



**Form ADV Part 2A  
(Disclosure Brochure)  
March 30, 2023**

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This brochure provides information about the qualifications and business practices of Vigilant Wealth Management. If you have any questions about the contents of this brochure, please contact us at (207) 523-1110. 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.

Additional information about Vigilant Wealth Management is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration with the SEC does not imply a certain level of skill or training.

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### **Material Changes**

There have been no material changes made to this Brochure since our last Annual Amendment filing made on March 30, 2022.

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### **Advisory Business**

Vigilant Capital Management, LLC, dba Vigilant Wealth Management (“Vigilant”), is a private wealth management firm specializing in progressive investment and wealth planning solutions that are tailored to the unique needs of each client. Vigilant’s purpose is to help guide its clients in managing their wealth in such a way that it positively impacts their lives and the lives of future generations. Vigilant works with high-net-worth individuals and families, as well as select non-profit, institutional, and corporate entities. Vigilant was founded in 2002. It is organized as a limited liability company under the laws of the State of Maine and is registered with the United States Securities and Exchange Commission (the “SEC” or “Commission”) as an investment advisor. Registration with the SEC does not imply a certain level of skill or training.

The principal owner of Vigilant is Vigilant Capital, LLC, a limited liability company organized under Maine law.

Vigilant provides discretionary investment management and wealth planning services to high-net-worth individuals and families, trusts, charitable organizations, foundations, endowments, and estates. Its discretionary investment management services may also be offered to corporations or business entities and to pension and profit-sharing plans.

Wealth Planning services are provided at the discretion of Vigilant and may not be appropriate for every client. Services may include, but are not limited to, providing advice and guidance in planning areas such as investment, financial, retirement, estate, tax, insurance, banking, credit, and charitable planning. Vigilant does not serve as an attorney or accountant, and no portion of our services should be construed as legal or accounting services. Accordingly, Vigilant does not prepare estate planning documents or tax returns.

However, Vigilant may provide these advisory services to its clients or by working with an advisor who is an expert in a particular discipline (i.e., a lawyer, CPA or insurance specialist) or a combination thereof. Clients may elect to have Vigilant work with their existing advisors or select new advisors that may or may not be recommended by Vigilant. Vigilant does not and will not design, draft or implement legal, tax or insurance plans. Each client must seek proper legal, tax and insurance advice from a qualified professional advisor in these areas prior to implementation of any plan. Vigilant receives no compensation from any external provider of professional services or from the sale of any non-investment product(s), such as insurance. Vigilant may, on a client’s behalf, participate in the negotiation of fees with a professional advisor. Clients are reminded that they are under no obligation to engage the services of any recommended professional. The client retains absolute discretion over all

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implementation decisions and is free to accept or reject any recommendation made by Vigilant or its representatives. If the client engages any unaffiliated recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional(s) (i.e. attorney, accountant, insurance agent, etc.), and not Vigilant, shall be responsible for the quality and competency of the services provided.

Investment Management Services are provided by Vigilant in an agency capacity pursuant to an advisory agreement between the client and Vigilant by which each client grants to Vigilant full discretion to manage their investment assets. Vigilant employs a disciplined investment process that begins with an assessment of each client's needs and goals, return expectations, risk tolerance, and investment constraints based upon information provided by each client. During this process and afterward by providing written notice to Vigilant, the client may impose restrictions on investing in certain securities or certain types of securities (as an example, certain clients may impose investment restrictions on Vigilant so that the client will be in compliance with investment restrictions imposed on the client by the client's employer). Upon the completion of the assessment process, an Investment Policy Statement (hereinafter IPS) will be generated. This IPS will be utilized by Vigilant to determine the appropriate target asset allocation and the discretionary management of the client's assets on an ongoing basis. The IPS will be reviewed and approved by the client at the inception of the relationship and will be reviewed and discussed periodically over time. Clients must notify Vigilant should there be any changes to their financial circumstances, needs, objectives and/or tolerance for risk or other circumstances relevant to management of their account(s).

As an extension of Vigilant's investment management and wealth planning services, Vigilant may offer Family Office Wealth Management services to certain qualified client families who desire not only our discretionary investment management services but also our assistance with their complex needs regarding various wealth planning initiatives. Each family office relationship shall be unique and tailored to fit the specific needs and goals of that particular client. The services available to each family office client as well as the means of calculating the client's fee shall be clearly stated in the client's agreement.

As discussed above, when providing wealth planning services under a Family Office Wealth Management engagement, Vigilant may work with a third-party advisor who is an expert in a particular discipline (i.e., a lawyer, CPA or insurance specialist). Clients may elect to have Vigilant work with their existing third-party advisors or select new advisors that may or may not be recommended by Vigilant. Vigilant is not responsible for the outcome of the advice or work provided by third-party advisors.

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Investment accounts may consist of cash, money market funds, fixed income securities, equity securities, alternative investments, and exposure to other publicly traded asset classes that Vigilant and each client agree are in-line with the IPS. Vigilant may utilize individual securities, sector securities, market-index securities and publicly traded investment companies (i.e., mutual funds, Exchange Traded Funds (ETFs), etc.). Options contracts may be utilized for the purpose of establishing defensive positions and/or protecting profits and may be used to gain specific market exposures that complement Vigilant’s overall investment strategy at a given time.

When consistent with a client’s investment objectives, Vigilant may allocate investment assets to “interval funds.” Investment companies structured as “interval funds” are generally designed for long-term investors that do not require daily liquidity. Shares in interval funds typically do not trade on the secondary market. Instead, their shares are subject to periodic redemption offers by the fund at a price based on net asset value. Accordingly, interval funds are subject to liquidity constraints. Interval funds investing in securities of companies with smaller market capitalizations, derivatives, or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Generally, the interval funds recommended by Vigilant offer a two to three week period, on a quarterly basis, during which the client may seek the redemption of previously purchased interval funds.

Vigilant follows a disciplined security selection process to build, manage and monitor client investment portfolios. This process is overseen by the Vigilant Investment Policy Committee (hereinafter IPC), which meets regularly to assess market conditions and to discuss existing portfolio positions or any recommended changes thereto.

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 result in adverse tax consequences). If Vigilant recommends that a client roll over their retirement plan assets into an account to be managed by Vigilant, such a recommendation creates a conflict of interest if Vigilant will earn an advisory fee on the rolled over assets. If Vigilant provides a recommendation as to whether a client should engage in a rollover or not, Vigilant is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act 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 Vigilant.

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Vigilant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Vigilant 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, 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 Vigilant determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by Vigilant will be profitable or equal any specific performance level(s).

Vigilant does not participate in wrap fee programs

Vigilant primarily manages client accounts on a discretionary basis. This means that Vigilant is authorized to direct execution of transactions in its client accounts without transaction-by-transaction consultation with the client. As of December 31, 2021, Vigilant managed approximately \$2,200,862,557 of client assets on a discretionary basis and \$0 of client assets on a non-discretionary basis.

### **Fees and Compensation**

Vigilant is compensated for providing advisory services pursuant to a fee schedule provided to each client that is based upon a percentage of the client's assets under management. In accordance with client instructions, fees are calculated by Vigilant as of the last business day of each month based upon the daily average market value of each client's account, and the fees are deducted on a monthly basis from the appropriate client account by the custodian. Vigilant relies upon the custodian for client account security pricing and market value. Fees are for services rendered.

#### **Schedule of Fees for Individuals**

<b>Account Asset Value</b>	<b>Adviser Fee</b>
On the first \$2,000,000	1.25%
On the next \$3,000,000	0.90%
On the next \$5,000,000	0.70%
On assets over \$10,000,000	0.50%

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### Schedule of Fees for Institutions

Account Asset Value	Adviser Fee
On the first \$2,000,000	1.25%
On the next \$3,000,000	0.60%
On assets over \$5,000,000	0.30%

The fee schedule may be modified by Vigilant upon notice to its client(s).

Vigilant's investment advisory fee is negotiable at Vigilant's discretion. Such fees may differ based upon a number of objective and subjective factors, including, but not limited to: the overall client relationship; the type of account(s); 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 households/accounts; future earning capacity; anticipated future additional assets; the professional(s) rendering the service(s); prior relationships with Vigilant and/or its representatives; other business considerations and negotiations with the client. As a result of these factors, similarly situated clients could pay different fees, the services to be provided by Vigilant 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.

### Family Office Wealth Management Services

As discussed above, each family office engagement is separately negotiated based on the size, complexity and breadth of each family office client's needs. Fees for this service may be based on a percentage of the client's total assets under management, a fixed fee or a percentage of the client's net worth.

Vigilant may utilize Exchange Traded Funds (ETFs) and/or publicly traded investment companies (mutual funds) as investment vehicles in its clients' investment portfolios. These investment vehicles incur costs and expenses and are managed by independent (i.e., non-Vigilant) advisers. Clients should understand that fund advisers apply to these funds a fee that is distinct and separate from the fee charged by Vigilant. A client could invest in these investment vehicles directly, without the services of Vigilant. A client could also invest in these products through other brokers, agents, or investment advisers that are not affiliated with Vigilant. Clients should evaluate the fees incurred in connection with these investment vehicles and the advisory fees charged by Vigilant to fully understand the total amount of fees paid.



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Clients of Vigilant may be required to pay custody fees to their custodian in connection with Vigilant's provision of advisory services. Clients of Vigilant will also incur additional costs when certain securities are purchased and sold. Vigilant has a pricing agreement with Charles Schwab & Co., Inc., that applies execution costs under the following terms and conditions:

U.S. Exchange-Listed Securities trades receive the following rate:

Broker-assisted channels: \$4.95 per trade

Electronic channels: \$0.00 per trade

U.S. Over-the-Counter & Canadian Securities Market trades receive the following rate:

Broker-assisted channels: \$4.95 per trade plus  
\$25

Electronic channels: \$4.95 per trade

Foreign Stock Transactions: \$25 per trade plus  
\$25

Transaction Fee Mutual Fund trades receive the following

rate: Broker-assisted channels: \$25 per trade

Electronic channels: \$25 per trade

Options contract trades receive the following rate:

Broker-assisted channels: \$25.00 plus \$0.65 per contract

Electronic channels: \$0.00 plus \$0.65 per contract

Fixed Income trades receive the following rate:

Broker-assisted channels: \$1.20 per bond (\$10 min, \$275  
max) Electronic channels: \$1.00 per bond (\$10 min, \$250

max)

Prime Broker / Trade Away transactions receive the following rate:

\$10 per transaction plus the broker commission rate

Certain transactions may incur costs that vary from the above schedule based on special circumstances that may be influenced by things like size of trade, price per share, location of exchange and/or security and other circumstances.

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See the section of this brochure entitled “Brokerage Practices,” which discusses Vigilant’s brokerage arrangements in greater detail.

Neither Vigilant nor its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

### **Performance-Based Fees and Side-by-Side Management**

Vigilant and its supervised persons do not charge performance-based fees for advisory services. Performance-based fees are fees that are based on a share of capital gains on or capital appreciation of a client’s assets.

### **Types of Clients**

Vigilant generally provides investment advice to the following types of clients: individuals, families, pension and profit-sharing plans, trusts, estates, charitable entities, corporations, and business entities.

### **Methods of Analysis, Investment Strategies and Risk of Loss**

Vigilant designs, constructs and manages investment portfolios that are specific to the needs and objectives of each individual client as outlined in the client Investment Policy Statement (IPS), which is drafted and approved by each client at the inception of the relationship and reviewed regularly to identify any appropriate changes. Each client’s strategic asset allocation targets are an outcome of the IPS process and set the course of the implementation of the Vigilant investment process as it relates specifically to that client’s account(s). Vigilant subscribes to the theory that diversification of investments across various asset classes and within asset classes is an effective way to reduce the risk profile of an investment portfolio over the long-term while in pursuit of returns that may help a client achieve their long-term financial objectives. The theory of diversification does not necessarily reduce risk over shorter periods of time whereby asset classes can exhibit extraordinarily high correlations. Further, diversification does not provide any guarantee that loss of principal invested in any asset class will not occur. The amount of client capital that is allocated to any given asset class is dictated by the strategic asset allocation outlined in the client IPS and may take into account other assets that are not under the management of Vigilant.

Although Vigilant usually invests pursuant to the client’s strategic allocation as detailed in the client IPS, Vigilant may, but is not required to, exercise its discretion to deviate significantly

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from the IPS and invest in cash, high-quality short-term debt securities and money market instruments for temporary defensive purposes in response to adverse market, economic, political or other conditions. These short-term debt securities and money market instruments may include but are not limited to cash equivalents, shares of money market mutual funds, commercial paper, certificates of deposit, bankers' acceptances, time deposits, U.S. government securities and repurchase agreements. All such positions shall be included as part of the client's assets under management for purposes of calculating Vigilant's advisory fee. When the account is holding cash positions, those cash positions will be subject to the same fee schedule as set forth above.

Vigilant is an active investment manager and prefers to own individual securities in investment portfolios. Vigilant utilizes a variety of investable instruments, all of which contain the risk of loss of capital. These instruments may be U.S. or non-U.S. individual stocks and bonds, sponsored and unsponsored American Depositary Receipts (ADR's) of non-U.S. securities, pooled investment vehicles such as mutual funds, interval funds or Exchange Traded Funds (ETFs), options traded on securities, and certain currency exposures, all of which contain the risk of loss of capital.

Vigilant employs an investment process that includes a "top-down" (macroeconomic) and "bottom-up" (security selection) fundamental approach to portfolio management. The process is driven by Vigilant's Investment Policy Committee (IPC), which meets regularly to assess the investment climate across asset classes. The IPC establishes a tactical strategy for each asset class through its assessment of the macroeconomic environment derived from various publicly available macroeconomic data sets which include but are not limited to global purchasing manager indices (PMIs), ISM reports, country GDP reports, employment indicators, monetary and fiscal policy measures, inflation data, leading economic indicators, consumer trends, trade data, geopolitical events, etc. The IPC is also responsible for directing the strategy within asset classes and the security selection process.

Security selection is a research intense process focused on identifying strong company fundamentals and attractive valuations. Investment opportunities are researched by analysts using traditional fundamental analysis that examines industry/sector dynamics, entity cash flows, operating and net income, balance sheet structure, leverage, ratio analysis, peer comparisons, etc. Valuation is determined through a variety of means that include, but are not limited to, discounted cash flow exercises, financial modeling, and ratio comparisons.

The discovery, selection and monitoring of a security includes the assessment of Environmental, Social and Governance (ESG) risk factors. Vigilant believes that viewing a company through an ESG lens increases the understanding of the investment opportunity

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and set of risks that are not as easily identified through traditional fundamental analysis. Further, assessing the risk exposures that may be present within an aggregate portfolio of stocks and/or bonds provides an opportunity to mitigate event risk associated with key issue pillars that are difficult to illuminate with common portfolio measurement tools.

Transactions involve the risk of loss of capital and contain transaction costs associated with conducting trades and the settlement process as well as potential tax consequences. It is not the intent of the investment strategy or process to result in frequent trading of securities, however more frequent or shorter-term holding periods may occur if market conditions change quickly or valuations are altered unexpectedly. A client's investment portfolio will fluctuate in value as market conditions change and the client could lose all or a portion of the value of the investment portfolio over short or long periods of time. The risks of investing in equity securities, fixed income securities and exchange traded funds include, but are not limited to:

*Equity Securities Risk* - Investments in equity securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. These investor perceptions are based on various and unpredictable factors including: expectations regarding government, economic, monetary and fiscal policies; inflation and interest rates; economic expansion or contraction; global or regional political, economic and banking crises; and factors affecting specific industries, sectors or companies in which Vigilant invests on behalf of clients. The value of a client's investment portfolio and the corresponding investment return will fluctuate based upon changes in the value of its portfolio securities.

*Large-Cap Company Risk* - Investments in larger, more established companies are subject to the risk that larger companies are sometimes unable to attain the high growth rates of successful, smaller companies, especially during extended periods of economic expansion. Larger, more established companies may be unable to respond quickly to new competitive challenges such as changes in consumer tastes or innovative smaller competitors potentially resulting in lower markets for their common stock.

*Mid-Cap and Small-Cap Companies Risk* - Mid-cap and small-cap companies may not have the management experience, financial resources, product diversification and competitive strengths of large-cap companies. Therefore, their securities may be more volatile and less liquid than the securities of larger, more established companies. Mid-cap and small-cap company stocks may also be bought and sold less often and in smaller amounts than larger company stocks. Because of this, if Vigilant wants to sell a large quantity of a mid-cap or small-cap company stock, it may have to sell at a lower price than it might prefer, or it may

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have to sell in smaller than desired quantities over a period of time. Analysts and other investors may follow these companies less actively and, therefore, information about these companies may not be as readily available as it is for large-cap companies.

*Fixed Income Securities Risks* - Debt securities are subject to risks that include, but are not limited to:

- *Credit Risk* - Issuers of fixed income securities may be unable to make principal and interest payments when they are due. Further, the securities could lose value because of a loss of confidence in the ability of the issuer to pay back debt. The degree of credit risk for a particular security may be reflected in its credit rating. Lower-rated fixed income securities involve greater credit risk, including the possibility of default or bankruptcy.
- *Interest Rate Risk* - Fixed income securities could lose value because of interest rate changes. For example, bonds tend to decrease in value if interest rates rise. Fixed income securities with longer maturities sometimes offer higher yields, but are subject to greater price shifts as a result of interest rate changes than debt securities with shorter maturities.
- *Prepayment Risk* - Prepayment occurs when the issuer of a debt security repays principal prior to the security's maturity. During periods of declining interest rates, issuers may increase pre-payments of principal causing Vigilant to invest in fixed income securities with lower yields thus reducing income generation. Similarly, during periods of increasing interest rates, issuers may decrease pre-payments of principal extending the duration of debt securities potentially to maturity. Fixed income securities with longer maturities are subject to greater price shifts as a result of interest rate changes. Also, if Vigilant is unable to liquidate lower yielding securities to take advantage of a higher interest rate environment, its ability to generate income on behalf of clients may be adversely affected. The potential impact of prepayment features on the price of a debt security can be difficult to predict and result in greater volatility.

*Government-Sponsored Entities Risk* - Investments in U.S. and non-U.S. government obligations include securities issued or guaranteed as to principal and interest by the U.S. and non-U.S. government, its agencies, or instrumentalities, such as the U.S. Treasury or the Treasury of a foreign nation. Payment of principal and interest on government obligations may be backed by the full faith and credit of the sovereign or may be backed solely by the issuing or guaranteeing agency or instrumentality itself. There can be no assurance that the U.S. or other government will provide financial support to its agencies or instrumentalities (including government-sponsored enterprises) where it is not legally obligated to do so.

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*Junk Bonds Risk* - Investments in bonds that are rated below investment grade, commonly known as “junk bonds”, generally provide higher levels of income in an effort to compensate investors for their higher risk of default, which is the failure to make required interest or principal payments. Investments in junk bonds have speculative characteristics. Junk bonds are not investment-grade securities and involve greater risk of default or price changes due to changes in the issuers’ creditworthiness than do higher-quality securities. In addition, the market prices of lower-rated securities may decline significantly in periods of general economic difficulty or rising interest rates. As a result, junk bonds present a significant risk of loss of principal and interest. The market for these securities may also be thinner and less active than that for higher-quality securities, which may adversely affect the ability to sell the bonds as well as the price at which they can be sold. Due to the potential for limited liquidity, the prices for junk bonds may also not be readily available.

*Foreign Securities Risk* - Vigilant may invest client assets in foreign securities which are subject to special risks. Foreign securities can be more volatile than domestic (U.S.) securities. Securities markets of other countries are generally smaller than U.S. securities markets. Many foreign securities may be less liquid and more volatile than U.S. securities, which could affect client investments.

*ETF and Mutual Fund Risk* - Exchange Traded Funds (ETFs) are typically open-end investment companies that are bought and sold on a national securities exchange. When Vigilant invests a client’s assets in an ETF, the client will bear additional expenses based on its pro rata share of the ETF’s operating expenses, including the potential duplication of management fees. The risk of owning an ETF generally reflects the risks of owning the underlying securities it holds. Many ETFs seek to replicate a specific benchmark index. However, an ETF may not fully replicate the performance of its benchmark index for many reasons, including the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of stocks held. Lack of liquidity in an ETF could result in an ETF being more volatile than the underlying portfolio of securities it holds. In addition, because of ETF expenses, compared to owning the underlying securities directly, it may be more costly to own an ETF.

*Cash and Cash Equivalents* - Vigilant actively manages cash and cash equivalent balances in client accounts as a dedicated asset class. The cash and cash equivalent balances may be influenced by the client capital flows in and out of an account, the receipt and distribution of income from securities holdings, Vigilant’s investment advisory fee, the settlement of trade activities within the account, and a desired level of liquidity as determined by Vigilant in the active management of the client account and defined in the client Investment Policy Statement. As such, the cash and cash equivalent balances in client accounts are included in

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the calculation of Vigilant's investment advisory fee. Depending upon current yields, Vigilant's investment advisory fee could exceed the interest paid by the client's cash and cash equivalents investments.

### **Disciplinary Information**

The disclosures required under this item of Form ADV Part 2 are not applicable to Vigilant. There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Vigilant's advisory business or the integrity of its management.

### **Other Financial Industry Activities and Affiliations**

The disclosures required under this item of Form ADV Part 2 are not applicable to Vigilant or its management persons.

### **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Vigilant has established a code of ethics and written policies and procedures based on the principles of integrity, honesty and trustworthiness. Under the code of ethics, Vigilant and each of its employees has an affirmative duty of care, loyalty, honesty and good faith, and must always act in the best interests of Vigilant's clients. The code of ethics contains standards of business conduct that Vigilant and its supervised persons are required to follow that reflect Vigilant's fiduciary obligations and those of its supervised persons; provisions requiring Vigilant's supervised persons to comply with applicable federal securities laws; provisions requiring all of Vigilant's access persons to report, and Vigilant to review, their personal securities transactions and holdings periodically; provisions requiring supervised persons to report any violations of the code of ethics promptly to Vigilant's Chief Compliance Officer or other persons designated in the code of ethics; and provisions requiring Vigilant to provide its supervised persons with a copy of its code of ethics and any amendments, and requiring supervised persons to provide written acknowledgment of their receipt of the code and any amendments.

Vigilant will provide a copy of its code of ethics to any client or prospective client upon request. Vigilant's code of ethics includes policies for pre-clearance and quarterly audits of personal securities transactions by employees and initial and annual personal securities holdings reports, trade allocations, and bunching. Vigilant's employees are permitted to buy or sell securities for their personal trading accounts that Vigilant or its employees also recommends to clients. This presents a conflict of interest whereby the interest of Vigilant's

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employee may not directly align with the best interest of Vigilant's clients. Vigilant has addressed this conflict of interest by instituting the following policies: Vigilant's employees must submit to Vigilant's Chief Compliance Officer (hereinafter CCO) a *Request for Securities Transaction* form and must receive approval from the CCO before executing any trades in his or her personal account. This pre-approval to execute the proposed transaction is only valid for 24 hours. Any supervised person who purchases a security pursuant to this pre-approval process is required to hold such security for a minimum of 30 days. In addition, in instances where an employee wishes to make a trade in a security that is held in client accounts, Vigilant institutes a "blackout period", which prevents an employee from trading such security seven days prior to and seven days after a security has been traded in a client account if the proposed employee transaction exceeds \$5,000 in value. As an added protection, Vigilant also requires that a duplicate trade order be sent to Vigilant by the broker-dealer completing the trade for the employee. In addition, employees are required to complete a quarterly transaction report at the end of each calendar quarter and an initial and annual holdings report and submit these reports to the CCO.

A Vigilant employee may establish an investment account assigning Vigilant as investment advisor. Securities transactions may be bunched with client transactions for execution as a block, and allocations must be made in accordance with Vigilant's established allocation formula. Terms negotiated for the bunched transaction will apply equally and the price of the securities purchased or sold in a bunched transaction shall be at the average share price with all transaction costs shared on a pro rata basis.

### **Brokerage Practices**

Vigilant's general objective in selecting broker-dealers is to obtain the best combination of security price and transaction costs. In determining the reasonableness of broker-dealer compensation, Vigilant considers, among other things, such factors as execution capability, financial responsibility, responsiveness to Vigilant, the commission rate or spread involved, and the value and range of research products and services provided or paid for by a broker-dealer. Such research products may include research reports on companies, industries and securities, economic and financial data, financial publications, and services.

Vigilant may recommend that clients establish brokerage accounts with Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, to maintain custody of client's assets and to effect trades for their accounts. Vigilant and Schwab are separate, unaffiliated entities. Schwab provides Vigilant with access to its institutional trading and operations services typically not available to Schwab's retail customers. These services generally are available to independent investment advisers at no charge to them so long as a total of at least \$10 million of the adviser's clients' account assets are maintained at Schwab. Schwab's services



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include brokerage, custody, research, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. Schwab also makes available to Vigilant other products and services that benefit Vigilant at no cost or a reduced cost based upon Vigilant's commitment that Vigilant clients will place or maintain a specified dollar amount of assets in accounts with Schwab within a specified period of time. Vigilant may be influenced by this commitment in recommending that clients establish brokerage accounts at Schwab. Some of these other products and services assist Vigilant in managing and administering clients' accounts and may include training in and review of the use of Schwab systems available for use by Vigilant. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Vigilant fees from its clients' accounts, and assist with back-office support, record keeping and client reporting.

Many of these services generally may be used to service all or a substantial number of Vigilant accounts, including accounts not maintained at Schwab. Some of the products, services and other benefits provided by Schwab benefit Vigilant and may not benefit Vigilant's clients' accounts. Vigilant's recommendation that a client place assets in Schwab's custody may be based in part on benefits to Vigilant and not solely on the nature, cost or quality of custody and execution services provided by Schwab.

Vigilant places trades for its clients' accounts subject to its duty of best execution and other fiduciary duties. Vigilant may use broker-dealers other than Schwab to execute trades for client accounts maintained at Schwab, but this practice may result in additional costs to clients so that Vigilant is more likely to place trades through Schwab rather than other broker-dealers. Schwab's execution quality may be different from other broker-dealers. For Vigilant client accounts maintained in custody at Schwab, Schwab generally does not charge separately for custody, but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Vigilant may receive from Schwab without cost (and/or at a discount) support services and/or products, certain of which assist Vigilant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Vigilant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice

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management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Vigilant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist Vigilant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Vigilant with managing or further developing its business enterprise.

Vigilant's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by Vigilant to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

In certain instances, Vigilant will aggregate the purchase or sale of securities for various client accounts. This is also known as block trading or bunching transactions. Vigilant permits block trading if the following conditions are met:

1. Orders of two or more clients may be bunched only if Vigilant has determined, on an individual basis, that the securities order is:
  - a. in the best interests of each client participating in the order;
  - b. consistent with Vigilant's duty to obtain best execution; and
  - c. consistent with the terms of the investment advisory agreement of each participating client.
2. Any investment by one client shall not be dependent or contingent upon the willingness or ability of another client to participate in such transaction.
3. Separate documentation relating to the transaction shall be generated and maintained for each client participating in the bunched trade.
4. The terms negotiated for the bunched transaction should apply equally to each participating client.
5. The allocation of securities obtained or sold in a bunched trade must be made in accordance with Vigilant's allocation procedures.
6. Client accounts included in a bunched transaction shall be allocated the security at the average share price for all transactions required to complete the order, with all transaction costs shared on a pro rata basis.

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7. A description of Vigilant's bunching procedures shall be disclosed as required by law.
8. The books and records of Vigilant will separately reflect, for each client for whom an order is bunched, the securities held by, bought and sold for that client.

### **Schwab Advisor Network®**

Vigilant receives client referrals from Schwab through Vigilant's participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Vigilant. Schwab does not supervise Vigilant and has no responsibility for Vigilant's management of clients' portfolios or Advisor's other advice or services. Vigilant pays Schwab fees to receive client referrals through the Service. Vigilant's participation in the Service may raise potential conflicts of interest described below.

Vigilant pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Vigilant is a percentage of the fees the client owes to Vigilant or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Vigilant pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to Vigilant quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by Vigilant and not by the client. Vigilant has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Vigilant charges clients with similar portfolios who were not referred through the Service.

Vigilant generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, Vigilant will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Vigilant's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Vigilant will have incentives to encourage household

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members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Vigilant's fees directly from the accounts.

For accounts of Vigilant's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Vigilant's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Vigilant may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Vigilant nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Vigilant's other clients. Thus, trades for accounts maintained in custody at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

### **Review of Accounts**

Vigilant conducts investment reviews of each client account no less frequently than every year but in most cases reviews are conducted more regularly. The review includes an assessment of the account's asset allocation versus the target asset allocation identified in the client's Investment Policy Statement. It reviews the account holdings list to verify compliance with Vigilant Investment Policy Committee guidance. It reviews the account for its appropriate use in performance composites. Account reviews are conducted by the appropriate Portfolio Manager(s).

Vigilant clients receive account statements directly from the clients' custodian no less frequently than quarterly. Custodian statements contain a holdings list, a listing of all account transactions including contributions and withdrawals, and show all fees that have been debited by the custodian for investment management services and paid to Vigilant. The custodian is also responsible for providing each client account with appropriate tax reporting in a timely manner each year. Additionally, clients receive written quarterly statements directly from Vigilant. Vigilant statements include a holdings list with quarter end market values and a performance report.

In addition to the periodic review of client accounts described above, Vigilant will also review client accounts on a non-periodic basis upon the occurrence of certain changes in the client's

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account. For example, if a client has a significant contribution into or withdrawal from an account, Vigilant will review the client's account to ensure that the account is still meeting the client's goals as identified in the client's IPS.

### **Client Referrals and Other Compensation**

Vigilant may participate in referral programs that meet certain SEC requirements and do not violate SEC rules or regulations regarding solicitation arrangements.

As referenced above, Vigilant participates in the Schwab Advisor Network®. Vigilant pays Schwab fees to receive client referrals through the Service. For more information, please see the disclosure above. In furtherance of this relationship, it is important to note that if a client is introduced to Vigilant by either an unaffiliated or an affiliated solicitor, Vigilant may pay that referring party in accordance with federal and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Vigilant's investment advisory fee, and shall not result in any additional charge to the client.

### **Custody**

Vigilant shall have the ability to have its advisory fee for each client debited by the custodian on a monthly or quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian for the client accounts. Vigilant may also provide a written periodic report summarizing account activity and performance.

To the extent that Vigilant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Vigilant with the account statements received from the account custodian. The account custodian does not verify the accuracy of Vigilant's advisory fee calculation.

Vigilant does not have physical custody of client funds, securities or other assets.

However, Vigilant engages in other practices and/or services on behalf of its clients that require disclosure at ADV Part 1, Item 9, but which practices and/or services are not subject to an annual surprise CPA examination in accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter.

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### **Investment Discretion**

In general, Vigilant is retained to manage accounts on a discretionary basis and, in such capacity, Vigilant is authorized to direct execution of portfolio transactions without transaction-by- transaction consultation with the client. Vigilant generally has sole investment discretion in determining which securities and in what amount are to be bought or sold in a client account. This investment discretion is granted to Vigilant by the client via the discretionary investment advisory agreement Vigilant enters into with each client.

Clients may place limitations on Vigilant's investment discretion during the initial investment assessment process and afterward by providing written notice to Vigilant. Clients may impose restrictions on investing in certain securities or certain types of securities. Any such restrictions will be listed in the client's IPS.

### **Voting Client Securities**

Vigilant's Proxy Voting Policies and Procedures set forth the responsibilities of all employees of Vigilant with respect to proxy voting on behalf of Vigilant's clients who have delegated and authorized Vigilant to vote proxies on their behalf. These policies have been adopted by Vigilant to ensure that Vigilant votes proxies in the best interests of its clients. Pursuant to these policies, Vigilant has appointed a Chief Compliance Officer who is responsible for overseeing the development and implementation of internal policies, procedures and controls, monitoring compliance, overseeing training with respect to proxy voting on behalf of our clients, and ensuring that appropriate proxy voting records are maintained. Vigilant has also appointed a Proxy Voting Committee Chairperson who has day-to-day oversight and administration of the policies, maintains an appropriate record keeping system, conducts audits of voted proxies and coordinates committee meetings.

Vigilant has contracted with Broadridge Investor Communications Solutions, Inc. ("Broadridge") to utilize Broadridge's Proxy Edge platform to vote proxies in accordance with corporate governance voting recommendations provided by Glass, Lewis & Co. (Glass Lewis"). In the unique situation where Glass Lewis has not provided a recommendation with respect to a proxy, Vigilant will vote proxies in a manner that is in the client's best interest and that resolves any conflict of interest in the client's favor. Vigilant will keep appropriate records regarding proxy voting and may utilize Broadridge's Proxy Edge platform for recordkeeping purposes. When voting proxies in a client's best interest, Vigilant will consider the following guidelines: (1) Vigilant shall consider factors that relate to the client's investment, including how a vote may affect the value of that investment. (2) Proxy votes in general will be cast in favor of proposals that enhance the value of shareholder investment,

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maintain or increase shareholder influence over the issuer's board of directors and management, maintain or increase the rights of shareholders, and maintain or strengthen the shared interests of shareholders and management. (3) Vigilant will also vote proxies in accordance with any written instructions provided to Vigilant by its clients. (4) Vigilant's general policy is to vote in favor of the recommendations of management on routine and administrative matters, unless Vigilant has compelling reasons to vote to the contrary. (5) With respect to non-reoccurring or extraordinary matters, Vigilant will vote on a case-by-case basis in accordance with the goals of achieving the overall objectives of Vigilant's strategy.

At the time that an account is opened, each client (on whose behalf Vigilant will vote proxies) shall be provided with a Proxy Voting Disclosure Statement, which shall disclose how clients may obtain information about how Vigilant voted with respect to their securities and describe Vigilant's Policy.

Clients may request information regarding how Vigilant voted with respect to their securities, or may request a copy of Vigilant's Proxy Voting Policies and Procedures, by sending a written request to:

Chief Compliance Officer  
Vigilant Wealth Management  
One Monument Square, Suite 601  
Portland, Maine 04101

### **Financial Information**

Vigilant does not require or solicit pre-payment of advisory fees from clients and therefore is not obligated to disclose a balance sheet for its most recently completed fiscal year.

Vigilant has not been the subject of a bankruptcy petition during the past 10 years and is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients.

### **Use of Third-Party Vendors**

Vigilant outsources certain functions, technology and otherwise, to various nonaffiliated third-party vendors. In order for these vendors to perform the services for which they have been contracted, nonpublic, personal client information may be disclosed to or hosted on the third-party vendor's technology. While Vigilant's contractual arrangements with third-party

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vendors generally prohibit third-party vendors from disclosing or using client information other than for the purposes of performing services for Vigilant, third-party vendors could experience information-security breaches or other incidents that could expose nonpublic personal information of Vigilant's clients. The occurrence of such an incident experienced by a third-party vendor is outside of Vigilant's control.