



PART 2A OF FORM ADV – BROCHURE

**Verde Capital Management, Inc.
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This Brochure provides you information about the qualifications and business practices of Verde Capital Management, Inc. (referred to in this Brochure as “us,” “we,” “our” or the “firm”). If you have any questions about the contents of this Brochure, please contact us at (248) 528-1870. 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.

We are a registered investment adviser. Registration of an adviser does not imply any level of skill or training.

Additional information about us also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

The material changes in this brochure from the last annual updating amendment of Verde Capital Management, Inc. on March 6, 2023, are described below. Material changes relate to Verde Capital Management, Inc.'s policies, practices or conflicts of interests.

- Verde Capital Management has updated advisory business (Item 4).

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ITEM 4: ADVISORY BUSINESS

Our Owners and Principals

We are a Michigan corporation established in 2008. Carl Szasz is our sole principal and owns more than twenty-five percent (25%) of our firm's common stock.

Our Advisory Services

Investment Management – Qualified Plans

We provide investment management services to qualified retirement plans which are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). As part of our services to qualified plans, we will act as a 3(21) and 3(38) fiduciary manager under ERISA. This means that when we are performing discretionary services on behalf of the plan, the plan fiduciary is shifting its fiduciary responsibility to us for the selection of the Plan's investments.

For all qualified plan clients, we work with the plan fiduciary to develop a formal written investment policy statement ("IPS") for the plan, or we review and amend the existing IPS, which establishes the plan's specific standards and processes for investment operations. The IPS may also place restrictions on the types of investments the plan invest its assets in. We use the plan's IPS to select, monitor, remove and replace investment alternatives available to plan participants. We also meet with plan participants periodically throughout the year to educate them on the available investment options. We also continually monitor the performance of all the plan's investment options.

Outside Management and 401(k) Advisory Services

We also provide investment advice to our clients on their qualified retirement plan assets. If we provide you with investment management services for assets held in your retirement account, we will consider your goals and objectives; and we will make suggestions on how you might allocate plan assets among the investment options provided by your plan sponsor. You may implement our investment recommendations or we, with your authorization and using your personal identification number, will execute any agreed upon allocation changes. We will manage your retirement assets according to the terms of the investment advisory agreement we sign with you.

If our services are discontinued, you must promptly change your personal identification number so as to assure we do not have any further access to your account.

Investment Management Services

We offer investment management services through our wrap fee program. We emphasize continuous personal client contact and interaction in providing discretionary investment supervisory services.

A complete description of the program and its fees are contained in our Part 2A Appendix, which is the Program Brochure. To request a copy of the Program Brochure please contact our President and Chief Compliance Officer, Carl Szasz at (248) 528-1870 or carlszasz@verdecm.com.

Financial Planning

We offer financial planning only for clients that utilize either our investment management services or digital investment services. This is not offered as a stand-alone service. Financial plans and financial planning may include, but not limited to: risk management, investment planning, tax planning, retirement planning, estate planning, charitable planning, education planning, business planning and asset protection planning.

Financial Coaching

We offer financial coaching for clients of all service models, and non-clients. This is offered as a standalone service with a separate agreement and payment schedule. Financial coaching may include, but is not limited to: budget analysis, cash flow management, savings planning, debt reduction strategies, and behavioral finance education.

Tax Preparation Services

We offer tax preparation for VCMI clients of all service models. This is offered as a standalone service with a separate agreement and payment schedule. Tax preparation may include, but is not limited to: a review of a client's past tax returns, analysis of a client's current tax forms and documents, preparation of a client's tax return, and filing of the tax return. This service is intended for less complex tax returns

for individuals and families. Services may be expanded as capacity becomes available.

Educational Seminars/Workshops

We provide periodic educational seminars and workshops to clients and the general public free of charge. Seminar topics include, but are not limited to; behavioral finance, financial planning, retirement planning, and Planning for Your 401K.

Assets Under Management

We manage your assets on either a discretionary or nondiscretionary basis. As of December 2022, we had \$337,418,091.00 in client assets managed on a discretionary basis and \$38,827,665.00 in client assets managed on a non-discretionary basis.

ITEM 5: FEES AND COMPENSATION

Investment Management for Qualified Plans

For our investment management services to ERISA plans, beginning on August 6, 2021, we changed our service offering and the way in which we charge our investment management fees for ERISA plans. Clients can choose between two levels of service "Verde Gold" or "Verde Silver" as follows:

	VERDE SILVER	VERDE GOLD
Plan Design	✓	✓
Fund Menu Line-Up	✓	✓
Management of Models	✓	✓
Fiduciary Protection	✓	✓
Form 5500 Assistance*		✓
Employee Advice and Education		✓

*We assist the Plan Sponsor with compiling or responding to information requested by the Plan's provider for compliance testing and preparation of the Form

5500. We are not responsible for conducting any testing or preparing of the Form 5500.

Our investment management fees are based upon the level of service chosen by the client, the number of participants in the plan and the assets under management. Our fees are set forth on an annual basis but are charged quarterly or monthly.

Our investment management fees are as follows:

VERDE GOLD FEES:						
Number of Participants	Assets under Management					
	\$0 up to \$5 Million	\$5 up to \$10 Million	\$10 Million up to \$15 Million	\$15 up to \$20 Million	\$20 up to \$25 Million	Over \$25 Million
1 up to 100	1.00%	0.90%	0.80%	0.70%	0.60%	Custom
100 up to 250	1.10%	0.95%	0.85%	0.74%	0.62%	Custom
250 up to 500	1.20%	1.00%	0.90%	0.78%	0.64%	Custom
500 up to 1000	1.30%	1.10%	0.95%	0.82%	0.66%	Custom
1000 up to 2500	1.40%	1.15%	1.00%	0.86%	0.68%	Custom
Over 2500	1.50%	1.20%	1.05%	0.90%	0.70%	Custom

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VERDE SILVER FEES:						
Number of Participants	Assets under Management					
	\$0 up to \$5 Million	\$5 up to \$10 Million	\$10 Million up to \$15 Million	\$15 up to \$20 Million	\$20 up to \$25 Million	Over \$25 Million
1 up to 100	.50%	.45%	.40%	.35%	.30%	Custom
100 up to 250	.55%	.48%	.42%	.37%	.31%	Custom
250 up to 500	.60%	.50%	.45%	.39%	.32%	Custom
500 up to 1000	.65%	.55%	.47%	.41%	.33%	Custom
1000 up to 2500	.70%	.57%	.50%	.43%	.34%	Custom
Over 2500	.75%	.60%	.52%	.45%	.35%	Custom

Our fees will be billed in arrears either by calendar month, calendar quarter, or by fiscal quarter (see below):

	Calendar Quarter	Fiscal Quarter
First Quarter	January 1 – March 31	March 1 – May 31
Second Quarter	April 1 – June 30	June 1 – August 31
Third Quarter	July 1 – September 30	September 1 – November 30
Fourth Quarter	October 1 – December 31	December 1 – February 28

The first payment is due within the first 15 days of the Billing Period immediately following the Billing Period in which this Agreement was executed (the “Effective Date”), and will be prorated and payable based upon the number of days from the date of execution of this Agreement to the end of the first Billing Period. Subsequent payments will be assessed and due within the first 15 days of the Billing Period based on the value of the assets in the Plan on the last business day of the previous Billing Period, which may be adjusted for deposits and withdrawals during the Billing Period. Any assets invested by participants in brokerage window programs will be disregarded in determining our fee.

Fees do not include brokerage commissions, transaction fees, and other related costs and expenses incurred in connection with providing investment management services to the Plan. Mutual funds and ETFs also charge internal management fees, which are disclosed in the fund's prospectus. Such charges, fees and commissions are in addition to our annual investment management fee.

For our ERISA plan clients who signed investment management agreements with us prior to August 6, 2021, our fees and services will be as set forth in the client's investment management agreement.

Outside Management and 401(k) Advisory Services

When we provide continuous and regular investment advisory services to you for your 401(k) participant assets, we will charge you a fee of 0.50% to 1.5% for the assets under our management depending on the complexity of your plan and the nature of your individual circumstances. In addition to our fees, you are responsible for all mutual fund expenses, transaction fees, and administrative costs charged by other parties for these accounts.

If you choose, you may grant us limited discretionary authority in the investment advisory agreement to bill your custodian directly and to instruct your custodian to deduct our advisory fees for our 401(k) advisory services directly from your other non-qualified account.

Investment Management Fees

If you utilize our investment management services under our wrap fee program, we charge you an annual fee based upon a percentage of the market value of your assets under our management. Our fee for the program is called a "wrap fee," which means that our fee includes all commissions or transaction fees which otherwise would be incurred by you.

A complete description of the program and its fees are contained in our Part 2A Appendix1, which is the Program Brochure. To request a copy of the Program Brochure please contact our President and Chief Compliance Officer, Carl Szasz at (248) 528-1870 or carlszasz@verdecmm.com.

ASSETS UNDER MANAGEMENT

PAYMENT SCHEDULE

<u>ASSETS UNDER MANAGEMENT</u>	<u>FEE</u>
\$0-1,000,000	1.50%
\$1,000,001-2,500,000	1.40%
\$2,500,001-5,000,000	1.10%
\$5,000,001-10,000,000	0.80%
\$10,000,001+	Negotiable

At the time the Account is opened, we will determine the fees to be charged to Client. We will re-assess the fees to be charged once per year, on Client's anniversary date for opening its Account, including whether Client will pay fees based upon the Annual Gross Income Payment Schedule or the Assets Under Management Payment Schedule.

Fees payable under the Assets Under Management Payment Schedule is the percentage of the market value of the Assets under Sub-Advisor's management. We charge our fee monthly, in arrears, based upon the average daily Account balance as valued by the custodian. The average daily Account balance is calculated by taking the average of each day's ending market value for the number of days in the billing period. We calculate the standard annual fee by applying the above fee schedule to the average daily Account balance for the period and then dividing it by 12 to determine the monthly fee.

The percentage fee payable under the assets under management payment schedule corresponds only to those assets in that specific bracket. To illustrate, if client deposits \$2,500,000 to its account, 1.5% will be charged to the first \$1,000,000 (or, \$15,000) and 1.4% will be charged on the remaining \$1,500,000 (or, \$21,000), for a total fee of \$36,000.

Financial Planning

Fees for financial planning services are based upon the income of Client, as set forth in the table below. However, if Client has sufficient Assets in its Account, Advisor will waive its fees for financial planning services, and Advisor's fees will instead be based upon the Assets under Management Payment Schedule as set forth in the relevant Service Schedule. The minimum assets under management to

qualify for the waiver of the financial planning services fees are as set forth in the third column of the table below:

ANNUAL GROSS INCOME
PAYMENT SCHEDULE

<u>INCOME</u>	<u>INCOME BASED FEE</u>	<u>MINIMUM AUM TO WAIVE FINANCIAL PLANNING FEES</u>
\$0-100,000	\$100/month	\$80,000
\$100,001-150,000	\$150/month	\$120,000
\$150,001-200,000	\$200/month	\$160,000
\$200,001-250,000	\$250/month	\$200,000
\$250,001-300,000	\$300/month	\$240,000
\$300,001-350,000	\$350/month	\$280,000
\$350,001-400,000	\$400/month	\$320,000
\$400,001-450,000	\$450/month	\$360,000
\$450,001+	\$500/month	\$400,000

At the time the Account is opened, we will determine the fees to be charged to Client. We will re-assess the fees to be charged once per year, on Client's anniversary date for opening its Account, including whether Client will pay fees based upon the Annual Gross Income Payment Schedule or the Assets Under Management Payment Schedule.

Financial Coaching

Fees for Financial Coaching are based on the program selected by the client or non-client. Periodic Coaching sessions are only available to clients or non-clients who have completed a financial coaching program.

Program Name	Description of Program	Minimum Commitment	Price/Term		Client Selection (initial)
Go Program	<ul style="list-style-type: none"> Coaching plan focused on healthy financial management behaviors, including managing 	3 Months	Pain in Full in Advance	\$945	

Program Name	Description of Program	Minimum Commitment	Price/Term		Client Selection (initial)
	<p>expenses, creating, maintaining and updating a budget, reducing debt, evaluating savings and long-term goals</p> <ul style="list-style-type: none">• Includes access to Plan Ahead Spending Plan, Debt Reduction Calculator, email support• 6 bi-weekly one-on-one coaching sessions over 3 months		Monthly	\$350/month	
Change Program	<ul style="list-style-type: none">• Coaching plan focused on healthy financial management behaviors, including managing expenses, creating, maintaining and updating a budget, reducing debt, evaluating savings and long-term goals• Includes access to Plan Ahead Spending Plan, Debt Reduction Calculator, email support• 8 bi-weekly one-on-one coaching sessions over initial 4 months, and 2 monthly one-on-one coaching sessions over last 2 months	6 months	Paid in Full	\$1,809	
			Monthly	\$355/month	

Program Name	Description of Program	Minimum Commitment	Price/Term		Client Selection (initial)
Dream Program	<ul style="list-style-type: none">Coaching plan focused on healthy financial management behaviors, including managing expenses, creating, maintaining and updating a budget, reducing debt, evaluating savings and long-term goalsIncludes access to Plan Ahead Spending Plan, Debt Reduction Calculator, Client Workbook, email support8 bi-weekly one-on-one coaching sessions over first 4 months and 8 monthly one-on-one coaching sessions over the next 8 months	12 Months	Paid in full	\$3,240	
			Paid monthly	\$300/month	
Periodic Coaching	Coaching focused on healthy financial management behaviors, including managing expenses, creating, maintaining and updating a budget, reducing debt, evaluating savings and long-term goals	3 Months	Monthly	\$300/month	
			Every other month	\$150/month	
			Quarterly	\$100/month	
			Semi-annual	\$50/month	
			Annual	\$25/month	

Tax Preparation

Fees for Tax Preparation for VCMI clients will be charged at a minimum hourly rate of \$400/hour; note, this rate may increase due to the complexity of the tax return and the client's situation. A quote and engagement letter will be provided to a client

before work is started for the client to review and approve. Clients will pay for these standalone services separately.

Other Compensation

As described in the section titled “**OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**” on page , Ms. Tommi Harris is also independently licensed to sell insurance through her firm, Verde Insurance Agency. As such, Ms. Harris may receive a commission for the sale of insurance products to you and other clients. Therefore, a potential conflict of interest exists when we recommend that you purchase insurance products as part of our financial planning advice. To mitigate any conflict of interest, we do not require you to purchase any recommended insurance products through Ms. Harris, and you are free to purchase the products from a different insurance agent.

Direct Billing to Your Custodian

With your authorization, we will directly debit fees from your accounts or bill you for our fees. Generally, our clients authorize us under the investment advisory agreement to deduct our fees directly from their account. If you provide us such authorization, the custodian’s periodic statements will show each fee deduction from your account. You may withdraw this authorization for direct billing of these fees at any time by notifying your custodian or us in writing. Fees paid directly by check or credit card are due upon receipt of the fee invoice.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

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

ITEM 7: TYPES OF CLIENTS

We offer financial planning and investment management services to individuals, high net worth individuals, trusts and estates, pension and profit sharing plans, charitable institutions, and corporations and other business entities.

We do not impose any conditions for starting or maintaining an investment management account, such as a minimum annual fee or account balance. There is no minimum account size for our financial planning services.

ITEM 8: METHODS OF ANALYSIS,
INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

We utilize fundamental analysis to evaluate investments. Fundamental analysis is a technique that attempts to determine a security's value by focusing on the economic well-being of a financial entity as opposed to only its price movements. When conducting fundamental analysis, we will review a company's financial statements and consider factors including, but not limited to, whether the company's revenue is growing, if the company is profitable, if the company is in a strong enough position to beat its competitors in the future, and if the company is able to repay its debts. Because it can take a long time for a company's value to be reflected in the market, the risk associated with this method of analysis is that a gain is not realized until the stock's market price rises to the company's true value.

The valuation method is a technique used to calculate a theoretical value for a security in order to estimate potential future market prices. When utilizing the valuation method, we will review such things as a security's earnings per share, price to earnings and growth rate.

We also utilize technical analysis to evaluate potential investments. Unlike fundamental analysis, technical analysis does not analyze the company's value, but instead analyzes the stock's price movement in the market. Charting is a form of technical analysis in which the various technical factors are diagrammed in order to illustrate patterns. Technical analysis studies the supply and demand in the market in an attempt to determine what direction, or trend, will continue in the future. However, there are risks involved with this method, including the risk that the trends will change unpredictably, which is why we use a combination of methods and obtain information from a variety of sources.

We obtain information from a number of sources, both public and by purchase, including research materials prepared by third-parties, corporate rating services, annual reports, prospectuses and filings with the SEC and company press releases. We believe these resources for information are reliable and regularly depend on these resources for making our investment decisions; however, we are not responsible for the accuracy or completeness of this information.

Investment Strategies

We use a variety of investment strategies depending on your circumstances, financial objectives and needs. We may recommend implementing one or more of the following investment strategies: long-term purchases (held at least a year), short term purchases (held less than a year), trading (held less than 30 days), margin transactions (purchase of a security on credit extended by a securities company), and option writing (selling an option) or a combination of these strategies to help you meet your investment objectives.

Long-Term Purchases – The Long-Term assumption is that financial market values will increase over time (at least a year) and this may not happen. There is also the risk that the segment of the market you are invested in (or perhaps just your particular investment) will decrease over time even if overall stock market values increase. In addition, purchasing investments long-term may create an opportunity cost, “locking-up” assets that you may be better off using elsewhere.

Short-Term Purchases and Trading – Securities are purchased with the idea of selling them very quickly (typically within 30 days or less). This is done in an attempt to take advantage of predictions of brief price swings. The Short-Term strategy may produce higher gains however, the risk may be greater. Decision to use or not use short-term investments must be made in terms of the level of risk and the projected time frame for meeting your goals. In addition, securities held less than one year before selling it are classified, by the IRS, as a short-term capital gain and the profit is taxed as ordinary income.

Short sales – Short selling is the selling of a security that the seller does not own based on the assumption that the seller will be able to buy the stock at a lower amount than the price at which the seller sold short. Managers use short positions to reduce the risk of long positions purchased with money borrowed on margin. If correct and the stock price has gone down since the shares were borrowed from the original owner, the client account realizes the profit. As stock prices increase, short seller losses also increase as short sellers rush to buy the stock to cover their positions. This increase in demand, in turn, further drives the prices up, increasing losses.

Margin transactions – Stocks may be purchased for client portfolios with money borrowed from the broker. This allows the investor to purchase more stock

than they would be able to with their available cash, and allows the purchase of stock without selling other holdings. A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the broker will issue a “margin call”, and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.

Option writing. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. Options may be used to speculate on the possibility of a sharp price swing up or down.

We may recommend implementing these strategies using mutual funds (held directly or held within variable annuities or life insurance products), exchange traded funds and other types of investments. We often recommend mutual funds of different kinds to promote portfolio diversification within various asset classes, such as industry sectors, domestic/international, or equities/bonds. We may recommend periodic purchases, sales, and exchanges of those mutual fund shares within mutual fund families and between different mutual fund families when there are changes in your needs, market conditions, or economic developments.

Types of Investments and Risk of Loss

We offer advice about a wide variety of investment types, including mutual funds, index funds, exchange traded funds (“ETFs”), international securities and variable annuities, and publicly traded digital asset trusts, each having different types and levels of risk. We will discuss these risks with you in determining the investment objectives that will guide our investment advice for your account. We will explain and answer any questions you have about these kinds of investments, which present special considerations such as the following.

Investing in securities involves risk of loss that you should be prepared to bear. Obtaining higher rates of return on investments typically entails accepting higher levels of risk. We work with you to attempt to identify the balance of risks and rewards that is appropriate and comfortable for you. However, it is still your

responsibility to ask questions if you do not fully understand the risks associated with any investment or investment strategy.

While we cannot foresee all potential risks, and many more exist than listed below, these are the most common risks investors face:

Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk: The price of a security, bond, ETF, or mutual fund may drop in reaction to market events or other factors. This type of risk is caused by external factors independent of a security's particular individual circumstances. For example, political, economic and social conditions may trigger market events.

Inflation Risk: When inflation is present, a dollar today will not buy as much as a dollar in the future, because purchasing power is eroding at the rate of inflation. Your investment may lose value if it is not keeping pace with inflation.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar relative to the currency of the investment's home country. This is also referred to as exchange rate risk.

International Risk: International investments may involve risk of capital loss from unfavorable fluctuations in currency exchange rates, differences in generally accepted accounting principles, or economic or political instability in other nations.

Reinvestment Risk: The risk that proceeds from maturing investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily affects fixed income securities.

Financial Risk: Excessive borrowing to finance a business' operations increases the risks to profitability, because the company must meet the terms of its debt obligations in good times and bad. The inability to meet debt obligations, in severe economic downturns, may result declining market value of the company's debt and equity securities or possibly even bankruptcy.

The previously mentioned risks will vary for each type of investment; therefore, we will diversify your account in an attempt to mitigate those risks. Nevertheless,

diversification alone cannot eliminate the possibility of significant price declines. We will work with you to attempt to identify the balance of risk and reward that is appropriate and comfortable for you. However, it is still your responsibility to ask questions if you do not fully understand the risks associated with any investment or investment strategy.

Also, while we strive to render our best judgment on your behalf, many economic and market variables beyond our control can affect the performance of your investments and we cannot assure you that your investments will be profitable or assure you that no losses will occur in your investment portfolio. Past performance is one relatively important consideration with respect to any investment or investment advisor, but it is not a predictor of future performance.

Mutual Funds, Index Funds and Exchange-Traded Funds

Exchange traded products are types of securities that derive their value from a basket of securities such as stocks, bonds, commodities or indices and trade on exchanges during the day like individual stocks, while traditional mutual funds are priced once a day at the close. The value of our portfolio will fluctuate with the value of the underlying securities. ETFs trade like a stock, and there will be brokerage commissions associated with the buying and selling of the ETFs unless, trading occurs in a wrap fee program.

Mutual funds and ETFs that we typically use charge their shareholders various advisory fees and expenses associated with the establishment and operation of the funds. These fees will generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge. We generally use a combination of no-load retail and institutional class mutual funds that may or may not have transaction fees. When selecting a fund, we will consider a variety of factors including its expense ratio and other factors that may vary depending on the client. Based upon these and other considerations, in some instances we may choose a no transaction fee ("NTF" or no-load) share class having higher on-going fund expenses (which reduce the return of the fund) over an institutional share class that imposes transaction fees but has a lower on-going fund expense ratio. Our share class selections are based upon then available information and circumstances, which may later turn out differently for many reasons beyond our control, including your

changing investment objectives, financial needs, or time horizon. These separate fees and expenses are disclosed in each fund's current prospectus, which is available from the fund or we can provide it to you upon request.

Consequently, for any type of fund investment, it is important for you to understand that you are directly and indirectly paying two levels of advisory fees and expenses: one layer of fees at the fund level and one layer of advisory fees and expenses to us. Generally speaking, most mutual funds may be purchased directly, without using our services and without incurring our advisory fees.

Variable Annuities

Variable annuities are highly complex financial products offered by insurance companies. Investment in a variable annuity contract is subject to both general market risk and the insurance company's credit risk. These and other risks are described in the variable annuities' prospectuses. Variable annuities are regulated under both securities and insurance laws and related rules and regulations. Variable annuities offer various benefits and features which may or may not have value to you depending on your circumstances, which we can discuss with you. Like other types of investments, commissions are paid for the purchase of variable annuities and there may be substantial surrender charges. These commissions, surrender charges, and other expenses are disclosed in the prospectus.

Like mutual funds, insurance companies charge a variety of fees and charges against the assets invested in the separate accounts of their policyholders. As noted above, this means that there are two layers of advisory fees paid – one layer to the insurance company and one layer to our firm for our advisory services.

We do not generally recommend variable annuities due to substantial costs. However, if you come to us already owning variable annuities, and we determine that it is not suitable to liquidate them due to surrender charges, taxes, or other factors, we will review the separate accounts with you and provide investment advice concerning them, based upon our agreement with you.

Publicly Traded Cryptocurrency Trusts

If suitable for a client, we recommend investments in publicly traded trusts established for the purpose of investing in and holding cryptocurrency, specifically

Bitcoin and Ethereum. Bitcoin and Ethereum are digital assets that are created and transmitted through the operations of the peer-to-peer decentralized network of computers that operates on cryptographic protocols. Bitcoin and Ethereum trusts typically charge their shareholders various fees and expenses associated with the establishment and operation of the trust, including a fee paid to the sponsor of the trust. Bitcoin and Ethereum exchanges are largely unregulated and lack transparency. Over the past five years, Bitcoin and Ethereum exchanges have closed due to fraud, business failure or security breaches. In many instances, customers lost some or all of their investment. There are many other risks associated with investments in Bitcoin and Ethereum trusts and their underlying investments in Bitcoin and Ethereum which are described in the trust's prospectus.

ITEM 9: DISCIPLINARY INFORMATION

As a registered investment adviser, we must inform you of all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management. We have no legal or disciplinary events to disclose.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Mr. Carl Szasz is the owner of Verde Real Estate, LLC, which solely owns a commercial office building in Clarkston, MI. As part of her duties to support Mr. Szasz, Ms. Holly Kamm performs general operational tasks and occasionally processes rent payments for tenants. Mr. Szasz may offer existing clients advice or products from those activities, or tenants of Verde Real Estate, LLC, may become clients of Verde Capital Management, Inc. Therefore, a potential conflict of interest exists when we recommend that you rent office space in the building owned and managed by Verde Real Estate, LLC. To mitigate any conflict of interest, we do not require you or any client to rent office space through Verde Real Estate, LLC, or that tenants or employees of tenants become clients of Verde Capital Management, Inc. You are free to rent office space where you deem fit, and which best suits your needs and budget.

Mr. Szasz, Mr. Smart, Mr. Shepherd, Ms. Lundberg, and Mr. Yarosh are also certified by Sedera Health to act as affiliate sales representatives under Verde Capital Management, Inc., an affiliated organization with Sedera Health, to sell membership plans under Sedera Access+ and Sedera Select+ to individuals, families, organizations, and employers. Therefore, a potential conflict of interest

exists when we recommend that you select to use Sedera Health's individual/family/employer plans in lieu of traditional health insurance products as part of our financial planning advice. To mitigate any conflict of interest, we do not require you to select to become a member of Sedera Health, and you are free to select the health care tools (member cost sharing or traditional health insurance) directly or from an unaffiliated insurance agent.

Ms. Tommi Harris is the owner of Parallel Insurance Agency, LLC, and is independently licensed to sell insurance products through various insurance companies. Although we do not provide Ms. Harris with additional compensation for her insurance sales, Ms. Harris receives commissions from insurance companies if you purchase insurance through her. The receipt of this compensation creates a conflict of interest. To mitigate this conflict of interest, we do not require you to purchase any recommended insurance products from Ms. Harris, and you can choose to purchase insurance through other unaffiliated insurance agents.

Ms. Holly Jamie Kamm is a licensed attorney with the states of Michigan and Ohio. Ms. Hamm does not practice law through Verde Capital Management or on her own. No portion of our services to you constitutes legal advice. Rather, you should consult with and seek the advice of your own attorney.

ITEM II: CODE OF ETHICS, PARTICIPATION OR INTEREST

IN CLIENT TRANSACTIONS AND PERSONAL TRADING

We have adopted a Code of Ethics (the "Code") describing the standards of business conduct we expect all officers, directors, employees, and advisory representatives to follow. The Code also describes certain reporting requirements with which particular individuals associated with or employed by us must comply. We will provide a free copy of the Code to you upon request.

Our principals and representatives will often own the same securities we recommend to you or our other clients. Generally, these securities will be shares of open ended mutual funds or stocks and bonds actively traded on a national securities exchange or market where the time and size of their purchases or sales will not affect transactions for you or our other clients. If we do recommend the purchase or sale of a thinly traded security to you, we will ensure that our principals' and representatives' transactions do not adversely affect you nor improperly benefit them, typically by completing our principals' and representatives' transactions after

all your and other client transactions have been made. Orders for your account and our own accounts may sometimes be aggregated or “batched” into one large order as described in “**BROKERAGE PRACTICES**” starting on page .

You may request a copy of our Code by contacting our President, Carl Szasz at (248) 528-1870 or carlszasz@verdecap.com.

ITEM 12: BROKERAGE PRACTICES

Directed Brokerage & Soft Dollars

Custodians/broker-dealers will be recommended based on Verde Capital Management’s duty to seek “best execution,” which is the obligation to seek to execute securities transactions for a client on terms that are the most favorable to the client under the circumstances. The client will not necessarily pay the lowest commission or commission equivalent, and Verde Capital Management may also consider the market expertise and research access provided by the payment of commissions, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers to aid in the research efforts of Verde Capital Management. Verde Capital Management will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

Verde Capital Management recommends Charles Schwab & Co., Inc. Advisor Services, and TradePMR, Inc. (“TradePMR”). Verde Capital Management is separate and unaffiliated from Charles Schwab & Co., Inc. Advisor Services, and TradePMR.

Trade-PMR clears trades and custodies assets with First Clearing, FINRA member broker-dealers. First Clearing is a trade name used by Wells Fargo Clearing Services, LLC., a non-bank affiliate of Wells Fargo & Company. Trade-PMR acts as an introducing broker dealer on a fully disclosed basis. Trade-PMR and First Clearing are members of SIPC and are unaffiliated registered broker dealers and FINRA members. The brokerage commissions and/or transaction fees charged by Trade-PMR or any other designated broker-dealer are exclusive of and in addition to Verde Capital Management’s fee. Verde Capital Management regularly reviews these programs to seek to ensure that its recommendation is consistent with its

fiduciary duty. Factors which Verde Capital Management considers in recommending Trade-PMR and First Clearing or any other broker-dealer or custodian to clients include their respective financial strength, reputation, execution, pricing, research, and service. The commissions and/or transaction fees charged by these brokers may be higher or lower than those charged by other broker-dealers.

In addition, Trade-PMR provides Verde Capital Management with access to its institutional trading and custody services, which are typically not available to retail investors. These brokerage services include the execution of securities transactions, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Additionally, Verde Capital Management may receive the following benefits from Trade-PMR: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its participants; access to block trading which provides the ability to aggregate securities transactions and then allocates the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

1. Research and Other Soft Dollar Benefits

Verde Capital Management does not have access to research, products, or other services from its broker/dealer in connection with client securities transactions ("soft dollar benefits") consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended, and may consider these benefits in recommending brokers.

2. Brokerage for Client Referrals

Verde Capital Management receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Custodian to Use

Verde Capital Management may permit clients to direct it to execute transactions through a specified custodian. Clients must refer to their advisory agreements for a complete understanding of how they may be permitted to direct brokerage. If a client directs their advisor to use a specific custodian, the client will be required to acknowledge in writing that the client's direction with respect to the use of custodians supersedes any authority granted to Verde Capital Management to select custodians; this direction may result in higher fee for various services offered by the custodian.

Aggregation of Orders

We have adopted a trade allocation policy to govern how we handle the aggregation of orders for more than one client's account. From time to time and only where appropriate, we aggregate orders for securities transactions for more than one client and, in appropriate circumstances, include proprietary accounts. In doing so, we strive to treat each client fairly and will not favor one client or a proprietary account over another client. When executed, we will allocate the aggregated order in accordance with policies and procedures intended to achieve fair treatment. The purpose of aggregating orders is for our administrative convenience and, in some transactions, to obtain better execution for the aggregated order than might be achieved by processing each of the transactions separately.

We will not aggregate orders for a client having a directed brokerage relationship. A consequence of not aggregating your order with other orders for the same securities is that you may not obtain as good a price or as low a cost in a separate transaction as clients whose orders have been aggregated.

Each account that participates in an aggregated order will participate at the average share price for all transactions ordered by our firm in that security on a given business day. If permitted by the broker-dealer effecting the transaction, transaction costs will be shared on a pro rata basis. Some broker-dealers charge brokerage commissions to each participating client in accordance with the size of that client's part of the aggregated order, regardless of the total size of the aggregated order. If an aggregated order is not filled in its entirety, it will be allocated among participating accounts on a pro rata basis.

ITEM 13: REVIEW OF ACCOUNTS

The frequency and triggering factors for internal account reviews depend upon the services we provide to you. We are available to meet with you on a quarterly basis to review your account. Our advisory representatives share responsibility for these reviews.

For investment management services to ERISA plans generally on a quarterly basis, we will prepare and deliver a report to the plan's Fiduciary evaluating and summarizing the previous quarter's market environment, performance results of the investments in the account, total value of plan assets held in the account, a summary of the plan's asset allocation, the fees and expense ratio of each investment alternative and other information relevant to the maintenance of the account.

You must contact us when a real or potential change in your financial condition occurs so we can review the portfolio along with your new information to ensure the investment strategies continue to be appropriate.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Charles Schwab & Co., Inc. Advisor Services provides Verde Capital Management with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For Verde Capital Management client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is

compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services ("Schwab") provides Verde Capital Management with access to Schwab's institutional trading and custody services, which are typically not available to Schwab's retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to the investment adviser as long as a total of at least \$10 million of the investment adviser's assets under management are maintained in accounts at Schwab. Schwab includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For Verde Capital Management client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to Verde Capital Management other products and services that benefit Verde Capital Management but may not benefit its clients' accounts. These benefits may include:

Entertainment Benefits

- National, regional or Verde Capital Management specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services.
- Occasional business entertainment of personnel of Verde Capital Management, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities

Client Account Administration Benefits

- Software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements). Provide research, pricing information, and other

market data, facilitate payment of VCMI's fees from its clients' accounts (if applicable).

- Facilitating trade execution (and allocation of aggregated trade orders for multiple client accounts if applicable).
- Assistance with back-office training and support functions, recordkeeping and client reporting.

Business Development Benefits

- Professional, compliance, and legal consulting. Publications and conferences on practice management, information technology, business succession, regulatory compliance.
- Human capital consultants, insurance, and marketing.

In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to Verde Capital Management by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Verde Capital Management. These benefits, whether paid directly to Verde or to a third-party on Verde's behalf, constitute a conflict of interest because they create an incentive to solicit clients to Verde in order to maintain at least \$10 million in assets under management with Schwab and to recommend Schwab for custody and brokerage services. Verde Capital Management is independently owned and operated and not affiliated with Schwab.

As noted in Item 12, Verde Capital Management will receive additional benefits from Trade-PMR which includes electronic systems that assist in the management of Verde Capital Management client accounts, access to research, the ability to directly debit client fees, software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), pricing information and other market data, assist with back-office functions, recordkeeping and client reporting.

Verde Capital Management may recommend Sedera Health (plans include Sedera Access Plus and Sedera Select Plus), a medical cost sharing program, to

some clients as an alternative to traditional health insurance. There is no direct link between Verde Capital Management and the advice it gives to its clients to become a Sedera Health Member, although Verde Capital Management receives economic benefits when individuals, businesses, and/or employers, including Verde Capital Management clients, choose to sign up with Sedera Health under the Verde Capital Management affiliation program. Clients, individuals, businesses, and employers may choose to sign up with Sedera Health directly, and bypass the Verde Capital Management affiliation program. If direct participation with Sedera Health is used instead, Verde Capital Management will not receive an economic benefit due to a client, individual, business, or employer participating with Sedera Health. There is no change in price for either Sedera Access Plus or Sedera Select Plus if an individual, client, business, and/or employer chooses direct participation with Sedera Health over participation in the Verde Capital Management affiliation program. Verde Capital Management Investment and Service Advisors who refer an individual, client, business, or employer to Sedera Health, that then selects to participate with Sedera Health under the affiliation program, also receive an economic benefit.

ITEM 15: CUSTODY

You will receive statements from the broker-dealer or other qualified custodian that holds and maintains your investment assets at least quarterly. We urge you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you, as described in the "REVIEW OF ACCOUNTS" beginning on page 10. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Custody is disclosed in Form ADV because Verde Capital Management has authority to transfer money from client account(s), which constitutes a standing letter of authorization (SLOA). Verde Capital Management also has custody for the purposes of maintaining client login credentials for limited held-away accounts not custodied through one of Verde's qualified custodians (e.g. an employer sponsored retirement plan, or a health savings account). Verde also has custody for the purposes of direct fee deduction, and for Verde or a related person is a trustee or POA for a Verde Capital Management client.

As of November 2021, we use a third party platform to facilitate management of the vast majority of held away assets such as defined contribution plan participant accounts, with discretion. The platform allows us to avoid being considered to have custody of Client funds since we do not have direct access to Client log-in credentials to affect trades. We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the Client allowing them to connect an account(s) to the platform. Once the Client account(s) is connected to the platform, Adviser will review the current account allocations. When deemed necessary, the Adviser will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal is to improve account performance over time, minimize loss during difficult markets, and manage internal fees that harm account performance. Client account(s) will be reviewed at least quarterly and allocation changes will be made as deemed necessary.

ITEM 16: INVESTMENT DISCRETION

We generally receive discretionary authority in writing from clients at the outset of an advisory relationship in the investment management agreement. If you choose to do so, discretionary authority grants us the ability to determine, without obtaining your specific consent, the securities to be bought or sold for your portfolio and the amount of securities to be bought or sold. As described in more detail in **"ADVISORY BUSINESS"** beginning on page , you may establish written investment guidelines and restrictions. In all cases, however, such discretion is to be exercised in a manner consistent with your stated investment objectives for the account and by considering the size of your account and your risk tolerance. When selecting securities and determining amounts, we observe any investment policies, limitations and restrictions you provide to us in writing.

Also, you may sign an agreement with your custodian which generally includes a limited power of attorney granting us authority to direct and implement the investment and reinvestment of your assets within the account, but not direct the assets outside of the account.

ITEM 17: VOTING CLIENT SECURITIES

As a matter of firm policy and practice, we will not be responsible for responding to proxies that are solicited with respect to annual or special meetings of shareholders of securities held in your account. Proxy solicitation materials will be forwarded to you by your custodian for response and voting.

ITEM 18: FINANCIAL INFORMATION

As a registered investment adviser, we must provide you with certain financial information or disclosures about our financial condition if we have financial commitments that impair our ability to meet contractual and fiduciary commitments to you. We have not been the subject of a bankruptcy proceeding and do not have any financial commitments that would impair our ability to meet any contractual or fiduciary commitments to you.