



PROTECTING CAPITAL. BUILDING WEALTH.

## Vigilare Wealth Management, LLC

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ADV Part 2A and 2B

Date of Brochure March 2023

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This brochure provides information about the qualifications and investment advisory business practices of Vigilare Wealth Management, LLC ("VWM" or "Firm"). If you have any questions about the contents of this brochure, please contact us at (480) 636-8292. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about our investment advisory business is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our information on this website by searching for "Vigilare Wealth Management, LLC". You can also search using the firm's CRD number. The CRD number for our firm is 157663.

\*Registration as an investment advisor does not imply a certain level of skill or training.

## Item 2 – Material Changes

### Summary of Material Changes

The following material changes have occurred since our last update dated March 2022:

- **Item 5 – Fees and Compensation.** Third Party Money Manager fees. The investment advisory service fee maximum has increased to 1.50%. The maximum fee for advisory services including trustee services has increased to 2.50%.
- **Item 5** was amended to clarify billing on margin and cash balances and to disclose conflicts of interest.
- **Item 12 – Brokerage Practices.** VWM has historically participated in the TD Ameritrade Institutional and Fidelity Brokerage Services LLC programs. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. (“TD Ameritrade”) member FINRA/SIPC. TD Ameritrade is presently an independent and unaffiliated SEC-registered broker-dealer but has recently been acquired by Charles Schwab & Co. Inc., “Schwab”.
- **Item 14 – Client Referrals and Other Compensation.** The Firm receives an economic benefit from TD Ameritrade, Fidelity and Schwab in the form of the support products and services it makes available to us and other independent investment advisers whose clients maintain their accounts at TD, Fidelity and Schwab. Additional disclosure language reflecting non-cash referral relationships was also added to Item 14.

Clients and prospective clients can always receive the most current Disclosure Brochure for Vigilare Wealth Management, LLC at any time by contacting Jason Polit at (480) 636-8292. You can also download it from the SEC Website.

We encourage you to read this document in its entirety.

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## **Item 4 – Advisory Business**

Vigilare Wealth Management, LLC is an investment advisor registered with the United States Securities and Exchange Commission (“SEC”) and is a Limited Liability Company formed under the laws of the State of Arizona.

Vigilare Wealth Management, LLC has been registered as an Investment Advisory Firm since June 7, 2011 and is jointly owned and managed by Jason S. Polit and Zeljko J. Zdrale.

### **General Description of Primary Advisory Services**

Vigilare Wealth Management, LLC is an independent fee based Registered Investment Advisor. We designed Vigilare Wealth Management, LLC with a single goal in mind: Protect and grow our clients’ wealth to the best of our ability.

Vigilare Wealth Management, LLC (“VWM”) offers clients a comprehensive range of services (each a “Service” and collectively the “Services”) that support both short and long-term goals. VWM acts as the central point of contact for the various Services in carrying out the objectives of the Client. Upon execution of a power of attorney (“POA”), VWM may engage, hire, retain and employ, in the name and for the Account of Client, such lawyers, accountants and other professionals as are necessary in the ordinary course of performing Services on behalf of Client.

Depending upon the needs and objectives of the Client, VWM’s Services may include some or all of the following Services:

### **Financial Oversight and Recordkeeping Services**

i. Expense Oversight:

This Service includes gathering agreements, contracts, and invoices that require regular payment, organizing these invoices into payment schedules. Establishing checking accounts and other types of accounts needed to pay these invoices and coordinating payment. These payments may include quarterly tax payments, insurance payments, distributions to shareholders, mortgage payments, management fees and other payments.

ii. Cash Flow Oversight:

This Service includes developing twelve (12)-month cash flow projections, updating cash flow projections on a monthly basis, and the validation of cash inflow and outflows against supporting documentation.

iii. Record Management and Retention:

This Service includes creating the documents and files necessary to support the operation of a family office as required including maintaining a general ledger and account records and other files as needed.

### **Integrated Wealth Management Services**

With a comprehensive view of your financial and lifestyle requirements, we work with you to establish wealth transfer and tax minimization plans to help assure family continuity and governance, address executive compensation and benefits issues, and formulate a strategic financial plan and other wealth management strategies.

Client acknowledges that he/she/it is under no obligation to implement any recommendations made by VWM as part of a financial plan, either independently or through VWM or its affiliates. If Client wishes to implement any such recommendations, Client may select any brokerage firm, private investment firm, insurance agency, broker, or carrier, bank, or any other financial Service institution to implement Client's decisions.

Should Client choose to implement such recommendations through VWM and/or its affiliates, Client should realize that this presents a conflict of interest in that VWM will charge separate fees for implementing such recommendations (see "Investment Oversight Services" below), and consequently, the objectivity of the advice rendered to Client could be biased. Furthermore, Client understands that investment adviser representatives ("IARs") of VWM and/or its affiliates sell insurance products in their separate capacities as independent insurance agents for firms not affiliated with VWM. When these IARs implement insurance transactions in these separate capacities, they earn additional compensation. This presents a conflict of interest since IARs could earn fees and commissions for implementing recommendations made as part of a financial plan. Client understands that he/she/it is free to select any insurance agent or insurance provider they wish to implement any recommendations.

### **Investment Management Services**

Our Investment Management Services are based on a dynamic asset allocation strategy. Through this service, VWM implements a customized and individualized investment program for clients by applying our investment philosophy with ongoing discretionary supervision over client accounts. This means that we will continuously monitor your account and make trades in your account when necessary. When discretionary authority is provided by the client, we will not be required to contact you prior to making investment decisions.

### **Third-Party Investment Managers**

We may utilize unaffiliate, independent third-party investment managers ("TPIMs") to manage some or all of Client assets if we determine such action to be in the best interest of the Client. When recommending Client to a TPIM, the Firm will (i) gather such information as investment objectives, risk tolerance, investment guidelines, time horizons and other important and necessary information relating to the Client's assets; (ii) based upon such information, determine appropriate allocations of Client's assets; and (iii) recommend one or more TPIMs whose management style and strategies are consistent with Client's objectives and financial profile.

Clients may be required to enter into an advisory agreement with a TPIM, which will be in addition to and, and distinct from the agreement with VWM. TPIMs will typically have discretionary authority over the assets allocated for management, and authorized to buy, sell, and trade in securities in accordance with the Client's investment objectives and/or selected investment strategy. VWM shall provide information and/or documentation to the TPIM relative to the Client's investment objective(s), initially when the Client account is opened, and anytime the Client informs the Firm of any change to their investment objectives. VWM's fees typically include those fees associated with allocating Client assets to designated TPIMs. Please refer to the "Fees" section in Item 5 below for important information about fees.

### **Trustee Services**

Upon client request, VWM provides Trustee services, including Personal CFO/Executive Services, Tax and Accounting Services, Real Estate Services, Executive and Family Assistance, Philanthropic Support, Estate and Gift Planning and Trustee Services. These services are offered under separate engagement and Clients will need to enter into separate agreements for these services.

### **Disclosure Regarding Rollover Recommendations**

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

A client or prospect 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) rollover to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Our Firm may recommend an investor roll over plan assets to an IRA for which our Firm provides investment advisory services. As a result, our Firm and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave their plan assets with their previous employer or roll over the assets to a plan sponsored by a new employer will generally result in no compensation to our Firm. Our Firm therefore has an economic incentive to encourage a client to roll plan assets into an IRA that our Firm will manage, which presents a conflict of interest. To mitigate the conflict of interest, there are various factors that our Firm will consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus those of our Firm, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. Our Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client has regarding the oversight.

### **General Information About Your Account**

Prior to engaging VWM to provide investment management services, the client will be required to enter into a formal investment advisory agreement setting forth the terms and conditions, including the amount of the investment management fee, under which we shall manage the client's assets. Clients will also need to enter into a separate custodial/clearing agreement with a broker/dealer and/or custodian selected by Vigilare Wealth Management, LLC.

Our discretionary asset management services will only be provided through accounts at broker/dealer(s) selected by VWM. The selected broker/dealer(s) provide custody, clearing, and other brokerage services including regular basic statement reporting. Clients will be required to establish a brokerage account(s) through this broker/dealer for all discretionary asset management services. VWM will be granted limited power-of-attorney over all discretionary accounts in order to effect trades and, when agreed upon by the client, to deduct advisory service fees. A separate account is always maintained for each client and the client retains all rights of ownership to their accounts (e. g. right to withdraw securities or cash, exercise, or delegate proxy voting, and receive transaction confirmations).

Please refer to Item 12 – Brokerage Practices for further information on VWM's relationship with TD Ameritrade Institutional and Fidelity Brokerage Services.

## **Description of Investment Types**

We provide investment advice on the following types of investments.

- Exchange-listed securities (i.e., stocks and exchange traded funds)
- Securities traded over-the-counter
- Foreign issues
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial Paper and Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States government securities
- Option and derivative contracts on securities, commodities, or currencies
- Interests in partnerships investing in real estate, oil, and gas interests.

We may also periodically invest in leveraged ETFs. Leveraged ETFs seek a multiple of the return of a benchmark for a single day only. Leveraged ETFs are riskier than other alternatives that do not use leverage. We invest in leveraged ETFs in order to magnify the performance of an index, and thus, seek greater profits (of course, losses are magnified too). These positions will be actively monitored and rebalanced on a regular basis to maintain consistent exposure. Rebalancing does not guarantee specific future results and may result in investment losses.

We have indicated the types of investments we typically provide advice on, but we reserve the right to advise clients on any other type of investment that we deem appropriate based on the client's stated goals and objectives. We may also provide advice on any type of investment held in a client's portfolio at the inception of the advisory relationship or on any investment on which the client requests advice.

We do not provide advice on Variable Life Insurance, Variable Annuities or futures contracts on tangibles or intangibles.

Portfolios managed under our advisory services will typically be constructed using national market listed stocks, exchange traded funds, closed ended funds, individual bonds, and open-ended mutual funds. We may increase cash holdings or deploy short selling strategies as deemed appropriate, based on a client's indicated tolerance for risk, our expectations of market behavior, and/or for risk management purposes.

Conflicts may arise in the allocation of investment opportunities among accounts managed. We strive to allocate investment opportunities deemed appropriate for your account(s) and other accounts advised by the firm equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity will be shared in any particular manner. If VWM obtains material, non-public information about a security or its issuer that may not lawfully be used or disclosed, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

## **Advisory Services Tailored to Individual Needs of Clients**

Our services are provided based on the individual needs of each client. We work with each client on a one-on-one basis using interviews and data gathering forms to determine a client's investment objectives, financial resources and constraints, potential adverse tax consequences, attitudes towards market volatility, tolerance for potential market losses, and other suitability information. Clients are given the ability to request restrictions or preferences on the accounts we manage; including but not limited to, cash management needs, tax sensitivity, coordination with held-away assets, restrictions, or preferences for specific companies and/or sectors.



While our advisory services are tailored to you as an individual, recommended products may use a multi-fund manager approach which makes it difficult to ensure that your portfolio will not invest in a particular industry or security. However, we are happy to discuss your preferences and will effort to accommodate them.

Clients are responsible for timely notification to VWM of any changes to their financial situation or investment objectives and if the client would like to impose and/or modify any reasonable restrictions on the management of his/her accounts.

### **Wrap Fee Programs**

We do not place client assets into a wrap fee program.

### **Assets**

The number of clients' assets managed by Vigilare Wealth Management, LLC totaled \$ 276,151,782 as of December 31, 2022. \$262,847,054 are managed on a discretionary basis and \$13,304,728 are managed on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

### **Investment Management Services**

VWM fee schedule for advisory services (not including Trustee Services):

<i>Fee Schedule for Investment Management Services</i>	Maximum Annual Fee
First \$1 million	1.50%
Over \$1,000,001	Negotiable

The exact fee and fee arrangements may vary from that described above based on the complexity of client's situation, number of accounts managed, total assets under management, and other factors specific to the client. The asset management fee for each client will be specified in the Advisory Services Agreement executed prior to your accounts being established.

Annual fees are divided, calculated, and billed quarterly, in arrears. Fees are billed at the end of each calendar quarter. The quarterly fee is billed as a percentage of assets in the client's account, including cash and cash equivalents, margin and money market balances as of the close of business on the last business day of the preceding calendar quarter. Clients may elect to designate a single account to be billed for all services. Fees will be calculated using the average daily balance. If average daily balance information is not available, then fees will be calculated using account data as of the end of the quarter. Market valuations and fee calculations will be performed by Advent Software Inc. Fees will be prorated based on the number of days that services are provided when an account is established or terminated at any time other than the beginning of a calendar quarter.

Securities and margin balances are included as part of assets under management for purposes of calculating the firm's advisory fee. Clients should note that including margin balances within the asset allocation will increase the total assets under management used to calculate advisory fees which will increase the amount of fees collected by our firm. This practice creates a conflict of interest because our firm has an incentive to use margin in order to increase the amount of billable assets. At all times, the firm and its adviser strive to uphold their fiduciary duty and act in the best interest of our clients. Clients are free to restrict the use of margin by our firm.

The exact fee and fee arrangements may vary from that described above based on the complexity of client's situation, number of accounts managed, total assets under management, and other factors specific to the client. The asset management fee for each client will be specified in the Advisory Services Agreement. VWM is not assuming custody of held-away assets under SEC Rule 206(4)-2. Clients will be responsible for any fees or charges imposed by custodians and/or administrators as a result of recommendations made by us on held-away assets.

### **Trustee Services**

VWM provides other Trustee services, including Personal CFO/Executive Services, Tax and Accounting Services, Real Estate Services, Executive and Family Assistance, Philanthropic Support, Estate and Gift Planning and Trustee Services. ***Fees for these services are in addition to investment advisory service fees.*** Fees for Trustee Services are negotiable and are divided, calculated, and billed quarterly, in arrears. Standard Trustee Service Fees are determined by the complexity of services and are based on total assets in the client's account, including cash and cash equivalents, as of the close of business on the last business day of the preceding calendar quarter. Fees for Trustee Services and Investment Advisory Services, combined, will not exceed 2.50% of assets under management.

### **Third Party Investment Manager Fees**

As discussed above, there will be occasions where an unaffiliated third-party Investment Manager manages some or all of Client assets. In those circumstances, the third-party investment manager manages the assets based upon the parameters provided by our firm. Our firm collects the client advisory fee and then pays out the sub-advisor a portion of assets under management for such services as outlined in the Agreement between our Firm and the sub-advisor. This total fee includes our firm's portion of the investment management fee (not to exceed 1.00%) as well as the portion paid to the TPMM (not to exceed 1.00%).

A TPIM relationship may be terminated at the IAR's discretion. Our Firm may at any time terminate the relationship with a TPIM that manages your assets. Our Firm will notify you of instances where we have terminated a relationship with any TPIM you are investing with. We will not conduct on-going supervisory reviews of the TPIM following such termination.

Factors involved in the termination of a TPIM may include a failure to adhere to their stated management style or your objectives, a material change in the professional staff of the TPIM, unexplained poor performance, unexplained inconsistency of account performance, or our decision to no longer include the TPIM on our list of approved TPIMs.

Our Firm offers several investment management programs. Account custodial services may be provided by several account custodians depending on the investment management program offered. Programs may have higher or lower fees than other programs available through VWM or available elsewhere. Investment management programs may differ in the services provided and method or type of management offered, and each may have different account minimums. Client reports will depend upon the management program selected. Please see complete details in the program brochure and custodial account agreement for each program recommended and offered.

### **Accounts not in Asset Management Services**

We may have households in which one or more accounts are not enrolled in our Asset Management Services. VWM will accept accounts that are self-directed. These accounts will not be charged a management fee, but clients will be responsible for all transaction costs imposed by the custodian within these accounts.

### **General Information Regarding Fees**

The fee schedules listed above are not necessarily specific to each client. Fees charged by VWM are negotiable. Negotiating factors include the total amount of assets under VWM's management, the number of accounts being managed, the degree of discretionary authority granted to VWM, the client's overall financial situation and complexity, and other conditions and factors applicable to each individual client. At VWM's sole discretion, we may waive or charge a lower fee than the standard fee arrangement.

Fees are deducted directly from client accounts when held with our primary custodian. Clients must provide the custodian with written authorization to have fees deducted from the account and be paid to VWM. The custodian will send client statements, at least quarterly, showing all disbursements for the account including the amount of the advisory fee deducted directly from the account.

We have contracted with Advent Software Inc. to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation, client relationship maintenance, quarterly performance evaluations, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Advent Software, Inc. will have access to client accounts, but Advent Software, Inc. will not serve as an investment advisor to our clients or bill the accounts. VWM and Advent Software, Inc. are non-affiliated companies. Advent Software, Inc. charges our Firm an annual fee for each account administered by its software. Please note that the fee charged to the client will not increase due to the annual fee VWM pays to Advent Software, Inc. The annual fee is paid from the portion of the management fee retained by VWM.

Lower or higher fees for comparable services may be available from other sources and financial professionals offering similar services.

In lieu of direct debit of accounts, clients may pay advisory fees directly to VWM via check, automated bill payment, or similar alternative service. Payment is due upon receipt of the quarterly billing statement as presented by VWM.

Broker/dealers have different account fees, execution charges and execution capabilities. Clients using the broker/dealer selected by VWM may pay higher account-related fees and execution charges than if we had selected another custodian. VWM does not have discretion over broker/dealer or custodian fees and/or commissions and the broker/dealer and/or custodians retain the right to change their fee and/or commission structure at any time. Brokerage commissions and/or transaction ticket fees charged by the qualified custodian will be billed directly to the client. VWM will not receive any portion of such commissions or fees.

In addition, clients may incur certain charges imposed by third parties other than VWM in connection with investments recommended by us. Management fees charged by VWM are separate and distinct from the fees and expenses charged by third- parties. A description of these fees and expenses will be fully disclosed to clients.

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

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees) nor engage in side-by-side management.

## **Item 7 – Types of Clients**

We generally provide investment advice to the following types of clients:

- Individuals and High Net Worth Individuals
- Trusts, estates or charitable organizations
- Pension and Profit-Sharing Plans

### **Minimum Investment Amounts Required**

We require a minimum initial investment of \$500,000 for establishing an Investment Management Services portfolio. The account minimums may, however, be subject to waiver or negotiation, at our sole discretion. All clients are required to execute an agreement for services prior to commencing any work.

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

### **Primary Method of Analysis**

Our investment philosophy blends Macro and Micro analysis to formulate robust and fluid asset allocation strategies. Too often investment strategies fall short because of their rigidity or stubborn adherence to fixed allocations. We scrutinize a comprehensive basket of global asset classes for potential incorporation into our portfolios. We fuse together economics, sociology, politics, history, and investment analysis into our strategies. While history does not repeat there are repetitive rhymes. Human behavior really never changes and that is why secular bull markets and bear markets exist. We believe in the power of secular market cycles and seek to own the asset classes that are exhibiting strong real performance and look to avoid asset classes that have completed secular bull markets and are in long-term contraction. We combine our Macro view with extensive bottom-up analysis to determine the most desirable investment to represent portfolios in each selected asset class.

Nucleus (PILR) -Our investment process starts with our core (Nucleus). Within our Nucleus we have four factors that we consider universal and timeless when evaluating the worthiness and the merits of including an asset class into our investment strategies. The four factors are (PILR):

- Price – the potential for subsequent returns in an asset class diminishes as the price moves higher and the margin for error goes up
- Interest Rates – historical and projected rates of nominal and real rates have a profound impact on how an asset is presently valued
- Liquidity – the degree to which an investment can easily be converted to cash. This can be empirically measured, and we can estimate an over/undervaluation on the liquidity premium
- Risk – deviation from an expected outcome. The model is stress tested to consider the impact of highly improbable negative outcomes

World View - We incorporate an ongoing global macro-economic quantitative and qualitative analysis called our “World View”. The World View analysis is designed to help stress test our portfolios and assist in understanding investment implications given different scenarios. In the World View analysis, we are not forming opinions about any specific investment; rather we are studying and analyzing the world from a political, social, economic, and historical perspective and endeavoring to understand the investment implications. This World View perspective is extremely important because it can influence the PILR inputs and help in identifying and avoiding risks that could be overlooked by a static model.

*Security Analysis/Fundamental Analysis* – We conduct rigorous fundamental analysis to help determine the “best tool for the job” in each asset class. Security/Fundamental analysis is a method of evaluating a security by attempting to measure its intrinsic value. The analysis includes, but is not limited to, examining related economic, financial, and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including industry conditions and individual company factors. The end goal of performing fundamental analysis is to produce a value which we can compare against the security's current price to determine what position to take with that security (underpriced = buy, overpriced = sell or short).

*Ongoing monitoring/attribution analysis* – Our investment portfolios are monitored on an ongoing basis. This monitoring includes comprehensive attribution analysis to help understand the origins of return and the effectiveness of the strategies. This information is used to help recalibrate our strategies as needed.

### **Investment strategies**

The results of the PILR and World View analysis serve as the driving force behind our diverse strategies.

Within our Asset Management Services we offer multiple asset allocation strategies based on a spectrum of portfolio objectives, risk tolerances, and complexity of client circumstances. These asset allocation strategies use dynamic allocation targets and can invest in a variety of instruments; i.e., mutual funds, ETFs, domestic or foreign equities, REITS, individual bonds, preferred stocks, etc. All strategies offered under our Asset Management Services may be customized to meet specific client goals and objectives, and therefore deviate from the target portfolios.

### **Risk of Loss**

Clients must understand that past performance is not indicative of future results. Therefore, current, and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

\*Market Risk — Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

\*Foreign Securities and Currency Risk — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

\*Capitalization Risk — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

\*Interest Rate Risk — In a rising rate environment, the value of fixed-income securities generally declines, and the value of equity securities may be adversely affected.

\*Credit Risk — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

\*Securities Lending Risk — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

\*Short term trading - There are additional trading costs and tax consequences associated with short term trading.

\*Exchange-Traded Funds — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

\*Performance of Underlying Managers — We select the mutual funds and ETFs in the asset allocation models. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

\* Cybersecurity Risk -- Cybersecurity risks include both intentional and unintentional events at VWM or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm's ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients' information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

\*Leveraged Closed End Fund - Leveraged closed end funds offer investors the opportunity to purchase shares of a fund whose dividend yields generally are designed to be higher than those of similar, unleveraged investments. At the same time, leverage introduces or heightens certain investment risks. As a result, understanding leverage, its benefits and risks, plays an important role in determining whether a leveraged Fund is the right investment. Leverage creates risks that may adversely affect the return for the holders of common shares, including: the likelihood of greater volatility of NAV and market price of the Fund's common shares, fluctuations in the dividend rates, and possible increased operating costs, which may reduce the Fund's total return.

\*Margin transactions: investor pays for part of the purchase and borrows the rest from a brokerage firm; for example, an investor buys \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from their advisor.

\*Option writing: includes covered options, uncovered options to spreading strategies. Note: options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time

### **Item 9 – Disciplinary Information**

This item is not applicable to this brochure as there are no 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.

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

#### Athlete Society, LLC

Athlete Society, LLC is a separate yet affiliated company of VWM, and is owned by the managing members of VWM, Zeljko Jag Zdrale and Jason Scott Polit. Currently, Athlete Society, LLC is inactive.

#### Insurance Agents:

IARs of VWM may act as agents appointed with various life, disability or other insurance companies and may receive commissions, trails, or other compensation from the respective product sponsors and/or as a result of effecting insurance transactions for clients. However, clients should note that they are under no obligation to purchase any insurance products through VWM or its IAR(s).

Clients should be aware that the ability to receive additional compensation by our Firm and its management persons or employees creates conflicts of interest that impair the objectivity of the Firm and these individuals when making advisory recommendations. Our Firm endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees;
- we disclose to clients that they have the right to decide to purchase recommended investment products from our employees.
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives, and liquidity needs.
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances.
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed.
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Our Firm does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

Our firm nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

We have adopted a Code of Ethics, the full text of which is available upon request.

We have multiple goals in adopting our Code of Ethics. First, we desire to comply with all applicable laws and regulations governing its practice. We believe that compliance with such regulations is a signal to our clients that we exist to serve them, not us, and that we support the efforts of those organizations dedicated to upholding the law.

Second, our management has determined to set forth guidelines for professional standards, under which all associated persons are to conduct themselves. We have set high standards, the intention of which is to protect client interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with clients. All associated persons are expected to strictly adhere to the guidelines established in the Code of Ethics. Violations of the Code are cause for Disciplinary action.

Finally, we have adopted specific policies and procedures designed to assist in the implementation of the guidelines. Such policies and procedures will serve to assist in reviewing the effectiveness of the implementation of the Code on an ongoing basis.

### **Employee Personal Securities Transactions Disclosure**

VWM and/or its Investment Advisor Representatives may buy or sell securities or have an interest or position in their personal account(s) in a security that they also recommend to clients. We are and shall continue to be in compliance with *The Insider Trading and Securities Fraud Enforcement Act of 1988*. As these situations may represent a potential conflict of interest, it is our policy that no IARs shall prefer his or her own interest to that of an advisory client. No person employed by us may purchase or sell any security prior to a transaction or transactions being implemented for an Advisory client account. Officers, IARs, and employees shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, from information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry. We maintain a list of all securities holdings for ourselves and all IARs and employees. These lists, along with the individual personal securities transaction of our associated persons, are reviewed by our Chief Compliance Officer on a regular and ongoing basis.

## **Item 12 – Brokerage Practices**

VWM has historically participated in the TD Ameritrade Institutional and Fidelity Brokerage Services LLC programs. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is presently an independent and unaffiliated SEC-registered broker-dealer but has recently been acquired by Charles Schwab & Co. Inc., "Schwab". Fidelity Brokerage Services LLC ("Fidelity") is an independent and unaffiliated SEC-registered broker-dealer and a member NYSE/SIPC. TD Ameritrade, Fidelity and Schwab offer services to independent investment advisors that include custody of securities, trade execution, clearance, and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14 below.) VWM will be transitioning TD Ameritrade accounts to Schwab. New clients will be onboarded to the Fidelity or Schwab platform, while existing clients will remain on the TD platform until a pre-announced turnover date, in order to assure the smoothest transition. Schwab will act solely as a broker-dealer and not as an investment advisor to you. It will have no discretion over your account and will act solely on instructions it receives from us [or you]. Schwab has no responsibility for our services and undertakes no duty to you to monitor our firm's management of your account or other services we provide to you. Schwab will hold your assets in a brokerage account and buy and sell securities and execute other transactions



when we [or you] instruct them to. We do not open the account for you. (Please see the disclosure under Item 14 below.)

VWM does not maintain custody of your assets on which we advise, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We require that our clients use TD Ameritrade, Fidelity or Schwab, collectively referred to herein as “Custodians”.

We are independently owned and operated and are not affiliated with either TD, Fidelity or Schwab. Either TD, Fidelity or Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we require that you use either TD, Fidelity or Schwab as custodian/broker, you will decide whether to do so and will open your account with TD, Fidelity or Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client referrals and other compensation). You should consider these conflicts of interest when selecting your custodian.

We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with TD, Fidelity or Schwab, then we cannot manage your account. Even though your account is maintained at TD, Fidelity or Schwab, and we anticipate that most trades will be executed through TD, Fidelity or Schwab, we can still use other brokers to execute trades for your account as described below.

### **How we select brokers/custodians**

We seek to use TD, Fidelity and Schwab, custodians/brokers that will hold your assets and execute transactions. When considering whether the terms that TD, Fidelity or Schwab provide are, overall, most advantageous to you when compared with other available providers and their services, we take consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Services delivered or paid for by TD, Fidelity or Schwab
- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

### **Your brokerage and custody costs**

For our clients’ accounts that TD, Fidelity or Schwab maintains, neither TD, Fidelity nor Schwab generally charges you separately for custody services but are compensated by charging you commissions or other fees on trades that it executes or that settle into your TD, Fidelity or Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur TD, Fidelity or Schwab commissions or transaction fees. TD, Fidelity and Schwab are also compensated by earning interest on the uninvested cash in your account.

Although we are not required to execute all trades through either TD, Fidelity or Schwab, we have determined that having TD, Fidelity or Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”). By using another broker or dealer you may pay lower transaction costs.

#### **Products and services available to us from Schwab:**

- Schwab Advisor Services™ is Schwab’s business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us.
- Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. Following is a more detailed description of Schwab’s support services:
- Services that benefit you. Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets.
- The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.
- Schwab’s services described in this paragraph generally benefit you and your account.
- Services that do not directly benefit you. Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts and operating our firm. They include investment research, both Schwab’s own and that of third parties. We use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:
  - Provide access to client account data (such as duplicate trade confirmations and account statements)
  - Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
  - Provide pricing and other market data
  - Facilitate payment of our fees from our clients’ accounts
  - Assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and related compliance needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

#### **Our Interest in Custodian Services**

We believe that taken in the aggregate, our recommendation of Schwab, Fidelity or TD as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab’s and TD’s services (see “How we select brokers/ custodians”) and not Schwab’s, Fidelity’s

nor TD's services that benefit only us.

There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to any other independent investment advisors participating in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade, Fidelity or Schwab may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by TD Ameritrade, Fidelity or Schwab through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at TD Ameritrade, Fidelity or Schwab. Other services made available by TD Ameritrade, Fidelity or Schwab are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade, Fidelity or Schwab. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by our Firm or our related persons in and of itself creates a conflict of interest and may indirectly influence our choice of TD Ameritrade, Fidelity or Schwab for custody and brokerage services.

In the event you request us to recommend a broker/dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at TD, Fidelity or Schwab. We may recommend that you establish accounts with TD, Fidelity or Schwab to maintain custody of your assets and to effect trades for your accounts. You are under no obligation to act upon any recommendations, and if you elect to act upon any recommendations, you are under no obligation to place the transactions through any broker/dealer we recommend. Our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

Client accounts will be reviewed on a recurring basis to ensure consistency with the respective investment strategy and the client's stated goals, objectives, and constraints. The Investment Advisor Representative assigned to the account will review client account(s) activity at least semi-annually. Updates to any previously created written financial plans may be provided in conjunction with the review.

### **Statements and Reports**

The custodian for the individual client accounts will provide clients with an account statement at least quarterly. Advent Software Inc., a third-party reconciliation agent, provides enhanced customizable performance and statement reporting at no extra charge to clients. VWM will provide clients with Performance/Position summary reports quarterly and upon request. Reports may also be provided at scheduled client meetings. Clients are urged to compare the reports provided by VWM against the account statements received directly from their account custodian.

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

### **Client Referrals**

Our Firm may be asked to recommend a financial professional, such as an attorney, accountant or mortgage broker. In such cases, our Firm does not receive any direct compensation in return for any referrals made to individuals or firms in our professional network. Clients must independently evaluate these firms or individuals before engaging in business with them and clients have the right to choose any financial professional to conduct business.

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

We receive an economic benefit from TD Ameritrade, Fidelity and Schwab in the form of the support products and services it makes available to us and other independent investment advisers whose clients maintain their accounts at TD, Fidelity and Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to us of TD's, Fidelity's or Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

## **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Our Firm is deemed to have custody because, for certain accounts, VWM provides trustee-related services to assist clients in meeting long-term estate planning goals. The SEC requires that firms who have custody for the reasons listed above are subject to an annual surprise audit to be conducted by an independent CPA firm which is registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). We have complied with the requirements concerning such surprise audits and will continue to do so in the future.

We are also deemed to have constructive custody over those client accounts where we are able to deduct our fees directly from the account. As long as we comply with certain regulatory requirements, this constructive custody does not mandate that we undergo a surprise audit for those accounts. Our clients receive account statements directly from the qualified custodian at least quarterly. We also send clients quarterly reports that we produce using our portfolio accounting system. We strongly urge our clients to compare such reports with the statements received from the qualified custodian. Furthermore, when we calculate our investment management fees and instruct the custodian to remit these fees to us directly from clients' accounts, the custodian does not verify our calculation of fees. We perform quarterly testing to ensure that our fees are charged in accordance with the client's Agreement.

### **Standing Letters of Authorization**

VWM is deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and, under that SLOA, it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. We do not have a beneficial interest on any of the accounts we are deemed to have Custody where SLOAs are on file. In addition, account statements reflecting all activity on the account(s), are delivered directly from the qualified custodian to each client or the client's independent representative, at least quarterly. You should carefully

review those statements and are urged to compare the statements against reports received from us. When you have questions about your account statements, you should contact us, your Advisor or the qualified custodian preparing the statement.

## **Item 16 – Investment Discretion**

### **Discretionary Trading Authorization**

We provide our Investment Management Services on a discretionary basis. Our discretionary authority will be granted by the client in the Investment Management Services Agreement. When discretionary authority is granted, it is limited in that client will only be granting VWM discretionary trading authority. This authority will allow us to determine the type and amount of securities to be bought or sold for the client portfolio without obtaining the client's consent for each transaction. It is the policy of VWM to consult with clients prior to making significant changes within the portfolio even when discretionary trading authority has been granted.

All clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. Clients may also place reasonable limitations on the discretionary power granted to our firm so long as the limitations are specifically set forth within or included as an attachment to the client agreement. All restrictions and limitations are subject to review and approval by VWM.

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

VWM does not vote proxies on behalf of clients. Clients will receive proxies directly from their custodian or transfer agent. Proxy related materials/ documents will not be delivered to VWM. Although we do not vote client proxies, if you have a question about a particular proxy please contact us.

## **Item 18 – Financial Information**

We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients and we do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We have not been the subject of a bankruptcy petition at any time.