



## Item 1 – Cover Page

# **VESTWEALTH, INC.**

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Date of Brochure: March 30th, 2023

This Brochure provides information about the qualifications and business practices of VestWealth, Inc. (hereinafter referred to as “VestWealth,” the “Firm,” or “we”). If you have any questions about the content of this Brochure, please contact the Firm’s Chief Compliance Officer at the telephone number provided above or email us at [soporte@mivest.io](mailto:soporte@mivest.io).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

VestWealth is a registered investment adviser. The registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information that you may use to determine whether to hire or retain such adviser.

Additional information about VestWealth is available on the SEC’s Web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for the company’s CRD Number 316132. The SEC’s Web site also provides information about any persons affiliated with VestWealth who are registered as investment adviser representatives of the Firm.



## Item 2 – Material Changes

This Item 2 only discusses material changes to the Brochure since the initial submission on November 9, 2021. There have been no material changes to the Firm's business except those outlined as follows:

By March 29<sup>th</sup>, 2023 the Firm increased its assets under management up to \$158,227.

By October 24<sup>th</sup>, 2022 the Firm increased its assets under management up to \$8,548.

On October 24<sup>th</sup>, 2022 the Firm established that accounts with less than \$40 in assets under management (AUM) will be charged a minimum monthly maintenance fee of \$0.01.

Also on October 24<sup>th</sup>, 2022 the VestWealth Clients are required to deposit a minimum of \$10 to open an Investment Account and must maintain a minimum balance of \$10. If a Client's Investment Account balance drops below \$10, any holdings in the Investment Account will be liquidated and any funds will be returned to the Client's Investment Account, less any fees due to the Firm.

On September 26<sup>th</sup>, 2022 Mr. Alvaro Pereyra was designated as Chief Executive Officer and Chief Compliance Officer.

By September 26<sup>th</sup>, 2022 the Firm increased its assets under management up to \$435.

On August 18<sup>th</sup>, 2022 the Firm increased its Advisory Fee from 0.5% to up to 1.25% per year.

In the future, for each newly issued Brochure, this Item 2 will identify and include a summary of the specific material changes that were made since the previous Brochure was filed.

You may obtain a copy of our current Brochure any time by contacting our Firm's Chief Compliance Officer at [soporte@mivest.io](mailto:soporte@mivest.io) or the telephone number listed on the cover page of this Brochure.

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## Item 4 – Advisory Business

### A. Description of the Firm

VestWealth was incorporated in July of 2021 as a Delaware corporation. The Firm is 100% owned by Vest, Inc. (the “Parent”), a Cayman Islands corporation. The Parent is owned by Aaron Polhamus (36%). The remaining ownership of the Parent is split between numerous investors, none of which own 9% or more of the Parent. Except for Mountain Nazca Cross Border Fund IV, LP, who has representation on the Parent’s Board of Directors (“Board”), none of the entities have representation on the Board of the Parent or the Firm, or have any ability to control the business of the Parent or the Firm. Information about VestWealth’s organizational and ownership structure is provided on Part 1 of VestWealth’s Form ADV, which is available online at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

VestWealth is a registered investment adviser (“RIA”) which offers non-discretionary online Advisory Services to its advisory Clients (each a “Client,” and collectively, “Clients”) through an online web-based and mobile platform (the “Platform”).

Alvaro Pereyra will initially serve as the Firm’s Chief Executive Officer and Chief Compliance Officer.

### B. Services

PORTFOLIO SERVICES. VestWealth provides non-discretionary investment management and portfolio services (“Advisory Services”) to retail Clients. Advisory Services are offered to Clients solely through the Firm’s online investment platform (the “Platform”). VestWealth does not provide comprehensive financial or tax planning or legal services. VestWealth does not provide Advisory Services in person or over the phone or in any manner other than through the Website and App. Additional information about VestWealth’s products and services is provided in VestWealth’s Form ADV Part 1 available at <http://www.adviserinfo.sec.gov>. VestWealth encourages visiting the Website or the App for additional information.

When a Client opens an account (“Investment Account”) with VestWealth, they will be able to access the Investment Platform through either mivest.io (the “Website”) or the Vest mobile application (“App”). The Platform provides Clients with investment advice in the form of certain recommended portfolios (“Investment Portfolios”) specifically tailored and designed for each Client based on the Client’s Suitability Questionnaire, as defined below.

VestWealth uses passive strategies and modern portfolio theory to determine each Investment Portfolio’s asset allocation. VestWealth has determined optimal asset classes and exchange-traded fund (“ETF”) strategies that most efficiently tracks those asset classes. See Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information on how VestWealth creates portfolios. VestWealth recommends one or more non-discretionary Investment Portfolios to each Client based primarily on the Suitability Questionnaire (“Suitability Questionnaire”) completed by such Client. Once a



Client has provided information on their risk tendencies and investment goals through their Suitability Questionnaire, VestWealth will use the information provided by the Client, along with VestWealth's investment strategies, in order to create tailored Investment Portfolios that Clients may select to invest their assets in. Clients have the sole discretion to accept or reject the Investment Portfolio or make other choices regarding the recommendation including adjusting the recommended total portfolio solution, the asset allocation percentages, or choosing a different portfolio solution with different risk/return characteristics. The Platform currently relies on questions relating to suitability (i.e., age, income and liquid net worth, investment objectives, investment time horizon, and risk tolerance) in recommending Investment Portfolios, and these questions are not weighted equally. Clients should understand the recommendation of any Investment Portfolio relies upon the information provided by each such Client, and VestWealth does not capture any additional information not covered in the Suitability Questionnaire in providing portfolio recommendations. Clients are advised to promptly update their financial information on the Suitability Questionnaire if there are any changes to their financial situation or financial goals, as the Investment Portfolios recommended to each Client are reliant upon each Client's Suitability Questionnaire.

When a Client initially completes their Suitability Questionnaire, they will be presented with a recommended Investment Portfolio. The Investment Portfolios will be generated and presented to Clients upon the initial completion of the Suitability Questionnaire. Additional Investment Portfolios may be generated if a Client makes changes to their Suitability Questionnaire, including to their risk tolerance, investment goals or timeline. Clients have the sole discretion to accept our recommended Investment Portfolio, or to reject our recommendation and select a different portfolio. Once the Client accepts an Investment Portfolio, VestWealth will be provided limited discretionary management authority. This limited discretionary authority is solely confined to monitoring investment performance and quarterly rebalancing or adjusting the portfolios to capture original target allocations. The Platform uses a simple algorithm that rebalances accounts automatically on a quarterly basis back to asset allocation targets. Clients may impose reasonable investment restrictions on the management of their Investment Account such as opting out of the automatic quarterly rebalancing of their Investment Portfolio.

Clients should be aware that using algorithms to recommend portfolios and to rebalance accounts has inherent limitations, including the possibility of human error in the design, data input, or implementation process. The risk of errors, malfunctions and anomalies is inherent in each component of the programming process, how those components function together, and how the program absorbs data points provided by the Client and by us. Please see Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for a more detailed description of some of the risks inherent in using algorithms and other technologic measures to manage Investment Accounts.

**INVESTMENT PRODUCT TYPES.** VestWealth will use any of the following securities or other investment products in order to create a particular Client's recommended Investment Portfolios for investment:

- Exchange listed securities
- Securities traded over-the-counter
- Securities issued by foreign issuers, including foreign sovereign debt instruments
- Corporate debt securities, including commercial paper
- Certificates of deposit
- U.S. government securities
- Exchange-traded funds (ETFs)

Please see Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for a description of the risks associated with each of the preceding investment asset classes.

The investments in each Client's Investment Account are held in a separate account in the name of the Client at an independent custodian, and not with VestWealth. All Investment Accounts managed through the Platform are required to use the custodian selected by VestWealth, Apex Clearing Corporation (the "Custodian" or "Apex"), as the independent custodian. Each account agreement with the Custodian will grant VestWealth the authority to manage each Client's Investment Account on a non-discretionary basis, seeking a Client's authorization for each trade, provided that VestWealth be given the limited discretionary authority to automatically rebalance and adjust portfolios.

### **C. Assets Under Management**

As of March 29th, 2023, we were managing less than \$159,000 on a discretionary basis.

## **Item 5 – Fees and Compensation**

### **A. Fees**

The Firm will charge an annualized fee of up to 1.25% for Advisory Services. Annual fees are not charged in advance. Fees are charged monthly, calculated daily and deducted on a monthly basis.

The monthly fee is based upon the market value of all assets held within the Client's Investment Account on the last business day of the calendar month. The Advisory Services commence on the date on which the advisory agreement is signed by us and the Investment Account is funded. For the first calendar month, fees will be adjusted *pro rata* based on the number of calendar days for which the advisory agreement was effective. Any contributions and/or withdrawals made during a calendar month may result in an adjustment to the advisory fee. The Client may be charged a *pro rata* fee in the event the Client's service is terminated on a day other than the last business day of the calendar month. In that event, the *pro rata* fee will be due and payable upon termination of the service.

Firm established that accounts with less than \$40 in assets under management (AUM) will be charged a minimum monthly maintenance fee of \$0.01.



The Client's account will be debited for the above-mentioned fees. We collect the fees from the amount of any contribution or transfer, from available cash in the Client's account, or by liquidating the Client's assets held in the Client's account in an amount equal to the fees that are due. We will send to the Client an itemized fee statement on the same day that we instruct the Custodian to deduct the advisory fees. The Custodian has no responsibility to verify the accuracy of the fee calculation and we encourage the Client to review the fee calculation set forth on the itemized fee statement.

We may adjust the fee schedule upon thirty (30) days' prior written notice to the Client.

There may also be differences in fees paid by certain Clients based on account inception dates or amount of Client assets under management. Thus, some Clients may pay more or less than others for the same or similar services depending, for example, on account inception dates, number or value of related accounts, total assets under management by VestWealth, fee negotiation, fee waiver or the manner in which VestWealth's services are obtained. VestWealth reserves the right to adjust the fee schedule for accounts depending on the size and type of account and the services required. In some cases negotiation of fees may result in different fees being charged for similar services and may be less than the stated fees.

VestWealth's Advisory Services may be terminated by either party for any reason upon 30 days written notification. Upon termination, the fees charged for Advisory Services will be pro-rated and any un-earned fees refunded to the Client. The Client has the responsibility to pay for Advisory Services rendered until the termination of the agreement. The Client can cancel the Agreement without penalty within the first five days after the signing of the Agreement.

Advisory fees charged by VestWealth are separate and in addition to fees and expenses and other related costs that will be incurred by the Client including brokerage commissions and transaction fees. Clients may also incur in other charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, odd-lot differentials, transfer taxes, wire transfers and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. ETFs also charge internal management fees. Advisory fees charged by VestWealth are separate and distinct from fees and expenses charged by ETFs, which may be recommended to Clients. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a Client may pay an initial or deferred sales charge. A description of these fees and expenses are available in each fund's prospectus.

**LOWER FEE DISCLOSURE.** Lower fees for comparable management services may be available from other sources.





## **B. Termination of Service**

Upon written notice to us, within five (5) business days of entering into an agreement with us, the Client will have the right of termination without penalty or payment of fees. The Firm will refund any payment that has been made. Thereafter, either we or the Client may terminate the agreement upon thirty (30) days' written notice to the other party.

## **C. Other Fees**

In addition to the advisory fees charged by the Firm, Clients may be charged other fees. Brokerage commissions, transaction fees, sales loads, sales charges, management fees, administrative fees, account maintenance fees, transfer taxes, wire transfer fees, electronic fund fees, and other fees may be charged by the broker or dealer selected for execution of the securities transactions in the Investment Accounts, by the custodian, and/or by the distributor, issuer or fund issuing the securities purchased and sold within the Investment Accounts. The Client is solely responsible for paying all such charges. In addition, certain exchange-traded funds ("ETFs") pay management fees to their investment advisers, which reduce their respective assets. To the extent that the Client's portfolio has investments in ETFs, the Client may pay two levels of advisory fees for the management of their assets: one directly to the Firm, and the other indirectly to the managers of those ETFs held in their portfolios.

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

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client).

## **Item 7 – Types of Clients**

### **A. Types of Client**

We offer Advisory Services to individuals, including high net worth individuals.

### **B. Account Requirements**

Clients are required to deposit a minimum of \$10 to open an Investment Account and must maintain a minimum balance of \$10. If a Client's Investment Account balance drops below \$10, any holdings in the Investment Account will be liquidated and any funds will be returned to the Client's Investment Account, less any fees due to the Firm.

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

Upon onboarding to the Platform, Clients will complete VestWealth's Suitability Questionnaire. The Suitability Questionnaire will include age, financial need, annual income and net worth, investment objectives, investment time horizon and risk tolerance. VestWealth relies upon the information provided in the Suitability Questionnaire when creating personal recommended Investment Portfolios for Clients. Once the suitability information has been provided, the Client is presented with Investment Portfolio, curated by VestWealth, which the Client may select for purchase.

### **A. Methods of Analysis**

When formulating investment advice, we may utilize any one or more of the following security analysis methods:

- Fundamental Analysis. Fundamental analysis is a method of attempting to measure a security's underlying value and potential for future growth (its intrinsic value) by examining economic, financial and other qualitative and quantitative factors directly related to the issuer/company as well as company-specific factors (like financial condition, management, and competition). The adviser compares the intrinsic value with the security's current price, with the aim of determining what position to take with the security (i.e., buy, sell or hold).
- Technical Analysis. Technical analysis is a method of evaluating securities by researching the demand and supply based on recent trading volume, price studies, as well as the buying and selling behavior of investors. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts or computer programs to identify and project price trends.
- Cyclical Analysis. Cyclical analysis involves the analysis of business cycles to find favorable conditions for buying and/or selling a particular security.

VestWealth does not represent, warrant, or imply that any analysis method employed by the Firm can or will successfully identify market tops or bottoms. No analysis method has been proven to insulate Clients from losses due to market fluctuations, corrections or declines.

### **B. Investment Strategies**

The primary investment strategy we employ is a long-term "buy and hold" strategy. To a lesser extent, we might also make short-term purchases for the account. The particular strategies employed will depend upon the information provided in the Suitability Questionnaire by the Client. A short description of each of these strategies follows:

- Buy and Hold. Generally, a long-term purchase is a purchase of a security or investment product with a view to holding the security or product for more than one year. Trade commissions are reduced by buying and selling less often and taxes are often reduced or deferred by holding positions longer. We typically will follow a buy and hold strategy when pursuing a global fixed income strategy, an emerging markets investment strategy, or a global equity markets investment strategy.
  - A global fixed income strategy involves participating in the broad global movement of fixed income markets through purchasing investment grade fixed-income securities that are listed or traded on recognized markets. The objective of this strategy is to generate current income and capital growth.
  - An emerging markets strategy involves investing in stocks or bonds issued by companies and government entities in developing countries, such as in Latin America, Eastern Europe, Africa and Asia. Typically, there is a medium- to long-term holding period and there can be high volatility.
  - A global equity markets investment strategy seeks long-term growth in equity securities of U.S. and non-U.S. companies that we believe are priced below their intrinsic values but are still fundamentally solid and are likely to appreciate. While we do not target issuers of a particular size, most issuers will have larger capitalizations.
- Short-term purchases. A short-term purchase is a purchase of a security or investment product with the intent of possibly selling it within one year of its purchase.

The concept of asset allocation, or spreading investments among a number of asset classes (e.g., large cap stocks vs. small cap stocks; corporate bonds vs. government debt instruments), plays a prominent role in executing an investment strategy. Asset allocation seeks to achieve diversification of assets in order to reduce the risk associated with investing all or a significant portion of a Client's portfolio in one asset class. We believe that risk reduction is a key element to long-term investment success.

Our investment strategies do not include frequent trading (which focuses on opportunistic trades and holding the investment product for only a short period of time), short selling, buying on margin, or option writing.

## C. Risks

### 1. General Risks

VestWealth does not guarantee the future performance of any Investment Account. Clients must understand that investments made via the Platform involve substantial risk and are subject to various market, currency, economic, political and business risks, and that those investment decisions and actions will not always be profitable. Clients may not get back the amount invested. Subject to the Investment Advisers Act of 1940, VestWealth shall have no liability for any losses in a Client's Investment

Account. The price of any security or the value of an entire asset class can decline for a variety of reasons outside of VestWealth's control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events. There is no guarantee that VestWealth's judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. VestWealth's judgment may prove to be incorrect, and a Client might not achieve his or her investment objectives. High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client from selling his or her securities at all, or at an advantageous time or price because VestWealth and the Client's broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. The Platform, by its automated nature, limits excessive trading risk, although human programming error may result in excessive trading. VestWealth cannot guarantee any level of performance or that any Client will avoid a loss of Investment Account assets. ***Any investment in securities involves the possibility of financial loss that Clients should be prepared to bear.***

## 2. Special Risks

When evaluating risk, financial loss may be viewed differently by each Client and may depend on many different risk items, each of which may affect the probability of adverse consequences and the magnitude of any potential losses. The following risks may not be all-inclusive but should be considered carefully by a prospective Client before entering the Platform. These risks should be considered as possibilities, with additional regard to their actual probability of occurring and the effect on a Client if there is, in fact, an occurrence. ***Past performance of a security is not necessarily indicative of future performance or risk of loss.***

**Market Risk** - The price of any security or the value of an entire asset class can decline for a variety of reasons outside of VestWealth's control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events.

**Investment Risk** - There is no guarantee that VestWealth's judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. VestWealth's judgment may prove to be incorrect, and a Client might not achieve his or her investment objectives. VestWealth may also make future changes to the investing algorithms and services that it provides. In addition, it is possible that Clients or VestWealth itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to VestWealth's software-based financial service.

**Volatility and Correlation Risk** - Clients should be aware that VestWealth's asset selection process is based in part on a careful evaluation of past price performance

and volatility in order to evaluate future probabilities. However, it is possible that different or unrelated asset classes may exhibit similar price changes in similar directions, which may adversely affect a Client, and may become more acute in times of market upheaval or high volatility. Past performance is no guarantee of future results, and any historical returns, expected returns, or probability projections might not reflect actual future performance.

**Liquidity and Valuation Risk** - High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client from selling her securities at all, or at an advantageous time or price because VestWealth and the Client's broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. Some ETFs that hold or trade financial instruments may be adversely affected by liquidity issues as they manage their portfolios.

**Credit Risk** – VestWealth cannot control, and Clients are exposed to the risk that financial intermediaries or security issuers may experience adverse economic consequences that may include impaired credit ratings, default, bankruptcy or insolvency, any of which may affect portfolio values or management. This risk applies to assets on deposit with any broker utilized by a Client, notwithstanding asset segregation and insurance requirements that are beneficial to Clients generally. In addition, exchange trading venues or trade settlement and clearing intermediaries could experience adverse events that may temporarily or permanently limit trading or adversely affect the value of securities held by Clients. Finally, any issuer of securities may experience a credit event that could impair or erase the value of the issuer's securities held by a Client. VestWealth seeks to limit credit risk through ETFs, which are subject to regulatory limits on asset segregation and leverage such that fund shareholders are given liquidation priority versus the fund issuer; however, certain funds and products may involve higher issuer credit risk because they are not structured as a registered fund.

**Bond Risk** - Bonds are subject to credit risk, which is the risk of default associated with the issuer. Bonds are also subject to interest rate risk or the risk that changes in interest rates during the term of the bond might affect the market value of the bond prior to the call or maturity date. Investors should also consider inflation risk, which is the risk that the rate of the yield to call or maturity will not provide a positive return over the rate of inflation for the period of the investment.

**Legislative and Tax Risk** - Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment adviser or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities and changes in the tax code that could affect interest income, income characterization, and/or tax reporting obligations (particularly for ETFs dealing in natural resources). VestWealth does not engage in financial or tax planning, and in certain circumstances, a Client may incur taxable income on her investments without a cash distribution to pay the tax due.

**Foreign Investing and Emerging Markets Risk** - Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices, and foreign regulation may be inadequate or irregular.

**Foreign-Issued Securities** - Debt and equity investments associated with foreign countries may involve increased volatility and risk due to, without limitation:

- *Political Risk.* Many foreign countries are undergoing, or have undergone in recent years, significant political change that has affected government policy, including changes in the regulation of industry, trade, financial markets, and foreign and domestic investment. The relative instability of these political systems leaves these countries more vulnerable to economic hardship, public unrest or popular dissatisfaction with reform, political or diplomatic changes, social instability, or changes in government policies. For investors, the results may include confiscatory taxation, exchange controls, compulsory reacquisition, nationalization or expropriation of foreign-owned assets without adequate compensation, or the restructuring of certain industry sectors in a way that could adversely affect investments in those sectors.
- *Sovereign Risk.* Strikes, the imposition of exchange controls, or declarations of war may prevent or impede repayment of funds due from a particular country.
- *Economic Risk.* The economies of these countries may be more vulnerable to rising interest rates and inflation. Investments may be negatively affected by rates of economic growth, corporate profits, domestic and international flows of funds, external and sovereign debt, dependence on international trade, and sensitivity to world commodity prices. Additionally, a change in tax regime may result in the sudden imposition of arbitrary or additional taxes.
- *Currency Risk.* The weakening of a country's currency relative to the U.S. dollar or to other benchmark currencies will negatively affect the dollar value of an instrument denominated in that currency.

- **Credit Risk.** Issuers and obligors of sovereign and corporate debt may be unable to make timely coupon or principal payments, thereby causing the underlying debt or loan to enter into default.
- **Liquidity Risk.** Natural disasters as well as economic, social, and political developments in a country may cause a decrease in the liquidity of investments related to that country, making it difficult to sell quickly, and/or subjecting the seller to substantial price discounts.

The nature and extent of these risks vary from country to country, among investment instruments, and over time.

**Emerging Market Securities** - Investments and transactions in products linked to issuers and obligors incorporated, based, or principally engaged in business in emerging markets countries carry increased risk and volatility. In addition to the political, sovereign, economic, currency, credit, and liquidity risks described above, emerging market securities can be subject to the following risks:

- **Market Risk.** The financial markets can lack transparency, liquidity, efficiency.
- **Regulatory Risk.** There may be less government supervision and regulation of business. The supervision that may be in place may be subject to manipulation or control. Disclosure and reporting requirements may be minimal or non-existent.
- **Legal Risk.** The process of legal reform may not proceed at the same pace as market developments, which could result in uncertainty. Legislation to safeguard the rights of private ownership may not yet be in place.
- **Settlement and Clearing Risk.** The registration, recordkeeping and transfer of instruments may be carried out manually, which may cause delays.

**Frontier Markets Risks** - The risks associated with investing in foreign or emerging markets generally are magnified in frontier markets, also known as “next emerging” markets. Some frontier markets may operate in politically unstable regions of the world and may be subject to additional geopolitical/disruption-of-markets risks.

**ETF Risks, including Net Asset Valuations and Tracking Error** - ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for





which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that to the extent they invest in ETF securities, they will pay two levels of compensation – fees charged by VestWealth, which are currently zero, plus any management fees charged by the issuer of the ETF. This scenario may cause a higher cost (and potentially lower investment returns) than if a Client purchased the ETF directly.

An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of the fund may include investment adviser management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary.

**Inflation, Currency, and Interest Rate Risks** - Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed-income investments to decline. The liquidity and trading value of foreign currencies could be affected by global economic factors, such as inflation, interest rate levels, and trade balances among countries, as well as the actions of sovereign governments and central banks. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by VestWealth may be affected by the risk that currency devaluations affect Client purchasing power.

**Technology Risks** - The techniques and methodologies utilized by VestWealth in offering investment advice are fundamentally dependent on technology, including hardware, software and telecommunications systems. The data gathering, research, forecasting, portfolio generation, order execution, trade allocation, risk management, operational, back office and accounting systems, among others, utilized by VestWealth are all highly automated and/or computerized. Such automation and computerization are dependent upon an extensive amount of proprietary software and third-party hardware and software. VestWealth typically does not utilize design documents or specifications when building its proprietary software. The proprietary software code thus typically serves as the only definitive documentation and specification for how such software should perform.

VestWealth's proprietary software and third-party hardware and software may experience errors, omissions, imperfections and malfunctions (collectively, "Coding Errors"). Coding Errors in third-party hardware and software are generally entirely outside of the control of VestWealth.





VestWealth, however, seeks to reduce the incidence and impact of Coding Errors through a certain degree of internal testing and real-time monitoring, and the use of independent safeguards in the overall Platform and often, with respect to proprietary software in the software code. Despite such testing, monitoring and independent safeguards, Coding Errors may result in, among other things, the generation of unanticipated portfolio recommendations, the failure to execute trades in a timely fashion, and/or the failure to properly gather and organize available data, all of which can and may have adverse (and potentially materially adverse) effects on VestWealth Investment Accounts and/or the Client's performance.

Coding Errors are often extremely difficult to detect. Regardless of how difficult their detection appears in retrospect, some of these Coding Errors may go undetected for long periods of time and some may never be detected. The degradation or impact caused by these Coding Errors can compound over time. Moreover, VestWealth may detect certain Coding Errors that it chooses, in its sole discretion, not to address or fix. While VestWealth may not perform a materiality analysis on many of the Coding Errors discovered in its software code, VestWealth believes that the testing and monitoring performed on such software will enable VestWealth to identify and address those Coding Errors that a prudent person managing a digital investment program would identify and address by correcting the Coding Errors. Clients should assume that Coding Errors and their ensuing risks and impact are an inherent part of investing with a digital investment adviser such as VestWealth. Accordingly, VestWealth does not expect to disclose discovered Coding Errors to the Clients. VestWealth seeks, on an ongoing basis, to create adequate backups of software and hardware where possible but there is no guarantee that such efforts will be successful.

Further, to the extent that an unforeseeable software or hardware malfunction or problem is caused by a defect, security breach, virus or other outside force, Clients may be materially adversely affected.

**Algorithmic Investing** - The Firm incorporates computer-based technology to make investment recommendations and in the portfolio management processes – primarily through the use of algorithms designed to optimize various elements of wealth management. You should be aware that this type of portfolio management is based on a pre-set investment allocation that could rebalance your account and not take certain market conditions into consideration. Such trading may occur on a more frequent basis than you might expect and may not address prolonged changes in market conditions. Understand that changes to the algorithmic code could also have material effects on your portfolio recommendations and investment management. In the event of extraordinary market conditions, we may halt trading or take other temporary measures to help prevent an undue risk of harm to your portfolio. In addition, it is possible that we, our service providers, or our Client may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to our Platform.

**Risks of Relying on Data** – The portfolios recommended to Clients are highly reliant on the gathering, cleaning, culling and analysis of large amounts of data from third-party and other external sources. It is not possible or practicable, however, to factor all relevant, available data into generating portfolio recommendations. VestWealth will use its discretion to determine what data to gather with respect to any recommended Investment Opportunity and what subset of that data the Platform takes into account to generate Investment Portfolios. The data used in the Program is obtained or derived from sources believed to be reliable, but VestWealth does not verify such data and cannot guarantee its accuracy and completeness. In addition, due to the automated nature of such data gathering and the fact that much of this data comes from third-party sources, it is inevitable that not all desired and/or relevant data will be available to, or processed by, VestWealth at all times. In such cases, VestWealth often will continue to generate Investment Portfolios based on the data available to it. Additionally, VestWealth may determine that certain available data, while potentially useful in generating Investment Portfolios, is not cost effective to gather due to either the technology costs or third-party vendor costs and, in such cases, VestWealth will not utilize such data. Clients should be aware that, for all of the foregoing reasons and more, there is no guarantee that any specific data or type of data will be utilized in generating Investment Portfolios, nor is there any guarantee that the data actually utilized in generating Investment Portfolios will be (i) the most accurate data available or (ii) free of errors. Clients should assume that the foregoing limitations and risks associated with gathering, cleaning, culling and analyzing large amounts of data from third-party and other external sources are an inherent part of investing with a digital investment adviser.

The Platform also relies on information provided by Clients in generating Investment Portfolios. The Investment Portfolios are highly reliant on the accuracy of the information provided to VestWealth by Clients. If a Client were to provide VestWealth with inaccurate information, this could materially impact the quality and applicability of the Investment Portfolios. In addition, the Investment Portfolios are limited in scope to the questions VestWealth asks through the Suitability Questionnaire.

**Cybersecurity Risks** – VestWealth and its service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Cyber-attacks may cause losses to Clients by interfering with the processing of transactions, affecting VestWealth's ability to create and update Investment Portfolios or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and

the dissemination of confidential and proprietary information. Any such breach could expose VestWealth to civil liability as well as regulatory inquiry and/or action. In addition, Clients could incur additional losses as a result of unauthorized use of their personal information. While we have established business continuity plans, incident response plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cybersecurity risks also are present for issuers of securities in which we invest, which could result in material adverse consequences for such issuers, and may cause a Client's investment in such securities to lose value.

**Investment Strategy Risks** - There are risks associated with the long-term core strategic holdings. The more aggressive the investment strategy, the more likely the portfolio will contain larger weights in riskier asset classes, such as equities.

**Equity-Related Risks** - The prices of equity securities will rise and fall. These price movements may result from factors affecting individual companies, industries, or the securities market as a whole. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. In addition, the equity market tends to move in cycles, which may cause stock prices to fall over short or extended periods of time.

**Cash Equivalents** - Cash equivalents are the most liquid investment assets with low risk and low returns. Cash equivalents are short-term fixed income assets with maturity of 3 months or less. However, these assets are subject to interest rate risk. Interest rates may fluctuate due to certain events taking place in the world including but not limited to economic events, geopolitical or social instability (global, regional or local), currency, interest rate and commodity price changes, and government or governmental agency responses to economic or political conditions.

**Principal-protected Notes** - The principal guarantee is subject to the credit-worthiness of the guarantor. In addition, principal protection levels can vary. While some products guarantee 100 percent return of principal, others guarantee as little as 10 percent. In most cases, the principal guarantee only applies to notes that are held to maturity. Issuers may (but are not obligated to) provide a secondary market for certain notes but, depending on demand, the notes may trade at significant discounts to their purchase price and might not return all of the guaranteed amount. Some principal-protected notes have complicated pay-out structures that can make it hard for an adviser to accurately assess their risk and potential for growth.

**Real Estate** - Real estate-related investments may be adversely affected by factors affecting the real estate industry, which may include changes in interest rates and social and economic trends. Real estate investment trusts ("REITS") may also be subject to the risk of fluctuations in income from underlying real estate assets, poor performance by the REITs managers, prepayments and defaults by borrowers, adverse changes in tax laws, and with respect to U.S. REITs, their failure to qualify for



the special tax treatment granted to REITs under the Internal Revenue Code of 1986 and/or to maintain exempt status under the Investment Company Act.

**Commodities** - Commodities involve unique risks that may be distinct from those that affect stocks and bonds, including world-wide supply and demand factors, weather conditions, currency movements, and international government policies regarding commodity reserves and choice of currency for commodity pricing.

**Index Investing** - Index 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. If a 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” ETF that may not as closely align the stated benchmark. In these instances, a portfolio manager may choose to reduce the weighting of a satellite holding, utilize very active satellites, or use a “replicate index” position as part of its core holdings to minimize the effects of the tracking error in relation to the overall portfolio.

**Reliance on Management and Other Third Parties** - ETF investments will rely on third-party management and advisers, VestWealth is not expected to have an active role in the day-to-day management of investments. Carried interest and other incentive distributions to fund management may create an incentive towards more speculative investments than would otherwise have been made.

**Infrastructure Risks** - Infrastructure-related investments are subject to a number of unique risks. These investments may be concentrated into a small number of projects, resulting in a high degree of risk with respect to each project. Further, these investments are often subject to foreign and emerging market risks.

**Market Volatility** - General fluctuations in the economy may affect the value of one or more investments. In the event of economic volatility, the ability to achieve a favorable return on investments may be severely impeded.

**Socially Responsible Investing** - Investments may focus on “low carbon” or other areas of socially responsible investing. This investment category represents a relatively new area of investment with a relatively limited performance track-record. Due to the consideration of non-monetary factors in investment decisions, these investments may experience a lower rate of return. There may be a relatively limited number of investments to consider in this investment category, and available investments may be subject to increased competition.

**Large Investment Risks** - Clients may collectively account for a large portion of the assets in certain investments. A decision by many investors to buy or sell some or all of a particular investment where Clients hold a significant portion of that investment may negatively impact the value of the investment.

**Novel Coronavirus Pandemic, Public Health Emergency and Global Economic Impacts** - As of the date of this Form ADV Part 2A, there is an ongoing outbreak of a novel and highly contagious form of coronavirus (“COVID-19”), which the World Health Organization declared a pandemic on March 11, 2020. The outbreak of COVID-19 has caused a worldwide public health emergency with a substantial number of hospitalizations and deaths, and has significantly adversely impacted global commercial activity and contributed to both volatility and material declines in equity and debt markets. The global impact of the outbreak is rapidly evolving, and many country, state and local governments have reacted by instituting mandatory or voluntary quarantines, travel prohibitions and restrictions, closure or reduction of offices, businesses, schools, retail stores and other public venues and/or cancellation, suspension or postponement of certain events and activities, including certain non-essential government and regulatory activity. Businesses are also implementing their own precautionary measures, such as voluntary closures, temporary or permanent reductions in workforce, remote working arrangements and emergency contingency plans. Such measures, as well as the general uncertainty surrounding the dangers, duration and impact of COVID-19, are creating significant disruption in supply chains and economic activity, impacting consumer confidence and contributing to significant market losses, including having particularly adverse impacts on transportation, hospitality, tourism, sports, entertainment and other industries dependent upon physical presence. As COVID-19 continues to spread, potential additional adverse impacts, including a global, regional or other economic recession of indeterminate duration, are increasingly likely and difficult to assess.

The extent of the impact of COVID-19 on VestWealth will depend on many factors, including the duration and scope of the resulting public health emergency, the extent of any related restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of the COVID-19 pandemic may materially and adversely impact VestWealth’s ability to source, manage and divest investments and VestWealth’s ability to achieve its investment objectives on behalf of its Clients, all of which could result in significant losses to a Client.

In addition, COVID-19 and the resulting changes to global businesses and economies will, likely, adversely impact the business and operations of VestWealth, and its respective affiliates. Certain businesses and activities may be temporarily or permanently halted as a result of government or other quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors, including the potential adverse impact of COVID-19 on the health of key personnel.

**Other Catastrophic Risks** - In addition to the potential risks associated with COVID-19 as outlined above, VestWealth may be subject to the risk of loss arising from direct or indirect exposure to a number of types of other catastrophic events, including without limitation (i) other public health crises, including any outbreak of SARS, H1N1/09

influenza, avian influenza, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof; or (ii) other major events or disruptions, such as hurricanes, earthquakes, tornadoes, fires, flooding and other natural disasters; acts of war or terrorism, including cyberterrorism; or major or prolonged power outages or network interruptions. The extent of the impact of any such catastrophe or other emergency on VestWealth's operational and financial performance will depend on many factors, including the duration and scope of such emergency, the extent of any related travel advisories and restrictions, the impact on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. In particular, to the extent that any such event occurs and has a material effect on global financial markets or specific markets in which VestWealth participates (or has a material effect on any locations in which VestWealth operates or on any of their respective personnel) the risks of loss could be substantial and could have a material adverse effect the ability of VestWealth to fulfill its investment objectives.

The foregoing list of risks does not purport to be a complete enumeration or explanation of the risks involved in investing in investments. As investment strategies develop and change over time, Clients may be subject to additional and different risk factors. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

Prior to entering into an advisory agreement with us, a Client should carefully consider: (i) committing to management only those assets that the Client believes will not be needed for current purposes and that can be invested on a long-term basis; (ii) that volatility from investing in the market can occur; and (iii) that, over time, the value of the Client's portfolio may fluctuate and may, at any time, be worth more or less than the amount originally invested.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding certain legal or disciplinary events related to the adviser or the adviser's management. Neither VestWealth nor any of its management personnel has been subject to any such legal or disciplinary events.

## **Item 10 – Other Financial Industry Activities and Affiliations**

The Firm is under common control with Vestfi, Inc. ("Vestfi") an SEC-registered broker-dealer and member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and Securities Investor Protection Corporation ("SIPC") member. Certain management persons of the Firm have applications pending to become registered as representatives of Vestfi.



Neither the Firm nor any management person of the Firm is registered or has an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of any of the foregoing entities.

Vestfi will affect trades for VestWealth and is an affiliate of VestWealth. Since VestWealth Clients must use Vestfi, there is an inherent conflict of interest involving common ownership, as both are owned by the Parent. Although VestWealth is not directly compensated as a result of a Client's engagement with Vestfi, VestWealth will indirectly benefit due to their common ownership. The more commercially successful Vestfi is, the better it is for VestWealth. Notwithstanding this conflict, VestWealth believes that this arrangement with Vestfi does not interfere with its provision of Advisory Services.

As discussed above, certain of VestWealth's management persons intend to hold positions with VestWealth's affiliated entities. In any such positions, they may have some responsibility with respect to the business of these affiliated entities. Consequently, in carrying out their roles at VestWealth and these other entities, the management persons of VestWealth will be subject to potential conflicts of interest that exist between VestWealth and these affiliates. VestWealth has established a variety of restrictions, policies, procedures, and disclosures designed to address potential and actual conflicts that arise between affiliates. No assurance can be made that any of VestWealth's current policies and procedures, or any policies and procedures that are established by VestWealth in the future will have their desired effect. In addition, conflicts may arise in allocating time between outside business activities and serving as an employee of VestWealth. VestWealth has internal policies and procedures, including the Code of Ethics (described below), to address actual and potential conflicts of interest that may arise from the foregoing relationships and affiliations with other entities. The CCO is responsible for evaluating conflicts and determining the resolution based on the particular facts and circumstances.

## **Item 11 – Code of Ethics**

### **A. Description of Code of Ethics**

Securities industry regulations require that advisory firms provide their Clients with a general description of the advisory firm's Code of Ethics (the "Code of Ethics"). We have adopted the Code of Ethics for all supervised persons of VestWealth, describing its high standard of business conduct and fiduciary duty to its Clients pursuant to SEC rule 204A-1. The Code provides that each employee place the interests of the Adviser's clients ahead of his/her own. The Code covers the following areas: Prohibited and Restricted Activities, Reporting Requirements, Certification of Compliance, Confidentiality, Recordkeeping Requirements, Insider Trading, and Compliance with Laws and Regulations. The Chief Compliance Officer will provide a copy of the Code to any Client or prospective client upon request. All supervised persons of VestWealth must acknowledge the terms of the Code of Ethics annually, or as amended.

### **B. Recommendations Involving Material Financial Interests**





VestWealth anticipates that, in appropriate circumstances, consistent with Clients' investment objectives, it will cause accounts over which VestWealth has authority to effect the purchase or sale of securities in which VestWealth, its management persons and/or Clients, directly or indirectly, have a position of interest. VestWealth's employees and persons associated with VestWealth are required to follow VestWealth's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of VestWealth and its employees may trade for their own accounts in securities that are recommended to and/or purchased for VestWealth's Clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of VestWealth will not interfere with (i) making decisions in the best interest of Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that personal employee transactions in these types of securities would not materially interfere with the best interest of Clients. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between VestWealth and its Clients.

Employees' accounts may trade in the same securities with Client accounts on an aggregated basis when consistent with VestWealth's obligation of best execution. In such circumstances, employee and Client accounts will share execution-related costs equally and receive securities at a total average price. VestWealth will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

Neither the Firm nor any associated person of the Firm who (a) has access to nonpublic information regarding Clients' securities transactions, (b) is involved in making securities recommendations to Clients, or (c) has access to securities recommendations that are not public (collectively, the "Access Persons") is permitted to trade in or engage in a securities transaction to his or her advantage over that of a Client. Access Persons are prohibited from buying or selling securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public upon reasonable inquiry. Access Persons may not execute transactions in their personal accounts ahead of a Client's transaction in the same security unless under certain limited circumstances. Because the Code of Ethics in some circumstances permits employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is continually monitored by the Firm's Chief Compliance Officer in an effort to prevent conflicts of interest between VestWealth and our Clients.

Our Clients or prospective Clients may obtain a copy of the Firm's Code of Ethics by contacting the Chief Compliance Officer at the address or telephone number specified on the cover page and requesting a copy.



## Item 12 – Brokerage Practices

### A. Selection of Broker/Dealer

When a Client accepts the provision of Advisory Services, the Client grants VestWealth the authority to select the broker-dealer(s) that will be used to place and execute the transactions in the Investment Accounts. Currently, VestWealth uses its affiliate, Vestfi to execute all Client transactions. It is our policy and practice to strive for the best price and execution that are competitive in relation to the value of the transaction (“best execution”). Best execution has been defined by the SEC as the “execution of securities transactions for clients in such a manner that the client’s total cost or proceeds in each transaction is the most favorable under the circumstances.” The best execution responsibility applies to the circumstances of each particular transaction. In selecting a broker, dealer or other intermediary, we consider such factors that in good faith and judgment we deem reasonable under the circumstances.

1. Brokerage Activity. So long as Vestfi, Inc. is registered as a broker-dealer, it will act in an agency capacity and will generally direct brokerage to its clearing firm and Custodian, Apex Clearing Corporation. Not all advisers require their Clients to direct brokerage to a particular broker/dealer. By directing brokerage, the Client may be unable to achieve the most favorable execution and this practice may cost Clients more money.

We have evaluated certain factors in determining to act as the broker-dealer of record and direct transactions to the Apex. Listed below are the chief conclusions we drew from our evaluation of this arrangement:

- We have an expertise in the markets and types of securities desired.
- Vestfi has the ability to execute in the desired markets.
- The proximity of the Firm traders to the advisory staff facilitates the communication process and allows for rapid handling of execution instructions.
- Costs, including commission rates, ticket charges, and other service charges are competitive with other clearing firms and broker-dealers providing similar services.
- Vestfi provides speedy, efficient, and accurate execution.
- Generally, clearance and settlement is efficient and accurate.
- Vestfi’s customer service team is responsive to the Firm.
- The Firm and Vestfi are committed to technology and the security of confidential information.
- There is no indication that the Vestfi would be unable to fulfill its financial responsibilities or is at risk for financial insolvency.
- Vestfi’s reputation and integrity are paramount to its success.



In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness.

VestWealth relies on its Custodian and review of its best execution reports to ensure compliance with best execution, as VestWealth does not execute trades. The best execution report compares the execution price of each trade with the National Best Bid and Offer. The CCO is responsible for continuously monitoring and evaluating the performance and execution capabilities of broker-dealers that transact orders for Clients to ensure consistent quality executions.

The Platform requires the establishment of a brokerage account at Vestfi, which will provide execution services. In selecting Vestfi, VestWealth did not consider any gifts or entertainment; the broker's willingness to cover trade errors caused by VestWealth; or Client referrals or capital introduction. Vestfi executes trades upon receipt of the Client's order. Despite this, there may, depending on the liquidity and demand in the market, be a material change in the market price of the security being bought or sold.

Vestfi is generally responsible for: (i) maintaining and recording transactions in cash and securities in Investment Accounts; (ii) sending orders placed by the Client for execution; and (iii) providing a Client with statements, confirmations, other required documentation, and other information about a Client's Investment Account and transactions therein. Clients authorize Vestfi to execute all trades and transactions a Client makes via the Platform and to carry a Client's Investment Account that holds Client securities and cash and to record the transactions a Client has made.

VestWealth may transmit or help facilitate a Client's requests for withdrawals or transfers with Vestfi. However, VestWealth shall have no authority to initiate any withdrawal or otherwise to transfer any securities or money out of an Investment Account.

As noted above, Vestfi, a third-party broker-dealer, will provide execution services for your Investment Account. Apex will provide clearing and settlement and custody services and will serve as a qualified custodian for your Investment Account.

2. "Soft Dollar" Considerations. A "soft dollar" arrangement occurs when a firm directs its brokerage to a particular broker/dealer that charges brokerage commissions that are higher than they would be for an "execution only" trading relationship in exchange for products or services, such as research. Under such an arrangement, the firm would receive a benefit because it would not have to produce or pay for the products or research. The Firm is not party to any such "soft-dollar" arrangement.

Clients may pay commissions higher than those obtainable from other brokers for the same services rendered by the Firm or Apex.

In observance of its fiduciary duty, the Firm will, at least annually, conduct a survey to determine whether the Firm is meeting its duty of best execution.

## **B. Order Aggregation**

From time to time, VestWealth may determine that the purchase or sale of a particular security is appropriate for multiple advisory Client accounts, based on a variety of reasons. When this happens, we may determine that it is appropriate in the interests of efficient and effective execution to attempt to execute the trade orders as one or more block trades (*i.e.*, aggregate the individual trade for each account into one or more trade orders). These circumstances may, in turn, give rise to actual or potential conflicts of interest among the accounts for whom the security purchase or sale is appropriate, and among the subset of those accounts actually participating in a block trade, especially if the block trade order results in a partial fill. In order to address these conflicts, we have adopted certain policies and procedures that we follow when aggregating trades in an effort to provide an objective and equitable method of trade allocation so that all Clients are treated fairly. The basic objectives of these policies and procedures are as follows:

1. We will only aggregate trades when we believe that the aggregation is consistent with our duty to seek best execution for our Clients;
2. We will strive to ensure that no Client account is favored over any other Client account; and
3. Each account that participates in an aggregated transaction shall participate at the average of the executed share price for that security, with all transaction costs shared on a *pro rata* basis.

## **C. Trade Error Policy**

From time to time, errors may occur in the trading process, including (1) overbuying or overselling of securities, into or out of an account, caused by clerical errors made by our personnel, or (2) buying or selling of securities, into or out of an account, which is in violation of a Client's stated investment guidelines that had been previously communicated to us in writing.

In all cases of a trade error caused by us, it is our policy to endeavor to resolve the error in the best interest of the Client and adjust the trade as needed in order to put the Client's account in such a position as if the error had not occurred. Where our trade error results in a gain and the Client is unable or restricted from receiving that gain for any reason, we will donate the gain to charity.

## **Item 13 – Review of Accounts**

VestWealth will contact or remind Clients on a quarterly and annual basis to ask if there have been any changes to their financial situation and investment objectives, and to update their information. VestWealth will also prompt Clients to determine whether they would like to make any changes to the reasonable restrictions on the Investment Account. In addition to



VestWealth's quarterly rebalancing and adjusting of Client Investment Portfolios, VestWealth will also rebalance and adjust Investment Portfolios as necessary in response to changes to Client information.

The Custodian who maintain the Client accounts will notify the Client of any account activity by delivering a confirmation of the transaction to the Client. The Custodian will also furnish the Client with a monthly or quarterly account activity and position statement. We urge you to carefully review such statements and compare such official custodial records to the reports that we may provide to you.

## **Item 14 – Client Referrals and Other Compensation**

### **A. Economic Benefits**

Other than these benefits and those described in Items 10 and 12 above, neither the Firm, nor any of our employees, receives any other economic benefit, sales awards or other prizes from any outside parties for providing investment advice to our Clients.

### **B. Referral Fees**

At this time, we do not pay referral fees to persons or entities for the referral or introduction of advisory Clients to the Firm.

## **Item 15 – Custody**

VestWealth does not maintain custody of Client's funds or securities. All Client Investment Accounts are held with the Custodian. Participation in the Platform requires that a Client agrees to the Custodian's customer agreement (the "Custodian Agreement"), whereby the Custodian will carry a brokerage account that holds Client securities and cash and will record Client transactions on the Platform as well as act as the clearing broker and qualified custodian for Client Investment Accounts. Neither VestWealth nor any investment service provider engaged by VestWealth is responsible for the obligations of the Custodian or any successor custodian. Under VestWealth's Advisory Agreement, Clients authorize us to instruct the Custodian to deduct VestWealth's advisory fees directly from Client accounts at Apex, which is considered a form of "custody." For this reason, we are deemed to have "custody" of Client assets for this limited purpose. While VestWealth instructs Apex to withdraw its fees, Apex maintains actual custody of Client assets.

Clients should receive, on at least a quarterly basis, statements from the broker-dealer, bank or other qualified custodian that holds and maintains the Client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the reports that we may provide to you. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.



## **Item 16 – Investment Discretion**

VestWealth offers non-discretionary Advisory Services to Clients. We obtain limited discretionary authority in connection with the selection of an Investment Portfolio, and our discretionary authority is limited to automatic rebalances and adjustments of accounts in order to meet target asset allocations. All rebalances and adjustments are done in order to ensure that the Investment Portfolio selected by a Client continues to meet the Client's investment objectives and risk tolerance. Clients maintain full discretion over the selection of Investment Portfolio. Once a portfolio is selected by a Client, VestWealth is then authorized to select the securities and the quantities or amounts of securities to be purchased, leveraged, transferred, exchanged, traded and sold consistent with the stated portfolio recommendations adopted and selected by the Client. This authorization will be granted by the Client through the execution of our advisory agreement, as well as Apex's account agreement. Apex will be directed to specifically limit our authority within the Client account to the placement of trade orders and our request for the deduction of our advisory fee.

Clients will have the option to impose reasonable restrictions on their Investment Account, such as opting out of the quarterly rebalancing of their Investment Portfolio. We also reserve the right not to accept or terminate management of a Client's account if we feel that the Client-imposed restrictions would limit or prevent us from meeting and/or maintaining our overall investment strategy for the account.

Additionally, VestWealth obtains limited discretionary authority if an Investment Account falls below the minimum account balance as stated in Item 7. This limited authority is confined to selling securities and other investment products in connection with the liquidation of a Client's Investment Portfolio.

As described above, we also obtain the authority to designate the broker-dealers or other financial intermediaries through whom transactions in the accounts will be executed, cleared or settled (see Item 12(A) above).

## **Item 17 – Voting Client Securities**

As a matter of Firm policy and practice, we do not have any authority to and do not vote proxies on behalf of advisory Clients. Clients retain the responsibility for receiving and voting proxies for any and all securities owned by the Client. Generally, we do not provide advice to Clients regarding the voting of proxies.

VestWealth will neither advise nor act on behalf of the Client in legal proceedings involving companies whose securities are held or previously were held in the Client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements.



## Item 18 – Financial Information

We are required in this Item to provide you with certain information or disclosures regarding our financial condition. Following is the information responsive to this Item:

- The Firm does not require prepayment of more than \$500 in fees six months or more in advance.
- There are no financial conditions or commitments that are likely to impair the Firm's ability to meet any contractual or fiduciary commitment to our Clients.
- The Firm has not been the subject of a bankruptcy petition.