are currently maintained. If a client prefers a new service provider, a recommendation made by the Firm would be based on client need, overall cost, and ease of use. Accounts served by a third-party investment manager are generally maintained at one or more custodians that have been selected by the respective third-party investment manager. The custodian will be disclosed in the third-party investment manager's disclosure documents and account opening forms.

We prefer that our portfolio management clients use the services of Mid Atlantic Trust Company (an affiliate of Mid Atlantic Capital Group) and/or Lincoln Financial Group, as custodian of record. Both noted custodians clear and custody client accounts through their broker/dealer affiliates that are FINRA and SIPC members.⁴ Our Firm is independently owned and operated and is not legally affiliated with either custodian or any other provider that we may recommend.

While we recommend that you use a particular custodian, it is your decision whether to do so. It is your responsibility to open your account with the custodian by entering into an account agreement directly with them. While we are not legally allowed to open the account on your behalf, we are available to assist you at your request. If you do not wish to place your assets with either noted custodian, we may serve as portfolio manager for your account maintained at a custodian of your choice if that custodian's policies allow us to do so and following your written authorization via the custodian's limited power of attorney document.

Mid Atlantic Trust Company and Lincoln Financial Group and their affiliates offer independent investment advisors various services which include custody of client assets, trade execution, clearance and settlement. Our Firm may receive other benefits from our preferred custodians through participation in their independent advisor support program. These benefits may include the following products and services (provided either without cost or at a discount):

- ☐ receipt of duplicate client statements and confirmations
- ☐ research related products and tools
- ☐ breadth of investment products made available
- ☐ access to trading desks serving our clients
- ☐ access to block trading services
- ☐ ability to have advisory fees deducted directly from a client's accounts
- ☐ resource information related to capital markets and various investments

⁴ Our advisory Firm is not, nor required to be, a Securities Investor Protection Corporation (SIPC) member. You may learn more about the SIPC and how it serves member Firms and the investing public by going to their website at <http://www.sipc.org>.

- ☐ access to electronic communications networks for client order entry and account information
- ☐ access to mutual funds with no transaction fees
- ☐ assistance with certain back-office functions, recordkeeping and client reporting
- ☐ discounts on marketing, research, technology, and practice management products or services provided to our Firm by third-party providers
- ☐ educational conferences and events

Some of the noted products and services made available to our Firm by our custodians may benefit our advisory Firm but may not directly benefit each of our clients' accounts, and certain research and other previously referenced services are considered by some jurisdictions as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934. The availability of these services benefits our Firm because we do not have to produce or purchase them as long as clients maintain assets in accounts at our recommended custodian. There is a conflict of interest since our Firm has an incentive to select or recommend a custodian based on our Firm's interest in receiving these benefits rather than the client's interests in receiving favorable trade execution. It is important to mention that the benefit received by our Firm through participation in any custodian's program does not depend on the amount of brokerage transactions directed to that custodian, and our selection of a custodian is primarily supported by the scope, quality, and cost of services provided as a whole, not just those services that benefit only our advisory Firm.

As part of our fiduciary duty, our Firm endeavors to place the interests of our clients first, without consideration to our own financial interest or the interest of a related person. Our clients should be aware, however, that the receipt of any economic benefit by our Firm or its associates in and of itself creates the potential for a conflict of interest and may indirectly influence our choice of a custodian for its services.

However, we strive to overcome any implicated bias these benefits might create, and we strive to avoid recommending services or offer investment advice that is not in your best interest.

Best Execution

"Best execution" means the most favorable terms for a transaction based on all relevant factors, including those listed in the paragraph titled *Factors Used to Select Broker/Dealers for Client Transactions*. We recognize our obligation in seeking best execution for our clients; however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected custodian's transactions represent the best "qualitative execution" while taking into consideration the full range of services provided.

Our Firm will seek services involving competitive rates, but it may not necessarily correlate into the lowest possible rate for each transaction. We have determined having our portfolio management clients' accounts trades completed through our preferred custodians is consistent with our obligation to seek best execution for our clients. A review is regularly conducted with regard to recommending a custodian to our clients in light of our duty to seek best execution.

At our discretion and following our approval, we will accept transfers of our clients' preexisting mutual funds into their investment accounts that are managed by our Firm at our preferred custodian. A transfer-in-kind of "retail" share classes of mutual funds may benefit a client since we are able to more quickly invest their portfolio if necessary, mitigate tax and/or short-term trading liabilities, or avoid existing contingent deferred sales charges (CDSC). Our Firm reviews accounts that have transferred in shares of different share classes of mutual funds and will generally convert those share classes to a lower expense share class when we believe doing so would be beneficial to the client.

While our Firm has access to a broad range of securities through our custodians, it is a finite number. Not all investment managers, share classes, etc., are available at each custodian. These are normal and customary limitations.

Directed Brokerage

Our internal policy and operational relationships with our custodians require client accounts held by them to have trades executed per their order routing requirements. We do not direct which executing broker should be selected for client account trades; whether that is an affiliate of a preferred custodian or another executing broker of that custodian's choice. As a result, you may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices on transactions than might otherwise be the case. In addition, since we routinely recommend a custodian to our clients, and that particular custodian may choose to use the execution services of its broker affiliate for some or all of client account transactions, there is an inherent conflict of interest involving our recommendation since our advisory Firm receives various products or services described earlier in this section from that custodian.

Note that we are not compensated for trade routing/order flow, nor are we paid commissions on such trades. We do not receive interest on our client accounts' cash balances.

Our portfolio management services clients who custody their assets at our recommended custodians are unable to engage in directed brokerage. As a result, they may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case if they had the opportunity to direct brokerage.

We generally do not accept client accounts where a client maintains account assets at a custodian we did not recommend. Should we accept an account, you will be responsible for negotiating, in advance of each trade, the terms and/or arrangements involving your account with that broker, and whether the selected broker is affiliated with your custodian of record or not. In this situation, we are not obligated to seek better execution services or prices from these other brokers, and we are unable to aggregate your transactions with orders for the other accounts managed by our Firm. As a result, you may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for your account than would otherwise be the case.

Aggregating Securities Transactions

Trade aggregation involves the purchase or sale of the same security for several clients/accounts at approximately the same time. This may also be termed "blocked," "bunched" or "batched" orders. Aggregated orders are effected in an attempt to obtain better execution, negotiate favorable transaction rates, brokerage commissions or other transactional costs that might otherwise be unobtainable through separately placed orders. Our Firm may, but is not obligated to, aggregate orders and we do not receive additional compensation or remuneration as a result of aggregated transactions.

Transaction charges and/or prices may vary due to account size and/or method of receipt. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which a related person may invest, the Firm will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.*

Please note that when trade aggregation is not allowed or infeasible and necessitates individual transactions (e.g., withdrawal or liquidation requests, odd-lot trades, non-discretionary accounts, etc.), an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

We review our Firm's trading processes on a periodic basis to ensure they remain within stated policies and regulation.

Item 13 - Review of Accounts

Scheduled Reviews

Our Firm encourages periodic reviews of your financial plan and we recommend that they occur once a year. Reviews will be conducted by the client's investment advisor representative and typically involve analysis and possible revision of the previous financial plan or investment allocation.

Plan sponsors should contact our Firm for additional reviews when making decisions about changes to their plan. Periodic reviews are recommended on a no less than annual basis or whenever practical. Reviews will be conducted by the client's investment advisor representative and typically involve analysis and possible revision of plan documents, recommendations or investment selections. Copies of revised written plans or asset allocation reports generated from these review sessions are provided in printed or digital format upon client request.

Investment portfolios are reviewed on a quarterly or more frequent basis by Mr. Verfaillie or Ms. Rosser. Client-level portfolio reviews are completed by the client's investment advisor representative, and we recommend that they occur on at least an annual basis.

Copies of revised written plans or asset allocation reports generated from these review sessions are provided in printed or digital format upon client request.

For those client accounts served by a recommended third-party investment manager, Mr. Verfaillie or Ms. Rosser review reports provided to you and our Firm by your investment manager and will also conduct periodic internal reviews from both a compliance and performance perspective to determine whether your third-party investment manager remains an appropriate fit for your portfolio.

Our Firm will contact you at least annually to review your financial situation and objectives. We will communicate information to your third-party investment manager as warranted and assist you in understanding and evaluating the services provided by your third-party investment manager. In certain instances, you may be able to communicate directly with your investment manager but we ask that you coordinate the session through our Firm.

Interim Reviews

We encourage you to contact us for additional reviews when you anticipate or have experienced changes in your financial situation, or if you prefer to change requirements involving your investment account. Interim reviews are conducted by the client's investment advisor representative. Copies of revised written plans or asset allocation reports in printed or digital format will be provided to the client upon request.

We encourage plan sponsors to contact our Firm for additional reviews when there are material changes to the plan requirements or the businesses financial situation. The review is conducted by the client's investment advisor representative. Copies of revised written plans or asset allocation reports in printed or digital format will be provided to the client upon request.

Client Reports

Individual Investment Accounts: You will receive account statements sent directly to you from your custodian of record where your investments are held. We urge you to carefully review these account statements for accuracy and clarity, and to ask questions when something is not clear. Portfolio management services clients have electronic access to their accounts maintained at their custodian, and have the ability to download quarterly performance reports in printed or digital format that have been generated by the custodian's data systems. Clients are urged to carefully review and compare account statements that they have received directly from their custodian of record with any report they may receive from any other source that contains investment performance information.

Retirement Plans: Each plan participant will receive account statements sent directly from Plan Administration Firms, mutual fund companies, transfer agents, custodians or brokerage companies where investments are held. We urge each participant to carefully review account statements for accuracy and clarity, and to ask questions when something is not clear. The plan sponsor/plan participant have electronic access to accounts maintained at the custodian of record and have the ability to download quarterly performance reports in printed or digital format that have been generated by that custodian's data systems. Plan sponsors and/or participants are urged to carefully review and compare account statements that they have received directly from the custodian of record with any report they may receive from any other source that contains investment performance information.

Item 14 - Client Referrals and Other Compensation

If we receive or offer an introduction to a client involving unregistered persons, we do not pay or earn a referral fee, nor are there established *quid pro quo* arrangements. Each client has the right to accept or refuse such referrals or their subsequent services.

Please refer to Items 5, 10 and 12 for additional information with respect to our offerings/services and the potential conflicts of interest they present.

An associate of the Firm may hold individual membership or serve on boards or committees of professional industry associations. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements. A benefit these entities may provide to the investing public is the availability of online search tools that allow interested parties (prospective clients) to search for individual participants within a selected state or region. These passive websites may provide means for interested persons to contact a participant via electronic mail, telephone number, or other contact information, in order to interview the participating member. The public may also choose to telephone association staff to inquire about an individual within their area and would receive the same or similar information. A portion of these participant's membership fees may be used so that their name will be listed in some or all of these entities' websites (or other listings). Prospective clients locating our advisory Firm or an associate via these methods are not actively marketed by the noted associations. Clients who find our Firm in this way do not pay more for their services than clients referred in any other fashion. The Firm does not pay these entities for prospective client referrals, nor is there a fee- sharing arrangement reflective of a solicitor engagement.

The Firm engages promoters to introduce new prospective clients to the Firm consistent with the Investment Advisers Act of 1940, its corresponding. Rules, and applicable state regulatory requirements. If the prospect subsequently engages the Firm, the promoter shall generally be compensated by the Firm for the introduction. Because the promoter has an economic incentive to introduce the prospect to the Firm, a conflict of interest is presented. The promoter's introduction shall not result in the prospect's payment of a higher investment advisory fee to the Firm (i.e., if the prospect was to engage the Registrant independent of the promoter's introduction).

Item 15 – Custody

Accounts will be maintained by an unaffiliated, qualified custodian; they are not to be maintained by our Firm or any associate of our Firm. In keeping with this policy involving our clients' funds or securities, our Firm:

- ☐ Restricts the Firm or an associate from serving as trustee or having general power of attorney over a client account;
- ☐ Does not accept or forward client securities (i.e., stock certificates) erroneously delivered to our Firm;
- ☐ Will not collect advance fees of \$1,200 or more for services that are to be performed six months or more into the future; and
- ☐ Prohibits associates from having authority to directly withdraw securities or cash assets from a client

account. Although we may be deemed to have custody⁵ of an account since we may request the withdrawal of advisory fees from an account, we will only do so following our written authorization from the client to deduct advisory fees from an account held by the custodian of record, and after we have sent the qualified custodian notice of the amount of the fee to be deducted from the client's account.

The custodian of record and/or third-party administrator will provide each account holder of record with investment account transaction confirmations and account statements, which will include debits, credits, and our Firm's advisory fee for that period. Statements are provided on at least a quarterly basis or as transactions occur within their account. Our Firm will not create its own separate account statement for a client or serve as the sole recipient of a client's account statement. Clients are also reminded that if they receive a report from any source that includes investment performance information, they are urged to carefully review and compare the report with their account statements that they have received directly from their custodian of record.

Item 16 - Investment Discretion

Via a limited power of attorney, we typically serve investment accounts on a discretionary basis, granting the Firm the authority to implement investment decisions, such as the purchase or sale of a security on behalf of an account, without requiring the client's prior authorization for each transaction in order to meet stated investment objectives. This authority will be provided by the client through the execution of both our engagement agreement and the selected custodian's account opening documents. Note that the custodian will specifically limit the Firm's authority within an account to the placement of trade orders and our request for the deduction of our advisory fees.

We also serve client accounts on a nondiscretionary basis. This type of account authority requires the client's ongoing prior approval involving the investment and reinvestment of account assets, and portfolio rebalancing. The client will be required to execute the Firm's client services agreement that describes our limited account authority, as well as the custodian of record's account opening document that includes their limited power of attorney form or clause. In light of the requirement for pre-approval, the client must make themselves available and keep the Firm updated on their contact information so that instructions can be efficiently effected on their behalf. In addition, nondiscretionary accounts are generally unable to be aggregated (see Item 12) and may therefore be assessed higher trading fees or receive less favorable prices than those accounts where trade aggregation has occurred.

As noted in Item 4, we will allow for reasonable restrictions that we will note in the client's written investment guidelines involving the management of their portfolio. It remains the client's responsibility to notify us in writing if there are changes in their situation and/or investment objective so that we may reevaluate previous investment recommendations or account holdings.

Item 17 - Voting Client Securities

You may periodically receive proxies or similar solicitations sent directly from your selected custodian or transfer agent. If we receive a duplicate copy, please note that we do not forward these or any correspondence relating to the voting of your securities, class action litigation, or other corporate actions.

Our Firm does not vote proxies on behalf of an account holder, including accounts that we have discretionary authority. We do not offer guidance on how to vote proxies, nor will we offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. We will answer limited questions via scheduled interactions about proxy

⁵ Certain jurisdictions use the term "limited custody," "indirect custody," or "constructive custody" to define an advisory firm's access to a client account for the purpose of fee withdrawal pursuant to safekeeping guidelines.

voting or other corporate matters in general, and how to reach an issuer or their legal representative.

Item 18 - Financial Information

Our advisory Firm will not take physical custody of client assets, nor do we have or authorize the type of account authority to have such control.

Engagements with our Firm do not require that we collect fees from a client of \$1,200 or more for our advisory services that we have agreed to perform six months or more into the future.

Neither our Firm nor its management serve as general partner for a partnership or trustee for a trust in which the Firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

Our Firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients, nor has the Firm and its management been the subject of a bankruptcy petition.