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**Part 2A of Form ADV: Firm Brochure  
Item 1 Cover Page  
October 2018**

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This brochure provides information about the qualifications and business practices of Vawter Financial, Ltd. If clients have any questions about the contents of this brochure, please contact us at (614) 451-1002 or [info@vawterfinancial.com](mailto:info@vawterfinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about Vawter Financial, Ltd. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #108830.

Please note that the use of the term "registered investment advisor" and description of Vawter Financial, Ltd. and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements for Vawter Financial, Ltd.'s associates who advise clients for more information on the qualifications of Vawter Financial, Ltd. and our employees.

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## Item 2 Material Changes

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Vawter Financial, Ltd. (“VF”) is required to advise you of any material changes to the Firm Brochure (“Brochure”) from our last annual update. Since our last annual amendment filing on 02/14/2017, we have the following material changes to disclose:

- VF no longer offers stand-alone Financial Planning or Investment Management Services. VF has created a new combined Financial Planning and Investment Advice Service with a flat fee and tiered fee schedule option. Please refer to Item 4 and Item 5 for additional information.
- VF has revised our advisory agreement termination section. Please refer to Item 5 for additional information.
- VF has converted from state to SEC registration. VF has been registered with the SEC since April 24, 2018.

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## Item 4 Advisory Business

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### **About Vawter Financial, Ltd. (VF)**

VF provides fee-only comprehensive financial planning and investment management services to its clients to help them achieve their unique personal and business financial objectives.

Gary Vawter, CFP®, MS has been a Senior Advisor and Owner of Vawter Financial, Ltd. since 1991. Gary received his Bachelor of Science degree in Business Administration majoring in Finance from The Ohio State University, and later the Certified Financial Planner™ (CFP®) certification from the College for Financial Planning in Denver, Colorado. He received his Master of Science (MS) degree with the specialty of retirement planning from the College for Financial Planning in 1993. He earned the Accredited Estate Planner® (AEP®) designation as well as a certificate in Estate Planning and Taxation in 2012. He earned the Chartered Financial Consultant (ChFC®) designation in 2013.

William Whitaker, CFP®, MS joined Vawter Financial, Ltd. as a Senior Advisor in 2017. Prior to joining VF, he spent 12 years helping high net worth individuals in a fee-only capacity. He holds a Bachelor of Science degree in Family Resource Management from The Ohio State University and a Master of Science degree in Financial Planning from the College for Financial Planning. He is a Certified Financial Planner™ practitioner.

### **Wealth Advisory Service**

The Wealth Advisory service that we provide is tailored to the individual needs of our clients. We understand that each client's goals are unique, as are the various factors of their personal and professional lives on which their financial plan and investment portfolio is built. Our plans, strategies and recommendations are adaptive to the changes in our clients' goals, priorities and financial situations.

As part of our Wealth Advisory service, clients will be provided asset management and financial planning services. This service is designed to assist clients in meeting their financial goals through the use of a financial plan or consultation. VF conducts client meetings and broad-based analysis of a client's financial situation. VF makes use of current and historical financial information to understand a client's current financial situation, existing resources, financial and personal goals, attitudes, investment objectives, and tolerance for risk. Based on what is learned, an investment approach is presented to the client, consisting of individual stocks, bonds, ETFs, options, mutual funds and other public and private securities or investments. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored. If necessary, a portfolio is rebalanced based upon market performances and the client's individual needs, stated goals and objectives.

VF provides a written analysis and recommendations for the planning or consulting aspects of this service. The financial plan or consultation may encompass one or more of the following areas: **Investment Planning, Tax Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.** The specific scope of services to be

provided can only be determined after a thorough and ongoing review of the documentation provided by the client. VF will assist with the implementation of the financial plan or consultation. However, VF will not provide legal advice or tax preparation services. Clients are urged to work closely with their attorney and/or accountant in implementing strategies in those areas, and VF will be happy to work with the client's attorney and/or accountant concerning these matters.

VF will provide ongoing monitoring of the client's financial circumstances and provide continued advice to help them reach the goals we have discussed. VF will also provide advice concerning changes in these goals or in the client's circumstances. Each element of the client's plan is reviewed at least annually, including estate plans, tax planning, insurance, cash flow, goal setting and financial advice in other areas.

VF will recommend and manage an agreed upon portfolio relative to the client's risk tolerance and time parameters. VF will make investment decisions for the client's portfolio according to the client's investment objectives and financial circumstances. Clients are required to promptly inform VF if any material changes occur in their circumstances. Clients must also consult with VF at least annually to provide updated information, if any, about their financial circumstances and financial objectives.

#### **Wrap Fee Program**

We do not offer wrap fee programs.

#### **Assets Under Management**

As of December 31, 2017, our assets under management total approximately \$140,000,000. These assets are managed on a discretionary basis.

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

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#### **How We Are Compensated**

VF charges on a flat fee or a percentage of assets under management for our Wealth Advisory service. We will provide client's the option to select whether they wish to be charged on a flat fee or fee based on the percentage of assets under management for our Wealth Advisory services. The fee will be based on client complexity as well as the total assets the client has custodied with our Custodian and will be renegotiated at the end of every odd year at a minimum (2019, 2021, etc.). The fee for our service is negotiable and will be payable in advance on a monthly or quarterly basis depending on what the client selects in the signed advisory agreement. We will provide clients the option to have their fee debited from their portfolio or the client may choose to be invoiced at the beginning of each month or quarter. VF does not receive fees, commissions or other remuneration of any kind from advisors, originators, sponsors, or distributors of investments or products recommended to clients. Our only source of income is from the client.

### **Option 1 – Flat Fee**

Our flat fee option has minimum of \$5,000 and a maximum of \$50,000 depending on client complexity and the resources required. For clients with assets directly managed by VF, the investment management fee will not exceed 3% of the assets under management.

### **Option 2 – Tiered Fee**

<b>Assets Under Management</b>	<b>Annual Fee</b>	<b>Quarterly Fee</b>
\$0 to \$1,000,000	1.00%	0.250%
\$1,000,001 to \$5,000,000	0.50%	0.125%
\$5,000,001 to \$10,000,000	0.35%	0.0875%
\$10,000,001 to \$25,000,000	0.25%	0.0625%
Over \$25,000,000	Negotiable	Negotiable

### **Other Types of Fees & Expenses**

Some investment accounts may be subject to annual maintenance fees charged by the account custodian, usually on or around the anniversary of the date the account was opened. Clients have the option of having these fees drawn from the associated account or paying by check.

Processing fees and recordkeeping fees may apply to some account types, such as individual 401(k)s. If applicable, these fees will be disclosed to the client in advance of their agreement to open/own these type accounts. These fees are payable to the service provider, not VF.

Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm through which the trades are executed. Also, clients will pay the following separately-incurred expenses: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

**VF does not receive any portion of the other types of fees and expenses described in this section.**

### **Direct Deduction of Advisory Fees**

In cases where VF directly deducts advisory fees from Client accounts, Clients understand the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;
- b) Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
- c) If our firm sends a copy of our invoice to the client, a legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

### **Purchase Options**

Clients have the option of purchasing investment products recommended by VF through other brokers or agents that are not affiliated with VF.

### **Advisory Agreement Termination**

VF's advisory agreement may not be modified or amended except in writing and signed by both the client and VF. Either party may terminate our advisory agreement within five (5) business days as of the date of acceptance without penalty. After the five-day period, our advisory agreement may be terminated by either party upon thirty (30) days written notice to the other party. VF shall be paid its fee through the effective date of the termination and any unearned, prepaid fees will be refunded to the client.

The death, disability or incompetency of a client will not terminate or change the terms of our advisory agreement. In the event of the client's death, disability or incompetency, VF will assist the client's executor, guardian, attorney-in-fact or other authorized representative. The client's authorized representative may terminate our advisory agreement by giving written notice with the termination becoming effective upon receipt. We shall be paid our fee through the effective date of the termination and any unearned, prepaid fees will be refunded. All actions taken by VF hereunder, either before or after the death or incapacity of the client, but before receipt by VF of information of such death or incapacity, shall be binding upon the client and the client's legal representatives who shall hold VF harmless hereunder from all liability arising from such action.

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

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VF does not charge performance-based fees.

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### **Item 7 Types of Clients**

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We typically provide investment advice to individuals, trusts, and small business owners, including those with 401(k)s or pension plans. In some cases, we may refer a small business owner with an employer plan to an unaffiliated plan servicing representative to manage the plan and its assets. We receive no additional compensation from this arrangement.

The minimum Wealth Advisory fee for clients who sign an advisory agreement is \$5,000. The minimum value to open and maintain an investment account is \$200,000 and/or subject to the requirements of the account custodian.

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

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#### **Strategic Asset Allocation**

We recommend a target equity-to-fixed-income asset mix based on each client's individual financial situation and objectives. We suggest the periodic rebalancing of a client's assets in order to maintain a range centered around the target mix as well as the risk potential, an approach known as "strategic asset allocation". When substantial growth in one category leads to an overexposure

relative to others, investments in this category should be trimmed back (profits taken) and reallocated to where growth has not been as strong. This often results in a “selling high and buying low” approach to investing. Behavioral finance studies tell us people would rather do the opposite. We are a buy-hold investment firm preferring to use the Warren Buffett approach to investing – “be greedy when others are fearful, and fearful when others are greedy”.

### **Diversification**

While most all of our clients are interested in having their wealth grow over time, often their primary objective is to not lose what they have accumulated. Investing in any one particular type of security increases the potential for hitting a “home run”, but it also brings in more chances to “strike out”. We strongly recommend a diversified financial portfolio for all of our clients to help reduce risk. It is important to understand however, that diversification alone does not necessarily prevent the loss of principal.

### **Fund Analysis**

When choosing investments to recommend to our clients, we use data from outside sources to compare investment expenses, performance as compared to others within the same category (typically over the last 1-, 3-, and 5-year periods), total returns (also typically over the last 1-, 3-, and 5-year periods) and standard deviation, among other factors. We continue to monitor the investments held by our clients during periodic portfolio reviews.

### **Risk of Loss**

Investing in any securities involves a risk of loss that clients should be prepared to bear. We impress upon clients that there are no “risk-free” investments. Even FDIC-insured investments, after considering taxes and inflation, can cause a person to lose purchasing power over time. This in turn can jeopardize their standard of living while in their retirement years. We believe a prudent level of risk is necessary to combat the loss of purchasing power and other uncertainties when pursuing their goals.

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## **Item 9 Disciplinary Information**

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VF and its management personnel have not been the subject of any legal or disciplinary events by a criminal or civil court, regulatory agency, or self-regulatory organization.

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

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In the process of providing Wealth Advisory services to our fee-based clients, VF may recommend services that we feel are beneficial to the client in reaching their goals, such as tax and estate planning. In order to work in the best interest of the client, we strive to develop relationships with other professionals who adhere to the same principles that VF adopts. VF does not receive any direct or indirect benefits from these introductions.

### **CMP Financial**



Periodically VF is asked to participate in the advising of this firm's clients. For those services, VF is paid a consulting fee for delivering whatever technical expertise might be required.

**Accountants/Tax Preparers**

For our clients looking for tax preparation services or consultations, we may refer our clients to Karen Pomajevich of CPA Solutions or Al Clement of Joseph V. Nerone & Associates, Inc. With the approval of our mutual clients, we communicate with these and other tax preparers on a regular basis and provide them with input on the clients' account transactions and copies of tax documents related to their accounts managed by VF. VF receives no fees when our clients use either of these tax services.

**Attorneys**

Below are law offices that we often recommend to our clients:

Robert Giffin	David Onega
Robert Kennedy	Bailey Cavalieri LLC
4924-B Reed Rd	10 West Broad St #21
Columbus, OH 43220	Columbus, OH 43215

There may be other attorneys and CPAs to whom we would refer our clients to as well, depending on the client's needs. None of the firms above compensate VF for our referrals.

**Pension Consultants**

VF most often refers clients with qualified retirement plans to Earl Avakian, CLU of The Avakian Financial Group (AFG) as the plan's servicing representative. We receive no compensation from AFG for our referrals.

**Lending Specialists**

VF most often refers clients with loan and lending needs to Michael Dolby of First Federal Lending. We receive no compensation for these introductions or for products that our clients secure from them.

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

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An investment advisor is considered a fiduciary and VF has a fiduciary duty to all clients. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of every client at all times. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided upon request.

We recognize that the personal investment transactions of members and employees of VF demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of VF, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics.

Neither VF nor a related person recommends to clients, or buys or sells for client accounts, securities in which VF or a related person has a material financial interest. Related persons of VF may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to VF's Code of Ethics. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day. If related persons' accounts are included in a block trade, our related persons' accounts will be traded in the same manner every time.

VF and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics.

### **Compliance with Department of Labor Fiduciary Rule**

VF provides investment advice to assets affected by the Department of Labor ("DOL") Fiduciary Rule for a level fee. As such, we abide by the Impartial Conduct Standards as defined by the DOL. To comply with these standards, VF and our advisors give advice that is in our clients' best interests, charge no more than reasonable compensation (within the meaning of ERISA Section 408(b)(2) and Internal Revenue Code Section 4975(d)(2), and make no misleading statements about investment transactions, compensation, conflicts of interest, and any other matters related to investment decisions.

As a level-fee fiduciary, we maintain a non-variable compensation structure that is provided on the basis of a fixed percentage of the value of assets or a set fee that does not vary with the particular investment recommended, as opposed to a commission or other transaction based fee.

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## **Item 12 Brokerage Practices**

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### **Selecting a Brokerage Firm**

We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, but not limited to:

- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation
- Quality of services

With this in consideration, VF participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. (“TD Ameritrade”) member FINRA/SIPC. TD Ameritrade is an independent [and unaffiliated] SEC-registered broker-dealer. TD Ameritrade offers services to independent investment advisors which includes custody of securities, trade execution, clearance and settlement of transactions. TD Ameritrade enables VF to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. TD Ameritrade does not charge client accounts separately for custodial services. Client accounts will be charged transaction fees, commissions or other fees on trades that are executed or settle into the client’s custodial account. Transaction fees are negotiated with TD Ameritrade and are generally discounted from customary retail commission rates. This benefits clients because the overall fees paid are often less than those of a retail account.

TD Ameritrade may make certain research and brokerage services available at no additional cost to VF, all of which qualify for the safe harbor exemption defined in Section 28(e) of the Securities Exchange Act of 1934. These services may be directly from independent research companies, as selected by VF (within specific parameters). Research products and services provided by TD Ameritrade may include: research reports on recommendations or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-

making; and other products or services that provide lawful and appropriate assistance by TD Ameritrade to VF in the performance of our investment decision-making responsibilities.

We do not use client brokerage commissions to obtain research or other products or services. The aforementioned research and brokerage services are used by VF to manage accounts for which we have investment discretion. Without this arrangement, VF might be compelled to purchase the same or similar services at our own expense.

As a result of receiving these services, we may have an incentive to continue to use or expand the use of TD Ameritrade services. VF examined this potential conflict of interest when we chose to enter into the relationship with TD Ameritrade. We have determined that the relationship is in the best interest of VF's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

TD Ameritrade charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). TD Ameritrade enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. TD Ameritrade commission rates are generally discounted from customary retail commission rates. The commission and transaction fees charged by TD Ameritrade may be higher or lower than those charged by other custodians and broker-dealers.

Our clients may pay a commission to TD Ameritrade that is higher than what another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determining factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

### **Soft Dollars**

Although the investment research products and services that may be obtained by VF will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

VF does not accept products or services that do not qualify for Safe Harbor outlined in Section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution.

### **Client Brokerage Commissions**

We do not use client brokerage commissions to obtain research or other products or services. The aforementioned research and brokerage services are used by VF to manage accounts for which we have investment discretion. Without this arrangement, VF might be compelled to purchase the same or similar services at its expense.

### **Procedures to Direct Client Transactions in Return for Soft Dollars**

VF does not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

### **Brokerage for Client Referrals**

VF does not receive brokerage for client referrals.

### **Directed Brokerage**

Neither VF nor any of VF's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. We routinely recommend that a client directs us to execute through a specified broker-dealer. VF recommends the use of TD Ameritrade. Each client will be required to establish their account(s) with TD Ameritrade if not already done. Please note that not all advisors have this requirement.

### **Permissibility of Client-Directed Brokerage**

We allow clients to direct brokerage outside our recommendation. We may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, clients may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or they may receive less favorable prices.

### **Special Considerations for ERISA Clients**

A retirement or ERISA plan client may direct all or part of portfolio transactions for their account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, VF will request that direct plan sponsors provide VF with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

### **Aggregation of Purchase or Sale**

VF performs investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by VF, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the affected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

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## **Item 13 Review of Accounts**

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### **Portfolio and Planning Reviews**

In-depth reviews of a client's investment portfolio and financial plans are completed at least annually; the scope depends on the complexity of a client's financial position. Our main emphasis is to ensure that a client's portfolio and the strategies now in place are consistent with their stated goals. During our periodic reviews, we may discuss items in the following areas: retirement planning, income tax planning, estate planning, insurance planning, college planning, debt management, business planning, asset allocation and investment performance. Some review meetings are scheduled to explain recent developments in the client's portfolio and/or the financial markets. At each meeting, the client is given a summary of their portfolio, including accounts and investment holdings. Other reports which are prepared in-house or using financial planning software may also be reviewed with the client, as needed.

Portfolio reviews are conducted by Gary Vawter, CFP®, MS, William Whitaker, CFP®, MS, Senior Advisors of VF. VF does not provide hard copy reports unless asked to do so. Verbal reports take place on at least an annual basis when clients are contacted. Clients have online access to their accounts to check account values and performance at any time through the MyMoney portal and TD Ameritrade.

### **Account Statements and Transaction Confirmations**

All clients receive monthly or quarterly account statements and transaction confirmations directly from the institution(s) having custody of their assets. These can be in hardcopy and/or electronic formats based upon client preferences.

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

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### **TD Ameritrade**

VF may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between VF's participation in the program and the investment advice given to clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. 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 VF's 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 may also have paid-for business consulting and professional services received by VF's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit VF but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by VF or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by VF or our related persons in and of itself creates a potential conflict of interest and may indirectly influence VF's choice of TD Ameritrade for custody and brokerage services.

### **Referral Fees**

VF does not pay referral fees to independent solicitors for the referral of their clients to VF in accordance with relevant state statutes and rules.

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### **Item 15 Custody**

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Our firm does not have custody of client funds or securities. All of our clients receive account statements directly from their qualified custodians at least quarterly upon opening of an account. If our firm decides to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send the client independent account statements listing account balance(s), transaction history and any fee debits or other fees taken out of their account.

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### **Item 16 Investment Discretion**

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As per VF's advisory agreement, we manage investment accounts on a discretionary basis to buy, sell, or otherwise trade securities or other investments in the client's portfolio without discussing the transaction with them in advance in accordance with the client's discussed and agreed upon investment objectives. The client also authorizes VF to take all necessary action to open and maintain their portfolio and effect securities transactions in their portfolio. A client accepts this arrangement by signing our advisory agreement. If a client wishes to limit this discretionary authority in any way, they must submit a detailed letter describing the limitations, and an amendment to the advisory agreement must be signed by the client and the Investment Advisor Representative (IAR). VF will maintain discretionary authority until the amendment is signed by all parties.

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**Item 17 Voting Client Securities**

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VF does not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to VF, VF will forward them to the appropriate client and ask the party who sent them to mail them directly to the client in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

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**Item 18 Financial Information**

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We do not require pre-payment six months or more in advance. We have not had, nor do we expect that there will be, any financial conditions that would impair our abilities to meet contractual commitments to our clients with respect to use of discretionary authority or processing of client securities.