



**JVL** WEALTH  
STRATEGIES

**Part 2A | Form ADV**

Supplemental Information

March 30, 2023

JVL Associates, LLC d/b/a

**JVL Wealth Strategies**

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This brochure provides information about the qualifications and business practices of JVL Wealth Strategies. If you have any questions about the contents of this brochure, please contact us at 616-261-2800 or [info@jvlwealth.com](mailto:info@jvlwealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about JVL Wealth Strategies also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by Investment Adviser Firm and then a unique identifying number, known as a CRD number (our firm's CRD number is 124018) or by SEC number (our firm's SEC number is 801-61660).

## Item 2: Material Changes

This Firm Brochure, dated 3/30/2023, is our disclosure document prepared according to the SEC's rules and requirements.

This section (Material Changes) will be used to provide our clients with a summary of new and / or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Pursuant to United States Securities and Exchange Commission ("SEC") rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year. We also will provide other ongoing disclosure information about material changes as necessary.

We will provide you a new brochure, at any time, without charge.

Since the filing of our last annual updated amendment, dated March 28, 2022, there were no material changes to report.

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## **Item 4: Advisory Business**

JVL Wealth Strategies is a SEC-registered investment adviser with its principal place of business located in Wyoming, Michigan. JVL Wealth Strategies began conducting business in 2002. JVL Wealth Strategies is the successor to JVL Associates (a sole-proprietor) which began conducting business in 1994.

The firm is owned by Gerald R. (Jerry) VanderLugt, Matthew J. Kunnen and Chad N. Soukup.

JVL Wealth Strategies offers financial planning, wealth management and investment advisory services to our clients based on their specific needs and financial circumstances.

### **FINANCIAL PLANNING**

We provide financial planning services for individuals and families. Financial planning may include a comprehensive evaluation of a client's current and future financial position by using currently known variables to project future cash flows, asset values and withdrawal strategies. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients utilize this service to assist them in achieving their financial goals and objectives.

In general, financial planning can address any or all of the following areas:

- **PERSONAL CASH FLOW AND NET WORTH:** We discuss family information, assets and liabilities, income and expenses, cash-flows, and financial goals and objectives.
- **TAXES:** We review the client's income tax situation and then analyze the impact of various financial planning and investment alternatives on the client's current and future income tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's financial goals and objectives.
- **INSURANCE:** We review existing insurance plans to determine proper coverage given the client's financial situation. We also interface with the client's insurance professionals to assist the client to secure appropriate policies and coverage given their financial goals and objectives.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve their retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income needs.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, and then interface with the client's legal team to develop appropriate estate planning documents to accomplish those strategies.

We gather information through client interviews. Information gathered includes the client's current financial status, tax status, future goals, return objectives and attitudes towards risk.

We carefully analyze and evaluate documents supplied by the client and then develop and present various alternatives and recommendations. Should the client choose to implement any of the recommendations made, we work closely with the client to assist in their implementations. We also monitor the client's ongoing situation and make appropriate recommendations as needed. Implementation of our recommendations is at the total discretion of the client.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

## **WEALTH MANAGEMENT SERVICES**

We provide wealth management services to clients when the situation warrants. Wealth management services normally include the services identified above plus consultation with clients in such areas as:

- Lifetime Gifting Strategies
- Inter-Generational Wealth Transfer Strategies
- Charitable Gifting Techniques – Providing advice on Private Charitable Foundations, Donor Advised Funds and gifts of appreciated property.
- Asset Protection Strategies
- Family Investment Company LLCs
- Trust Analysis and Recommendations
- Integration of Business and Personal Financial Planning Strategies

## **INVESTMENT ADVISORY SERVICES (“IAS”) INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions we gain an understanding of the client's particular circumstances and help the client determine an understanding of their personal investment goals and objectives. In addition, during our data-gathering process, we help the client determine their investment time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background. Based upon the information provided to us, we will recommend appropriate asset allocation strategies and the actual investments for the client's investment accounts.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated goals and objectives as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors based on their specific circumstances.

In some cases, clients may invest, upon our recommendation, in life insurance products containing cash value that is managed outside of our discretion by the respective insurance company. In addition, clients may make other investments (real estate, private equity funds, etc.), upon our recommendation, that we supervise but do not have discretionary authority over the specific underlying investment.

Our investment recommendations are not limited to any specific product or service offered by a



broker-dealer, insurance company or fund manager and will generally include advice regarding the following investment alternatives:

- Securities listed on a major U.S. Exchange
- Securities traded over-the-counter
- Securities listed on a foreign exchange
- United States governmental securities
- Municipal securities
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Mutual fund shares
- Exchange Traded Funds (ETF's)
- Life insurance products (whole-life, variable life and term)
- Annuities
- Private Real Estate Funds
- Private Equity Funds
- Private Credit Funds
- Hedge Funds
- Interests in partnerships investing in real estate

JVL Wealth Strategies recommends the services of Separate Account Managers when appropriate for specific client circumstances.

Because some types of investments involve certain additional degrees of risk, they will only be recommended and implemented when consistent with the client's investment goals and objectives, investment time horizon, tolerance for risk, liquidity and suitability.

### **AMOUNT OF MANAGED ASSETS**

As of 12/31/2022 we were actively managing \$431,736,565 of clients' assets. Of this amount, \$422,319,081 is managed on a discretionary basis and \$9,417,484 on a non-discretionary basis.

## **Item 5: Fees and Compensation**

### **LETTER OF ENGAGEMENT / UNDERSTANDING**

In exchange for the fees outlined in our Letter of Engagement / Understanding, our clients have access to our entire menu of financial advisory services as outlined in Item 4. We work with the client to determine the types and level of services the client needs or desires. While fees are computed based on managed assets, there are no additional fees for financial planning or wealth management services (see below for OTHER FEE ARRANGEMENTS).

Our fees are charged as a percentage of assets under management, according to the following tiered fee schedule:

<b>Assets Under Management (AUM):</b>		<b>Annual Fee:</b>
First \$500,000	up to \$500,000 (see below *)	1.25%
Next \$500,000	\$500,000 to \$1,000,000	1.00%
Next \$1,500,000	\$1,000,000 to \$2,500,000	0.75%
Next \$7,500,000	\$2,500,000 to \$10,000,000	0.60%
Next \$15,000,000	\$10,000,000 to \$25,000,000	0.50%
Next \$25,000,000	\$25,000,000 to \$50,000,000	0.40%
Balance	Over \$50,000,000	0.25%

Clients with AUM in excess of \$1,000,000 are charged 1.00% on their first \$1,000,000 in place of the 1.25% fee on the first \$500,000 \*. JVL Wealth Strategies may group certain related client accounts together for determining assets under management for fee computation purposes.

JVL Wealth Strategies retains the discretion to impose a minimum asset size for utilizing their AUM fee schedule.

JVL Wealth Strategies does not have any wrap fee programs.

**Limited Negotiability of Advisory Fees:** Although JVL Wealth Strategies has established the aforementioned fee schedule, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the specific fee schedule. These include the complexity of the client's situation, amount of assets to be placed under our management, anticipated future additional assets, other related accounts, portfolio style, account composition, and reporting, among other factors. The specific annual fee schedule is identified in the Letter of Engagement / Understanding between our firm and each client.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

**Fees Billed in Advance:** Our advisory fees are charged on a quarterly basis based on the assets under management as of the end of the preceding calendar quarter. Fees are paid on the first business day of the second month of the calendar quarter. When authorized by the client, fees are debited from the account in accordance with the terms set forth in the Client Letter of

Engagement / Understanding (see Item 15).

If, for any reason, the Letter of Engagement / Understanding is terminated fees will be assessed or refunded pro rata based on the number of days services were provided during the quarter.

## OTHER FEE ARRANGEMENTS

**FINANCIAL PLANNING PROJECTS:** For clients who do not have current liquid assets that are managed under our discretion and who desire Financial Planning services, we will charge a flat fee, typically ranging from \$4,000 to \$7,500, based on the nature and complexity of the client's circumstances. Fees are agreed to with the client in writing, in advance of the services being provided.

**HOURLY PROJECTS:** Under certain circumstances we may enter into projects where we charge by the hour.

## GENERAL INFORMATION

**Conflicts of Interest:** Because the firm's fee schedule is charged as a percentage of assets under management, there is an actual or potential conflict of interest whenever the firm is making recommendations to clients about adding or withdrawing funds from their account. We recognize this conflict; however, we do not believe that this has an effect on our recommendations because we have a fiduciary responsibility to act in our clients' best interests and to place their interests ahead of our own (see Item 11).

**Termination of the Advisory Relationship:** A Letter of Engagement / Understanding may be terminated by either party without penalty upon written notice. If termination occurs prior to the end of a calendar quarter, fees will be assessed or refunded pro rata based on the number of days services were provided during the quarter of termination.

**Mutual Fund & Exchange Traded Fund (ETF) Fees:** All fees paid to JVL Wealth Strategies under the Letter of Engagement / Understanding are separate and distinct from the fees and expenses charged by an underlying mutual fund or ETF. Those fees and expenses are described in each fund's prospectus. Those fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund or ETF directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which investment vehicles are most appropriate to each client's financial goals and objectives. Accordingly, the client should review both the fees charged by the investment vehicle and our firm's fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Other Advisory Fees:** Separate from the advisory fees paid to JVL Wealth Strategies, investments in private real estate funds, private equity funds, hedge-funds, Separate Account Managers, and certain specific investment strategy funds incur advisory fees and expenses paid directly to the investment manager. These fees and expenses are outlined in the investment documentation signed by the client prior to the investment's origination.



**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by the custodian including, but not limited to, any transaction charges imposed by the custodian due to transactions placed for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information. Under certain circumstances custodians may assess additional fees for things such as bank wires and terminating an account.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

**Retirement Rollover Conflicts of Interest:** When we recommend that a client rollover a retirement account for us to manage, this creates a financial incentive because we charge a fee for our services. We attempt to mitigate the conflict of interest by comparing the services and fees associated with their existing plan to the services and fees we provide. At all times, our recommendations are made with the client's best interests in mind. Please note that the client is not under any obligation to roll over a retirement account to an account managed by us.

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

JVL Wealth Strategies does not charge 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**

JVL Wealth Strategies provides advisory services to the following types of clients:

- High net worth individuals
- Individuals (other than high net worth individuals)
- Charitable organizations
- Trusts and Estates
- Business entities not listed above

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

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and / or management of client assets:

#### **Overall Portfolio Strategy**

**Asset Allocation.** We begin by developing an asset allocation strategy that we believe matches the investment goals and objectives of the client. We identify, what we believe to be, the appropriate mix of cash, fixed income instruments, equities (both domestic and foreign), commodities, and other alternative investment vehicles. We rebalance client accounts on a periodic basis to adjust for cash additions or withdrawals and as the mix of assets changes due to differing market performance between asset categories. Timing of the rebalancing is determined based on actual holdings vs. target holdings as well as tax considerations.

We continually monitor the asset allocation strategies and make adjustments as we determine necessary to achieve client goals and objectives.

A risk of asset allocation is that the client may not participate in sharp increases in a particular asset category. Another risk is that the mix of assets will change over time and if not rebalanced timely will no longer be appropriate for the client's goals and objectives.

#### **Security Selection**

We then select securities to fill each of the individual asset categories. We may select a combination of passive indexed securities and actively managed securities as we see fit.

The securities may include exchange traded funds (ETF), mutual funds and / or individual company securities. The selection is based on a number of circumstances including, but not limited to, client goals and objectives, investment time horizon, liquidity needs, account size, investment experience and tax considerations.

JVL may recommend separate account investment management firms to manage a portion of client portfolios. JVL does not have trading authorization or otherwise direct the specific investments or investment strategies of such separate account investment management firms.

JVL may recommend alternative investment management firms to manage a portion of client portfolios. These alternative investments may include, but are not limited to, hedge funds, private equity funds, direct real estate, commodities, structured notes, and/or fund-of-funds investments that use any or all of these investment strategies. JVL does not have trading authorization or otherwise direct the specific investments or investment strategies of such alternative investment management firms.

Our firm subscribes to a number of independent third-party research platforms, reports, newsletters and publications. This provides us with a mix of differing ideas pertaining to economic, political and market conditions as well as security selection. We analyze the information and make selections that we believe best fits our clients' goals and objectives.

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the companies themselves) to determine if the security is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially understand future price movement.

Technical analysis does not consider the underlying financial condition of a security. This presents a risk in that a poorly-managed or financially unsound company's security may under-perform regardless of market movement.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that rating agencies that review these securities, and other independent third-party research sources and publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## INVESTMENT STRATEGIES

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment goals and objectives, investment time horizon and risk tolerance, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when we believe the securities to be currently undervalued and / or we want exposure to a particular asset class over time, regardless of the current short-term prospects for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our strategies are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time, typically a year or less. We do this in an attempt to take advantage of conditions that we believe will have a short-term positive impact on the securities we purchase.

A risk in a short-term purchase strategy is that the security may not possess the fundamentals to be held long-term and that the security may lose value in a short period of time. Moreover, by utilizing a short-term strategy we may be subjecting potential gains to a higher tax rate than long-term gains.

## RISK OF LOSS

Any investment involves risk, including the complete loss of capital. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

As disclosed in item 4 we provide advice regarding a variety of investment alternatives based on the clients' specific circumstances. You should understand the material risks associated with the following investments:

- Life insurance products (whole-life, variable life and term) and annuities: investments in these products may be illiquid and cannot be accessed as easily as other more liquid investments. The underlying investments in these products are at the discretion of the insurance company and may not be able to be changed by JVL or the client. The risk of loss of the underlying investment is also subject to the financial strength of the insurance company.
- Investments in Hedge Funds, Private Real Estate, Private Equity Funds and Private Credit Funds: investments in these funds may be illiquid and cannot be accessed as easily as other more liquid investments. The underlying investments in these funds are at the discretion of the fund managers and may not be able to be changed by JVL or the client.

### **Item 9: Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our advisory personnel have no reportable disciplinary events to disclose.

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

Our firm and our employees are not engaged in other financial industry activities and have no other industry affiliations.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **CODE OF ETHICS**

Our firm has adopted a Code of Ethics which imposes a fiduciary duty on our firm and our employees. As a fiduciary, we have a duty of utmost good faith to act solely in the best interests of each of our clients. Our clients entrust us with their funds, which in turn places a high standard on our conduct and integrity. Our fiduciary duty compels us to act with the utmost integrity in all of our dealings. This fiduciary duty is the core principle underlying this Code of Ethics and represents the expected basis of all our dealings with our clients.

The Code of Ethics sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Therefore, we place our clients' interests ahead of the firm's or any of our employees.

The Code of Ethics sets forth requirements governing our employees' personal trading practices (see below for more information).

The Code of Ethics requires that all employees promptly report any violations of the Code of Ethics to the Chief Compliance Officer.

The Code of Ethics includes the firm's policy prohibiting the use of material non-public information. All employees are reminded that such information may not be used in a personal or professional capacity.

The Code of Ethics is distributed to all employees and requires a written acknowledgment of receipt.

JVL Wealth Strategies and our employees owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by calling us at 616-261-2800 or by e-mail sent to [info@jvlwealth.com](mailto:info@jvlwealth.com).

### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

JVL Wealth Strategies and our employees may not buy securities for the firm or for themselves from our advisory clients; nor sell securities owned by the firm or the individuals to our advisory clients.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.



Our firm and our employees may buy or sell for their personal account's securities and/or private fund offerings identical to or different from those recommended to our clients. In addition, they may have an interest or position in a certain security(ies) and/or private fund offerings which may also be recommended to a client. In regards to public securities, we believe the potential for a conflict of interest is mitigated as the securities bought, sold or held are publicly traded and widely held and the amounts bought, sold or held by our firm or our employees are too small to affect the market. In regards to private fund offerings, we believe the potential for a conflict of interest is mitigated due to the fact that the size of our employees' interests and commitments are small in regards to the total fund sizes and subscriptions are subject to approval of our Chief Compliance Officer.

JVL Wealth Strategies and its employees do not solicit clients to invest in businesses that they invest in.

Gerald R. VanderLugt, founder of JVL Wealth Strategies, has been asked to be a manager and / or has check-writing authority over multiple family investment LLC's which are owned 100% by the families, all of which are clients of the firm. In these roles, he has the ability to negotiate and enter into investment transactions on behalf of the LLC's. The LLC's have made various investments, including real estate and private placement equity funds. Our firm provides accounting and record keeping services for these LLC's.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- The interests of clients will be placed ahead of the firm's or any employee's own investment interests.
- Employees will not take inappropriate advantage of their position with the firm.
- Employees are expected to act in the best interests of each of our clients.
- Employees are expected to comply with applicable federal securities laws.
- The firm maintains a listing of all reportable securities holdings for our firm and its employees. These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer.
- We have established procedures for the maintenance of all required books and records.
- We require delivery and acknowledgement, by each employee of our firm, of the Firm's Investment Advisor Compliance Manual which includes our Code of Ethics.
- We have established policies requiring the reporting of Code of Ethics violations to our Chief Compliance Officer.
- Any individual who violates any of the above restrictions may be subject to sanctions including termination.

## **Item 12: Brokerage Practices**

### **CLEARING AND CUSTODY - FIDELITY**

National Financial Services, LLC and Fidelity Brokerage Services, LLC (collectively, and together with all affiliates “Fidelity”), a registered broker-dealer, member SIPC, is one of the custodial firms that JVL Wealth Strategies recommends to clients for clearing and custody services. JVL Wealth Strategies is independently owned and operated and not affiliated with Fidelity. Fidelity provides JVL Wealth Strategies with access to its institutional trading and custody services, which are typically not available to Fidelity retail investors. The services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support investment advisers like JVL Wealth Strategies in conducting business and in serving the best interests of our clients but that may also benefit us. Fidelity also makes available to our firm, at no additional charge to us, various research, analysis, publications and web seminars. In addition, Fidelity offers to our employees the opportunity to attend various educational sessions at a reduced cost or at no charge. These additional services are used by our firm to manage accounts for which we have investment discretion, regardless of whether or not they custody their assets at Fidelity. As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity’s services. We monitor this potential conflict of interest and have determined that this relationship is in the best interests of JVL Wealth Strategies’ clients and satisfies our client obligations, including our duty to seek best execution.

All clients are charged a predetermined transaction fee or brokerage commission rate (paid directly to Fidelity, not to JVL Wealth Strategies) depending on the type of security traded and/or other features of the client’s account. Fidelity’s equity commission rate is \$-0- for all accounts utilizing their electronic reporting. Fidelity may charge transaction fees and brokerage commissions for executing certain securities transactions (i.e., transactions fees are charged for certain mutual funds, commissions may be charged for individual equity and debt securities transactions). Fidelity enables JVL Wealth Strategies to buy/sell many mutual funds (both Fidelity and non-Fidelity funds) without transaction charges and other mutual funds at nominal transaction charges. Fidelity transaction fees may be higher or lower than those charged by other custodians and broker-dealers. Accordingly, while JVL Wealth Strategies will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible charges for specific client account transactions. We periodically review the broker’s published “trade execution” information to determine reasonableness of security pricing and speed of trade execution.

Clients may be able to obtain better security pricing and / or lower commissions and fees from other brokers. A client may pay a transaction fee or brokerage commission that is higher than another qualified broker-dealer might charge to affect the same transaction where we determine in good faith that the charge is reasonable in relation to the value of the brokerage and research services received. 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 the value of research provided, execution capability, transaction fee and/or brokerage commission rates, and responsiveness.

## **CLEARING AND CUSTODY - CHARLES SCHWAB & CO, INC**

Charles Schwab & Co, Inc, a registered broker-dealer, member SIPC, is one of the custodial firms that JVL Wealth Strategies recommends to clients for clearing and custody services. JVL Wealth Strategies is independently owned and operated and not affiliated with Schwab. Schwab provides JVL Wealth Strategies with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. The services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support investment advisers like JVL Wealth Strategies in conducting business and in serving the best interests of our clients but that may also benefit us. Schwab also makes available to our firm, at no additional charge to us, various research, analysis, publications and web seminars. In addition, Schwab offers to our employees the opportunity to attend various educational sessions at a reduced cost or at no charge. These additional services are used by our firm to manage accounts for which we have investment discretion, regardless of whether or not they custody their assets at Schwab. As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Schwab's services. We monitor this potential conflict of interest and have determined that this relationship is in the best interests of JVL Wealth Strategies' clients and satisfies our client obligations, including our duty to seek best execution.

All clients are charged a predetermined transaction fee or brokerage commission rate (paid directly to Schwab, not to JVL Wealth Strategies) depending on the type of security traded and/or other features of the client's account. Schwab's equity commission rate is \$-0- for all accounts utilizing their electronic reporting. Schwab may charge transaction fees and brokerage commissions for executing certain securities transactions (i.e., transactions fees are charged for certain mutual funds, commissions may be charged for individual equity and debt securities transactions). Schwab enables JVL Wealth Strategies to buy/sell many mutual funds (both Schwab and non-Schwab funds) without transaction charges and other mutual funds at nominal transaction charges. Schwab transaction fees may be higher or lower than those charged by other custodians and broker-dealers. Accordingly, while JVL Wealth Strategies will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible charges for specific client account transactions. We periodically review the broker's published "trade execution" information to determine reasonableness of security pricing and speed of trade execution.

Clients may be able to obtain better security pricing and / or lower commissions and fees from other brokers. A client may pay a transaction fee or brokerage commission that is higher than another qualified broker-dealer might charge to affect the same transaction where we determine in good faith that the charge is reasonable in relation to the value of the brokerage and research services received. 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 the value of research provided, execution capability, transaction fee and/or brokerage commission rates, and responsiveness.

## **SEPARATE ACCOUNT MANAGERS**

For those situations in which a money manager has discretionary authority to manage a separate custody account of a client of JVL Wealth Strategies, it is the sole discretion of the manager and/or client as to the brokerage firm utilized to execute trades in the client's account.

## PRIVATE PLACEMENT SECURITIES

On occasion, JVL Wealth Strategies may be invited by an issuer to participate in an offering of private placement securities. JVL Wealth Strategies will only consider recommending such securities to clients who meet the eligibility requirements for private placement securities and for whom an investment in such securities is suitable. Criteria include, but are not limited to: risk tolerance, investment time horizon, liquidity of other assets, prior investment experience, and overall portfolio diversification. Due to suitability determinations, these investments may not be made available to all clients.

## BLOCK TRADING

JVL Wealth Strategies strives to treat all clients in a fair manner. This is the basic principle underlying our block trading policy.

JVL Wealth Strategies will aggregate ("block") trades when administratively practical. Block trading permits the trading of the same security in multiple accounts at the same time in one order whereby all accounts receive the same execution price. Normal commission rates apply at the respective account level. Block trading may allow us to execute equity trades in a more equitable manner at an average share price.

JVL Wealth Strategies' block trading policy and procedures are as follows:

- Prior to executing block trade orders, we will allocate the number of shares traded to the respective accounts making up the block;
- We will attempt to fill orders by day-end;
- If the block order is not filled by day-end, we will allocate the shares executed to the respective underlying client accounts on a pro rata basis, adjusted as necessary to keep client transaction costs to a minimum and in accordance with specific account guidelines;
- If a block order is filled (full or partial fill) at several prices through multiple trades, an average share price will be used for all trades executed that day;
- All accounts receiving securities from the block trade will receive the average share price;
- Only trades executed within the block on the single day will be combined for purposes of calculating the average share price;
- Standard commission rates will apply at the client / account level for executed block trades;
- No client or account will be favored over another.

### **Item 13: Review of Accounts**

Individuals within the firm review investment advisory services accounts on a monthly, or more frequent basis. Accounts are reviewed in the context of each client's investment goals and objectives. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.



In addition to the monthly statements and confirmations of transactions that clients receive directly from their custodian (either mailed or sent electronically) we provide reports to our clients on a quarterly basis. Our reports are generated by our licensed Portfolio Management Software system from information supplied by each custodian and contains information summarizing account balances, holdings and portfolio performance. We encourage clients to compare our reported information with statements received from their custodian, who has custody of their assets. Account and performance information is provided to client electronically, unless the client opts out of electronic delivery.

Financial planning projects usually result in the presentation of a Summary Financial Plan report. Often times these reports result in specific workable projects that are agreed to with the client. As such, we work on these projects on a periodic basis and present our recommendations to the client in meetings or by phone, e-mail or letter. We assist clients in implementing their choice for the appropriate course of action. We review the status of financial planning projects in subsequent meetings or communications with the clients.

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

It is JVL Wealth Strategies' policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is JVL Wealth Strategies' policy not to accept or allow our employees to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15: Custody**

As previously disclosed in Item 5 - Fees and Compensation, our firm directly debits investment advisory fees from client accounts.

As part of this billing process, invoices are sent to clients, on a quarterly basis, prior to the fees being deducted from their accounts. The fee is then submitted to the custodian for payment; however, the custodian is not responsible for verifying the accuracy of the fee calculation. Clients are responsible for verifying the accuracy of the fee calculation and if they detect any discrepancies to notify the custodian directly. The custodian's statement, as well as the reports prepared by our firm, show all transactions within the account, including fees deducted during the reporting period.

We also have custody over certain checking accounts because certain clients have asked us to provide them with bill paying services. For these clients we establish a separate checking account with a bank whose deposits are insured by the FDIC in the name of "JVL Associates, LLC agent for client name". Clients may send us bills to pay, instruct vendors to send invoices directly to our office or give us verbal instructions. Our firm prepares and signs checks and sends payments directly to the payees. On a quarterly basis our firm prepares and sends clients reports detailing the transactions processed during the quarter. If requested by the client, we will send copies of the transactions processed to the client on a contemporaneous basis.



We also have custody over various trust accounts because certain clients of the firm have asked employees of JVL Wealth Strategies to act as a trustee for trusts they have established.

In accordance with SEC guidelines JVL Wealth Strategies has an exam performed over all accounts under custody by a qualified CPA firm. Their report is available on the SEC website.

Certain clients of the firm have named firm employees as executor of their estate. In addition, these clients may also have named them as a successor trustee in their living trust documents. These provisions do not take effect during the clients' lifetime.

The SEC has determined that Advisory firms that maintain Standing Letters of Authorization (SLOA) in client accounts are deemed to have custody over the advisory accounts covered by the SLOA. A SLOA is a document, signed by the client, granting limited authority for the advisor to make disbursements or transfers on behalf of the client, in accordance with the terms of the SLOA. This is a common practice for clients of JVL Wealth Strategies. JVL Wealth Strategies maintains SLOA's with multiple accounts as an administrative convenience to those clients.

### **Item 16: Investment Discretion**

Clients normally hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Our discretionary authority includes the ability to determine which security to buy or sell and the amount of the security to buy or sell. Clients give us this discretionary authority when they sign a Letter of Engagement / Understanding with our firm. If a client wishes to restrict our discretionary authority, arrangements will be discussed.

### **Item 17: Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients receive voting information instructions directly and are responsible for voting the proxies. We will discuss proxy issues with clients if they contact us with questions at our principal place of business.

### **Item 18: Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts and is deemed to have custody of certain account assets, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. JVL Wealth Strategies has no additional financial circumstances to report. JVL Wealth Strategies has not been the subject of a bankruptcy petition at any time during the past ten years.