Item 1: Cover Page

Part 2A of Form ADV
Firm Brochure

March 31, 2019

Virtue Capital Management LLC
SEC File No. 801-79938

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This brochure provides information about the qualifications and business practices of Virtue Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 615-340-0801 or via email to asheffield@virtuecm.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration with the SEC or state regulatory authority does not imply a certain level of skill or expertise.

Additional information about Virtue Capital Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Please use the firm's SEC File No. 801-79938 in the applicable search field.

Item 2: Material Changes

This Firm Brochure is our disclosure document prepared according to regulatory requirements and rules. Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

Effective December 15, 2017, the firm moved its office from 22 Century Blvd., Suite 455, Nashville, TN 37214 to 6 Cadillac Dr., Suite 310, Brentwood, TN 37027.

Effective February 2019 Jeffrey Smith was appointed CCO at Virtue Capital Management.

Item 3: Table of Contents

Item 4: Advisory Business

A. Virtue Capital Management, LLC

Virtue Capital Management, LLC ("VCM") is a Limited Liability Company organized in the state of Tennessee. Virtue Financial Holdings, LLC ("VFH"), which own 100% of Virtue Capital Management, LLC, is owned by Jeremy Rettich and Matthew Rettich. Jeremy Rettich and Matthew Rettich are the control persons of VFH. VCM has been offering investment advisory services since October 2013.

B. Advisory Services Offered

VCM is an independent asset management and financial planning firm offering a variety of financial services to individuals, high-net-worth individuals, banks and thrift institutions, pension and profit sharing plans, trusts, estates, or charitable organizations, and other investment advisers.

B.1. Investment Supervisory Services

VCM will not assume any responsibility for the accuracy of the information provided by the client. VCM is not obligated to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Under all circumstances, clients are responsible for promptly notifying VCM in writing of any material changes to the client's financial situation, investment objectives, time horizon, or risk tolerance. In the event that a client notifies VCM of changes in the client's financial circumstances, the firm will review such changes and recommend any necessary revisions to the client's portfolio. VCM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. VCM may provide investment advice to clients as to the proper allocation and selection of investments made available through the 529 plan. Please be advised that our advice is limited to those funds available within the 529 plan. VCM may provide investment advice to clients as to the proper allocation and selection of investments made available through a fee-based variable annuity product. Please be advised that our advice is limited to those funds available within the 529 plan. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Asset Selection
- Regular portfolio monitoring

VCM offers clients the following portfolios, which are managed by separate account managers or through a sub-adviser that VCM engages on its behalf and are further described in Item 8 of this brochure:

- **Alpha Investment Management**
    - Mid-Cap Power Index

- **AlphaDNA Investment Management (formerly managed by ZEGA Financial)**
    - Internet Advantage Strategy Equity Long/Short
    - Internet Advantage Strategy Equity Best Picks
- **Brown Advisory**
    - Large Cap Growth
    - Large Cap Sustainable Growth
    - Flexible Equity
- **Capital Management Services**
    - Bull Calendar
    - Sector Rotation
- **Clark Capital Management**
    - Navigator Fixed Income Total Return
    - Navigator MultiStrategy 25-75
- **ClearBridge Investments**
    - Large Cap Growth
- **Capital Management Group Wealth**
    - Opportunistic All Asset
- **Fairfax Global Markets**
    - Permanent Portfolio
- **Foresight Investment Advisors**
    - Companion Account Moderate
- **Hanseatic Management Services**
    - Hanseatic All Cap Tax Efficient Strategy
- **Howard Capital Management**
    - ALP Conservative
    - ALP Balanced
    - ALP Growth
    - Dividend Income Conservative
    - Dividend Income Balanced
    - Dividend Income Growth
    - Horizon Bond
- **Julex Capital Management**
    - Dynamic Income
- **Martin Investment Management**
    - U.S. Equity "Best Ideas" Growth

- **Morningstar**
    - Dividend Select Stock Basket Strategy
    - Hare Select Stock Basket Strategy
    - Tortoise Select Stock Basket Strategy
- **Navellier & Associates, INC.**
    - Libertas 30
    - U.S. Equity Sector Plus Featuring AlphaDex
- **Newfound Research**
    - Managed Global Sectors
    - Multi-Asset Income
- **Niemann Capital Management**
    - Dynamic Global Equity Sector
    - Dynamic U.S. Equity Core
    - Risk Managed Global Equity Sector
    - Risk Managed U.S. Equity
- **Optimus Advisory Group**
    - Bond Rotation Strategy
    - Tactical High Yield
- **SpiderRock Advisors, LLC**
    - SpiderRock Hedged Equity Concentrated Stock
- **Summit Capital Solutions**
    - Dual Momentum Sector Strength Conservative
    - Dual Momentum Sector Strength Balanced
    - Dual Momentum Sector Strength Aggressive
- **Taiber Kosmala & Associates**
    - Enhanced Yield Growth and Income ETF
    - Opportunistic Municipal Bond
    - Strategic Conservative ETF
    - Strategic Moderate ETF
    - Strategic Aggressive ETF
    - Tactical Conservative ETF
    - Tactical Moderate ETF
    - Tactical Aggressive ETF
    - Stop Loss Conservative
    - Stop Loss Moderate/Balanced
    - Stop Loss Aggressive

    - S&P 500 ETF with VCM Overlay
    - S&P 500 Equal Weight ETF with VCM Overlay
    - Global Total Stock Market ETF with VCM Overlay
    - All World Ex-U.S. Equity with VCM Overlay
    - Brown Advisory Large Cap Growth with VCM Overlay
    - Brown Advisory Large Cap Sustainable Growth with VCM Overlay
    - Brown Advisory Flexible Equity with VCM Overlay
    - Hanseatic All Cap Tax Efficient with VCM Overlay
    - Zacks Dividend Large Cap Value Stock Strategy with VCM Overlay
- **W.E. Donoghue and Company**
    - Power Dividend Index
    - Power International Dividend Index
- **Zacks Investment Management**
    - Zacks Dividend Large Cap Value Stock Strategy
- **Zega Financial**
    - HiPOS Income
    - HiPOS Moderate
    - HiPOS Aggressive
    - Buy & Hedge Retirement
    - Buy and Hedge Classic
- **Mutual Funds**
    - HCM Dividend Sector Plus A Load Waived (HCMNX)
    - WEDCO Power Dividend Load Waived (PWDIX)
    - WEDCO Power Income Load Waived (PWRIX)
    - Redwood Managed Volatility I (RWDIX)

VCM has portfolios that were previously available to invest in that may no longer be able for new investors. As a result if you are a current client of VCM you may be invested in portfolios you do not see listed in this document or in our ADV 2A and Wrap Brochure.

VCM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Risk Profile Questionnaire, to the extent one is utilized for a particular client. For its discretionary asset management services, VCM receives a limited power of attorney to effect securities transactions on behalf of its clients that include securities and strategies described in Item 8 of this brochure. VCM generally limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, REITs, insurance products including annuities, and government securities. VCM may use other securities as well to help diversify a portfolio when applicable.

In addition to providing VCM with information regarding their personal financial circumstances, investment objectives and tolerance for risk, clients are required to provide the firm with prompt notice of any changes in the client's personal financial circumstances, investment objectives, goals and tolerance for risk. VCM will remind clients of their obligation to inform the firm of any such changes. VCM will also contact clients at least annually to determine whether there have been any changes in a client's personal financial circumstances, investment objectives and tolerance for risk.

B.2. Selection of Other Advisers

VCM may utilize sub-advisers or recommend clients utilize third-party money managers which clients will engage directly. VCM will be compensated via a fee share from the advisors to which it directs those clients. The fees shared will not exceed any limit imposed by any regulatory agency. Before recommending other advisors for clients, VCM will always ensure those other advisors are properly licensed or registered as investment advisor.

B.3. Consulting and Financial Planning Services

Prior to engaging VCM to provide Asset Management or Financial VCM services, the client will be required to enter into one or more written agreements with VCM setting forth the terms and conditions under which the firm shall render its services (collectively the "Agreement"). In accordance with applicable laws and regulations, VCM will provide this brochure, the ADV Part 2B brochure that is specific to the IAR, and the Wrap Brochure (if applicable) to each client or prospective client prior to or contemporaneously with the execution of the Agreement. The Agreement between VCM and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement

Neither VCM nor the client may assign the Agreement to a third party without the consent of the other party. Transactions that do not result in a change of actual control or management of VCM shall not be considered an assignment. VCM will provide Asset Management services and Financial VCM services, but will not provide custodial or other administrative services. At no time will VCM accept or maintain custody of a client's funds or securities. Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker/dealer, unless otherwise negotiated. Please refer to the Brokerage Practices section for more information.

Financial plans and financial planning may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services are based on fixed fees or hourly fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

In offering financial planning, a conflict exists between the interests of the investment adviser and the interests of the client. The client is under no obligation to act upon the investment adviser's recommendation, and, if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser. This statement is required by California Code of Regulations, 10 CCR Section 260.235.2.

Clients will receive a written or oral report (depending on the client's preference) providing a basic financial plan designed to help achieve their stated financial goals and objectives. Based on the client's needs, financial planning services may include (but are not limited to) the following:

- Preparation of a recommended asset allocation that serves to diversify the client's portfolio among different categories of investments, such as domestic and international small, medium, and large capitalization securities; corporate and government fixed income (short-, intermediate-, and long-term maturities); emerging market securities (i.e., foreign issuers); real estate investment trusts; and such other alternative asset categories offered through exchange traded funds that are suitable in light of the client's investment goals, objectives, and risk tolerance.
- Preparation of a retirement plan that serves to identify whether the client is saving enough and investing in a way that meets retirement objectives in light of the client's financial circumstances and risk tolerance.
- Preparation of cash flow projections to ensure that the client can meet daily living expenses and obligations.
- Insurance planning to meet the needs of the client, taking into account family, business, and other financial objectives of the client.
- General family office and business consulting:
    - Retirement objectives
    - Philanthropy
    - Estate planning
    - Wealth transition
    - Business succession and related issues
    - Recommendation of third-party managers for use by the client

VCM gathers required information through in-depth personal interviews and questionnaires. Information gathered includes a client's current financial status, investment objectives, future goals, and attitudes toward risk. Related documents supplied by the client are carefully reviewed, and a report may be prepared, subject to mutual agreement with the client and VCM, covering one or more of the above-mentioned topics as directed by the client.

B.4. 401(k) Plan Pro

We offer assistance to plan participants who are seeking advice in choosing and allocating investments within their 401(k) or similar defined contribution plan. Based on the information submitted to the firm, a report of recommendations personally designed for your particular investment goals will be generated. The report includes advice on which investments to select, as well as an asset allocation strategy. Your investments will be monitored and your recommendations will be updated at least quarterly. We may also make additional recommendations when indicated by proprietary indicators that signal when and how much to invest in equities. All recommendations and correspondences will be communicated via e-mail and our 401(k) Plan Pro website. 401(k) Plan Pro uses Howard Capital Managements 401(k)

Optimizer which is a Dalbar certified computerized software to make initial and ongoing investment recommendations to 401(k) Plan Pro participants.

B.4.a. Retirement Answers 101 Financial Education Course

We offer this course to provide pre-retirees and retirees with a better understanding of the many financial planning areas that need to be considered as they enter into or maintain the lifestyle they have become accustom to during their retirement years. The materials covered in this course will revolve around addressing some of the greatest retirement fears including changes to investing as you near or enter retirement, social security election strategies, generating income, investment advice "suitability standard verses fiduciary responsibility," passive/strategic investing vs. active/tactical investing among many other topics. The information covered is general in nature and not intended to give specific investment advice to attendees.

C. Client-Tailored Services and Client-Imposed Restrictions

Each client's account will be managed on the basis of the client's financial situation and investment objectives. The client is required to notify the firm in writing of any reasonable instructions to be imposed on the management of the portfolio.

D. Wrap Fee Programs

VCM participates in wrap fee programs, which are investment programs where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. VCM manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than non-wrap fee accounts. A portion of the fees paid to the wrap account program will be given to VCM as a management fee.

For more information about VCM's wrap fee program, please refer to Appendix 1 of Part 2A: Virtue Capital Management, LLC, Wrap Fee Program Brochure.

E. Client Assets Under Management

As of December 31, 2018, VCM had $392,357120 in discretionary and $0 in non-discretionary assets under management. As of the March 31, 2019 filing date for this annual updating amendment, the firm has $465,235,315 in discretionary assets under management and $0 in non-discretionary assets under management,

Item 5: Fees and Compensation

A. Methods of Compensation and Fee Schedule

A.1. Investment Supervisory Services Fees

The advisor's fee for the services is an asset-based fee calculated as a percentage of the value of the managed assets, calculated according to the following fee schedule, which represents the advisor's maximum fees for individual services.

Please note that the client may be able to obtain comparable services elsewhere at more favorable pricing. All fees are negotiable.

Fee Schedule I

This fee schedule is for the following portfolios (break points are per household):

Alpha Investment Management:	**Howard Capital Management:**
Mid-Cap Power Index	Howard Capital ALP Conservative
AlphaDNA:	Howard Capital ALP Balanced
Internet Advantage Strategy Equity Long/Short	Howard Capital Horizon Bond
Internet Advantage Strategy Equity Best Picks	Howard Capital ALP Growth
Brown Advisory:	Dividend Income Conservative
Large Cap Growth	Dividend Income Balanced
Large Cap Sustainable Growth	Dividend Income Growth
Flexible Equity	**Julex Capital Management:**
Clark Capital Management:	Dynamic Income
Navigator Fixed Income Total Return	**Martin Investment Management:**
Navigator MultiStrategy 25-75	U.S. Equity "Best Ideas" Growth
ClearBridge Investments:	**Morningstar:**
Large Cap Growth	Dividend Select Stock Stock Basket
CMG Wealth:	Hare Select Stock Basket
Opportunistic All Asset	Tortoise Select Stock Basket
Capital Management Services:	**Navellier & Associates, Inc.:**
Bull Calendar	Libertas 30
Sector Rotation	U.S. Equity Sector Plus Featuring AlphaDex
Fairfax Global Markets:	**Newfound Research:**
Permanent Portfolio	Risk Managed Global Sectors
Hanseatic Management Services:	Multi-Asset Income
Hanseatic All Cap Tax Efficient Stock Strategy	

Niemann Capital Management:	**Taiber Komala & Associates (cont.):**
Dynamic Global Equity Sector	Hanseatic All Cap Tax Efficient Stock Strategy w/ VCM Overlay
Dynamic U.S. Equity Core	Zacks Dividend Large Cap Value Stock Strategy w/ VCM Overlay
Risk Managed Global Equity Sector	**Texas Elite Advisors:**
Risk Managed U.S. Equity	Elite Relative Value Strategy
Optimus Advisory Group:	**W.E. Donoghue and Company:**
Bond Rotation	Power Dividend International Index
Tactical High Yield	Power Dividend Index
SpiderRock Advisors, LLC	**Zacks:**
SpiderRock Hedged Equity Concentrated Stock	Zacks Dividend Large Cap Value Stock Strategy
Summit Capital Solutions:	**Zega Financial:**
Dual Momentum Sector Strength Conservative	HiPOS Income
Dual Momentum Sector Strength Balanced	HiPOS Moderate
Dual Momentum Sector Strength Aggressive	HiPOS Aggressive
Taiber Komala & Associates:	Buy & Hedge Retirement
Enhanced Yield Growth and Income	Buy & Hedge Classic
Opportunistic Municipal Bond	
Brown Advisory Large Cap Growth with VCM Overlay	
Brown Advisory Large Cap Sustainable Growth w/ VCM Overlay	
Brown Advisory Flexible Equity with VCM Overlay	

For Fee Schedule I, please refer to Appendix 1 of Part 2A: Virtue Capital Management, LLC, Wrap Fee Program Brochure

Fee Schedule II (Non-Wrap Fee Program)

This fee schedule is for the following portfolios (break points are per household):

Foresight Investment Advisors
Companion Account Moderate

Taiber Kosmala & Associates:
Stop Loss Conservative
Stop Loss Moderate/Balanced
Stop Loss Aggressive

	Annualized Non-Wrap Fee's Schedule II		
	Up to 500,000	**Next 500,000**	**1 MM+**
VCM Annual Fee	0.90%	0.85%	0.70%

Advisor Annual Fee	1.00%	0.85%	0.75%
Total Annual Fee	1.90%	1.70%	1.45%

Fee Schedule III Direct Investment (Non-Wrap Fee Program)

This fee schedule is for the following portfolios. (There are no breakpoints with fee schedule III.)

Direct Investments

Cole CCPT V
Cole iNAV
Cole CCIT III

Annualized Non-Wrap Fee's Schedule III	
VCM Annual Fee	0.50%
Advisor Annual Fee	1.00%
Total Annual Fee	1.50%

SMA Investments

Taiber Kosmala & Associates:
S&P 500 ETF with VCM Overlay
S&P 500 Equal Weight ETF with VCM Overlay
Global Total Stock Market ETF with VCM Overlay
All World Ex-U.S. Equity with VCM Overlay

Fee Schedule IV (Non-Wrap Fee Program)

This fee schedule is for the following portfolios and 529 Plans opened at American Funds (No breakpoints available with fee schedule IV.

Taiber Kosmala & Associates ETF Strategies	**Mutual Funds:**
Strategic Conservative ETF	HCM Dividend Sector Plus (HCMNX)
Strategic Moderate ETF	Redwood Managed Volatility (RWDIX)
Strategic Aggressive ETF	WEDCO Power Dividend LW (load waved) (PWDIX)
Tactical Conservative ETF	WEDCO Power Income LW (load waved) (PWRIX)
Tactical Moderate ETF	
Tactical Aggressive ETF	

529 Plans:

American Funds 529 Plan

Annualized Non-Wrap Fee's Schedule IV	
VCM Annual Fee	0.35%
Advisor Annual Fee	0.65%
Total Annual Fee	1.00%

Fee Schedule V (Fee-Based Variable Annuity Fee Program)

This fee schedule is for fee-based variable annuities opened at Jefferson National. (No breakpoints available with fee schedule V):

Annualized Fee-Based Variable Annuity Fee's Schedule V		
VCM Annual Fee	0.55%	
Advisor Annual Fee	0.70%	
Total Annual Fee	1.25%	

Fee Schedule VI (Open Brokerage Pricing)

This fee schedule is for the following portfolios. (There are no breakpoints with fee schedule VI.)

Pacific 75 bps with VCM paying out 80%= 60 bps to advisor

Howard 75 bps with VCM paying out 80%= 60 bps to advisor

VCM has portfolios that were previously available to invest in that may no longer be able for new investors. As a result if you are a current client of VCM you may be invested in portfolios you do not see listed in this document or in our ADV 2A and Wrap Brochure.

For more information about VCM's wrap fee program, please refer to Appendix 1 of Part 2A: Virtue Capital Management, LLC, Wrap Fee Program Brochure.

Asset-based fees are always subject to the investment advisory agreement between the client and VCM. Such fees are payable monthly in arrears and are based on the average daily balance of the account during the month. Related accounts may be combined for fee paying purposes. We combine the account valuations to assist you in meeting fee breakpoints and therefore lowering the overall fee level. This option is extended to all accounts residing in the same household and certain members of the same family. The fees will be prorated if the investment advisory relationship commences otherwise than at the beginning of a calendar month.

The client authorizes the qualified custodian to automatically deduct the fee and all other charges payable hereunder from the assets in the account when due with such payments to be reflected on the next account statement sent to the client. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance. VCM may modify the fee at any time upon 30 days' written notice to the client. In the event the client has an ERISA-governed plan, fee modifications must be approved in writing by the client.

A client investment advisory agreement may be canceled at any time by the client, or by VCM with 30 days' prior written notice to the client. Upon termination, any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

A.1.a. Important Disclosure – Custodian Investment Programs

Please be advised that the firm utilizes certain custodians/broker-dealers. Under this arrangement we can access certain investment programs offered by our custodian that offer certain compensation and fee structures that create conflicts of interest of which clients need to be aware. Please note the following:

Limitation on Mutual Fund Universe for Custodian Investment Programs: Please note that as a matter of policy we prohibit the receipt of revenue share fees from any mutual funds utilized for our advisory clients' portfolios. Nonetheless, if the firm decides to take these 12b-1 fees in the future, please note the following: There are certain programs offered by our custodian in which the firm participates that limit the types of mutual funds and mutual fund share classes to those in which our custodian has negotiated the receipt of 12b-1 and/or other revenue sharing fee payments from the mutual fund issuer or sponsor. As such, a client's investment options may be limited in certain of these programs to those mutual funds and/or mutual fund share classes that pay 12b-1 fees and other revenue sharing fee payments, and the client should be aware that the firm is not selecting from among all mutual funds available in the marketplace when recommending mutual funds to the client. Such fees are deducted from the net asset value of the mutual fund and generally, all things being equal, cause the fund to earn lower rates of return than those mutual funds that do not pay revenue sharing fees. The client is under no obligation to utilize such programs or mutual funds. Although many factors will influence the type of fund to be used, the client should discuss with their investment adviser representative whether a share class from a comparable mutual fund with a more favorable return to investors is available that does not include the payment of any 12b-1 or revenue sharing fees given the client's individual needs and priorities and anticipated transaction costs. In addition, the receipt of such fees can create conflicts of interest in instances (i) where our adviser representative is also licensed as a registered representative of a broker-dealer and receives a portion of 12b-1 and or revenue sharing fees as compensation – such compensation creates an incentive for the investment adviser representative to use programs which utilize funds that pay such additional compensation; and (ii) where the broker-dealer receives the entirety of the 12b-1 and/or revenue sharing fees and takes the receipt of such fees into consideration in terms of benefits it may elect to provide to the firm, even though such benefits may or may not benefit some or all of the firm clients.

Additional Disclosure Concerning Wrap Programs: In addition, our custodian offers certain wrap fee programs that (i) allow our investment adviser representatives to select mutual fund classes that either have no transaction fee costs associated with them but include embedded 12b-1 fees that lower the investor's return ("sometimes referred to as "A-Shares," depending on the mutual fund issuer), or (ii) allow the use of mutual fund classes that have transaction fees associated with them but do not carry embedded 12b-1 fees (sometimes referred to as "I-Shares," depending on the mutual fund sponsor). Our wrap fee programs offer investment services and related transaction services for one all-inclusive fee (except as may be described elsewhere in this Brochure). The trading costs are typically absorbed by the firm and/or the investment representative. If a client's account holds A-Shares within a wrap fee program, the firm and/or its investment adviser representative avoids paying the transaction fees charged by other mutual fund classes, which in effect decreases the firm's costs and increases its revenues from the account. Effectively the cost is transferred to the client from the firm in the form of a lower rate of return on the specific mutual fund. This creates an incentive for the firm or investment adviser to utilize such funds as opposed to those funds that may be equally appropriate for a client but do not carry the additional cost of 12b-1 fees borne by the client. As a policy matter, the firm does not allow funds that impose 12b-1 or revenue sharing fees on the client's investment within its wrap fee programs. Should a client prefer an A-Share class or mutual fund share class that has embedded 12b-1 and/or revenue sharing fees, then the utilization of such funds within the wrap fee program requires specific written client consent acknowledging the conflict. Clients should understand and discuss with their investment adviser representative the types of mutual fund share classes available in the wrap fee program and the basis for using one share class over another in accordance with their individual circumstances and priorities.

A.2. Selection of Other Advisers Fees

VCM may use third-party money managers as sub-advisers or direct clients to third-party money managers. VCM will be compensated via a fee share from these advisers and this relationship will be memorialized in each contract between VCM and each third-party adviser. The fees shared will not exceed any limit imposed by any regulatory agency. The payment of fees for third-party investment advisers will depend on the specific sub-adviser/third-party adviser selected. Clients may terminate the contract without penalty, for full refund, within five business days of signing the contract. Thereafter, clients may terminate the contract at any time. If a client invests with a few days left in the month, they would be billed for the actual days in which they are invested in the models. In addition, if they are in a non-wrap account, they would be responsible for any trading costs incurred.

A.3. Hourly and Fixed Fee Arrangements

Fixed Fees

Depending upon the complexity of the situation and the needs of the client, the fixed fee for creating client financial plans is typically range between $1,000 and $10,000. The variation of fees would depend on the complexity of the client's particular situation. Fixed fees are computed based upon a good faith estimate of hours required to perform services. VCM attempts to maintain parity with hourly and fixed charges while allowing some flexibility in estimation, taking into account case complexity and client-specific circumstances. Fees are paid by check in advance, but never more than six months in advance, with the remainder due upon presentation of the plan. Clients may terminate a financial planning agreement at any time with written notice to the firm. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

Hourly Fees

Depending upon the complexity of the situation and the needs of the client, the hourly fee for these services is between $100 and $300. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Fees are paid by check to Virtue Capital Management in advance, but never more than six months in advance, with the remainder due upon presentation of the plan. Clients may terminate a financial planning agreement at any time with written notice to the firm. The fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

A.4. 401(k) Plan Pro Fees

We charge an annual fee for the 401(k) Plan Pro service, typically ranging from $79 to $389 which is payable in advance. If you are referred by an investment advisor you may be given a coupon code to use which may result in you paying a lower fee than those clients who have not been referred by an investment advisor. In certain cases you may elect to have these fees deducted periodically from your paycheck through your payroll processor. 401(k) Plan Pro uses Howard Capital Managements 401(k) Optimizer which is a Dalbar certified computerized software to make initial and ongoing investment recommendations to 401(k) Plan Pro participants.

A.4.a. Retirement Answers 101 Financial Education Course Fee

We may charge a fee of $40 per attendee for the course. Clients pay the course fee directly to their investment advisor representative hosting the Retirement Answers 101 course.

B. Client Payment of Fees

VCM requires clients to authorize the direct debit of fees from their accounts. Exceptions may be granted subject to the firm’s consent for clients to be billed directly for our fees. For directly debited fees, the custodian’s periodic statements will show each fee deduction from the account. Clients may withdraw this authorization for direct billing of these fees at any time by notifying us or their custodian in writing.

VCM will deduct advisory fees directly from the client’s account provided that (i) the client provides written authorization to the qualified custodian, and (ii) the qualified custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account.

401(k) Plan Pro clients will be billed annually, quarterly, or via payroll deduction.

The client is responsible for verifying the accuracy of the fee calculation, as the client’s custodian will not verify the calculation.

C. Additional Client Fees Charged

All fees paid to VCM for investment advisory services are separate and distinct from the fees and expenses charged by Mutual Funds, Exchange Traded Funds (ETFs), Variable Annuities, and other Investment Managers, broker/dealers and custodians retained by clients, if any. Such fees and expenses are described in each Mutual Fund's and Variable Annuity's prospectus, each Manager's Form ADV Part 2A, Wrap Brochure or similar disclosure statement, and by any broker/dealer or custodian retained by a client. Mutual Fund, Variable Annuities, and Manager fees generally include a management fee, fund expenses, and related fees. If a Mutual Fund also imposes sales charges, a client may pay an initial or deferred sales charge as further described in the Fund's prospectus. Refer to the Mutual Fund or Variable Annuity prospectus for a complete description of fees and services.

Additionally, each household will be charged a monthly $12 technology fee, subject to change based on the terms, conditions, and fees of providers. The technology fee will be billed and deducted each month from the largest valued household account from the date the household account is initially established with VCM. These fees will be deducted automatically from client accounts and shall be used by VCM to utilize software allowing the firm and its IARs to consolidate all accounts through a portfolio accounting system and create consolidated, on-demand performance reports. Moreover, clients will have the capability to create an online profile allowing them to login to VCM's portfolio accounting system and view their own account in "real time" on a consolidated basis.

Certain ETFs pay advisory fees to their investment advisors, which reduces the net asset value of the fund. Some ETFs are organized as unit investment trusts and do not have an investment advisor. However, all ETFs do incur expenses related to their management and administration that are analogous to an investment advisor's management fee. These expenses affect the value of the investment.

Furthermore, clients may incur brokerage commissions and other execution costs charged by the custodian or executing broker/dealer in connection with transactions for a client's account. Clients should further understand that all custodial fees and any other charges, fees and commissions incurred in connection with transactions for a client's account will be paid out of the assets in the account.

Please refer to the Brokerage Practices section (Item 12) for additional important information about the brokerage and transactional practices of VCM. Accordingly, the client should review both the fees charged by the product sponsor and the fees charged by VCM to fully understand the total fees to be paid.

C.1. Regulatory Fees

To facilitate the execution of trades, regulatory Trading Activity Fees (TAF) are added to applicable sales transactions. The Securities and Exchange Commission (SEC) regulatory fee is assessed on client accounts for sell transactions, and a FINRA fee is assessed on client accounts for sell transactions, for certain covered securities. TD Ameritrade, the custodian that Virtue uses, is a FINRA member firm. These fees recover the costs incurred by the SEC and FINRA, for supervising and regulating the securities markets and securities professionals.

The fee rates vary depending on the type of transaction and the size of that transaction. Trading Activity Fees rates are: $0.000119 per share for each sale of a covered equity security, with a maximum of $5.95 per trade, $0.002 per contract for each sale of an option, $0.00075 per bond for each sale of a covered bond with a maximum charge of $0.75 per trade. All charged fees will be rounded to the nearest penny using natural rounding logic. For a rounding example, $0.004 rounds to $0.00 and $0.016 rounds to $0.02.

An example of an equity TAF, if 100 shares of a covered equity were sold, the fee would be $0.000119 x 100 which equals $0.0119, which would be rounded to $0.01.

For more information on the SEC and FINRA fees, please visit their websites:

www.sec.gov/fast-answers/answerssec31htm.html

www.finra.org/industry/trading-activity-fee

D. Prepayment of Client Fees

VCM does not require the prepayment of its investment supervisory fees. VCM's fees will either be paid directly by the client or disbursed to VCM by the qualified custodian of the client's investment accounts, subject to prior written consent of the client. The custodian will deliver directly to the client an account statement, at least quarterly, showing all investment and transaction activity for the period, including fee disbursements from the account. A client investment advisory agreement may be canceled at any time by the client, or by VCM with 30 days' prior written notice to the client. Upon termination, any earned, unpaid fees will be immediately due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

Financial planning fees are paid via check in advance, but never more than six months in advance, with the remainder due upon presentation of the plan. Clients may terminate a financial planning agreement at any time with written notice to the firm. For hourly fee financial planning, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination. For fixed fee financial planning, fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

E. External Compensation for the Sale of Securities to Clients

VCM's advisory professionals are compensated primarily by VCM in the form of a percentage of fees they collect for the assets they attract to VCM available investment models. VCM's advisory professionals may be paid sales, service or administrative fees for the sale of mutual funds or other investment products. VCM's advisory professionals may receive commission-based compensation for the sale of securities and insurance products. Investment adviser representatives, in their capacity as a Producers Equity Group registered representative, are prohibited from earning an advisory fee on the securities value transferred from an advisory client's Producers Equity Group brokerage account unless commissions earned on such securities transactions occurred at least a 12–18 months prior to the transfer. Please Item 10.C. of this brochure for additional information on conflicts associated with the receipt of commission based compensation.

In addition, from time to time, VCM may initiate incentive programs for IARs. These programs may compensate them for attracting new assets and clients promoting investment advisory services. VCM may also initiate programs that reward IARs who meet total production criteria, participate in advanced training and/or improve client service. IARs who participate in these incentive programs may be rewarded with cash and/or non-cash compensation, such as deferred compensation, bonuses, training symposiums, marketing assistance and recognition trips. These incentive programs are paid for by VCM and do not affect fees paid by the client.

VCM may pay bonuses to prospective investment adviser representatives to entice them to join VCM and transition their current clients. Prospective clients should be aware this practice may constitute a conflict of interest in that the recommendation to transition their advisory relationship to VCM may be viewed as being in the best interest of VCM and its investment adviser representative as opposed to the client's.

Item 6: Performance-Based Fees and Side-by-Side Management

VFH, the parent company of VCM, has an economic interest in Tucker Asset Management. To the extent there are disparate fee structures between VCM and Tucker Asset Management, VCM and/or its affiliate may have an economic incentive to recommend Tucker Asset Management over VCM or vice versa depending on which advisory firm has a higher fee structure. This practice may constitute a conflict of interest of which prospective clients should be aware.

Item 7: Types of Clients

VCM generally provides investment advice and/or management supervisory services to the following types of clients:

- Individuals
- High-net-worth individuals
- Banks and thrift institutions
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations
- Other investment advisers

Virtue requires a minimum of $1,000 to open and maintain an advisory account or in certain circumstances an account can be established with less than $1,000. Certain third-party money managers have higher minimum investment amounts than $1,000 to open and maintain an advisory account.

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

A. Methods of Analysis and Investment Strategies

VCM will offer clients the following portfolios:

- **Alpha Investment Management**
  - Mid-Cap Power Index – The Alpha Investment Mid-Cap Power Index Management Portfolio is an actively managed portfolio that seeks above average market returns by focusing on seasonal influences in the stock market. Leverage ETFs are used in this portfolio. During the fourth quarter of each year, the strategy raises the beta of the mid-cap index fund by 50% during three "power period" trades totaling 20 days. These three sub-periods are influenced by end-of-month and holiday seasonal forces which are particularly robust in small and mid-cap stocks.
- **AlphaDNA Investment Management (formerly managed by ZEGA Financial)**
  - IAS Equity Long/Short - From the 2200 research signals produced every month, ZEGA scores S&P sector ETFs based on the actual weighted holdings of the ETFs. This produces overall buy/sell scores at the ETF level. The portfolio excludes the lowest ranked sector ETFs from the S&P 500 and overweights to the highest ranked sectors. The mid-ranked sectors are allocated according to their actual weight of the S&P 500.
  - IAS Equity Best Picks - This strategy is the Long only portion of the Equity Market Neutral portfolio. It represents the best equity picks from the universe of over 2200 stocks covered. It includes positions from Large Cap, Mid cap, and small cap. It is re-balanced monthly.
- **Brown Advisory**
  - Brown Large Cap Growth - The Brown Large Cap Growth portfolio focuses on finding companies with strong business models and capable management teams that have the potential to maintain attractive growth throughout a market cycle. The portfolio utilizes the concept of Darwinian Capitalism, a discipline that aims to have existing holdings constantly competing against new ideas to hold their place in the portfolio. This is done by maintaining a concentrated portfolio with a strict "one in, one out" discipline. The portfolio aims to achieve a high-active-share portfolio that is constantly optimized around investments that offer the most attractive risk-return potential.
  - Brown Large Cap Sustainable Growth - The Brown Large Cap Sustainable Growth portfolio focuses on uncovering large-cap companies that are building strong, successful business models by growing revenues, and trimming costs to create long-term growth. All portfolio decisions are guided by a detailed and constantly updated risk/reward analysis model. The portfolio will typically hold 30-40 securities with a self-imposed "one in, one out" discipline to consistently test portfolio holdings against new ideas. Risk is managed through intensive research

into business quality, as well as disciplined portfolio adjustment based on valuation considerations.

- Brown Flexible Equity - The Brown Flexible Equity portfolio identifies all businesses within the U.S. equity universe, seeking compelling long-term investments. The portfolio seeks to invest in firms that are built to last but look for low-entry prices that may arise from short- term investor sentiment or temporary challenges from a company or industry.

- **Capital Management Services**
  - Bull/Calendar Model – The Bull/Calendar Model uses the Bull/Bear Model strategy during Bull Markets and the Calendar Effects Model strategy during Bear Markets. Bull and Bear Markets are determined by the Bull-Bear Indicator. The goal of this Model is to be fully invested in equities during Bull Markets, and only exposed to the relatively few days with the highest probability of profit during Bear Markets.
  - Sector Rotation – The Sector Rotation Model is a risk-managed model which invests either monthly; when invested in Bond Sectors, a reallocation of the portfolio in high-ranked US Equity Sectors, or in high-ranked Bond Sectors. At the start of each quarter a risk measurement is made to determine whether the Model will invest in Equity Sectors or in Bond Sectors during that quarter. When invested in Equity Sectors, a reallocation of the portfolio is made monthly; when invested in Bond Sectors, a reallocation of the portfolio is made quarterly. This Model uses both Equity and Bond Sectors, and is in one or the other at all times. When risk is high in the Equity market, the Model switches to Bond Sectors. This ProFund version uses 1.5x leverage when in Equities.
- **Clark Capital Management**
  - Navigator Fixed Income Total Return – The model is seeking to maximize the potential for income while minimizing downside risk. An important characteristic of the strategy is the ability to shift out of lower quality arrears when needed and invest in higher quality debt and/or cash.
  - Navigator MultiStrategy 25-75 – The portfolio aims to tactically navigate the market with an active management approach. The strategy will participate in U.S. equity trends by allocating to areas of the U.S. equity markets that are outperforming their peers on a relative basis. It will also utilize a flexible bond approach and pursue opportunities in the high yield sector while having the ability to allocate to safer fixed income sectors when indicated. While the underlying equity and fixed income holdings are actively managed, the overall asset allocation will be rebalanced as needed to maintain the proper 25/75 risk profile.

- **ClearBridge Investments**
    - ClearBridge Large Cap Growth – The ClearBridge Large Cap Growth strategy seeks to invest primarily in high-quality, large-cap companies that are dominant in their industries to achieve long-term capital growth in a portfolio that is diversified to help manage risk. The strategy emphasizes security selection and fundamental, bottom-up analysis to identify companies with the potential to grow market share and earnings in the U.S. and overseas.
- **CMG Wealth**
    - Opportunistic All Asset Strategy – This model uses a process that evaluates a global universe of investment options to select a portfolio of up to 11 mutual fund positions. The tactical long only model will then rank each investment based solely on the price data of each asset. Those funds with the highest probabilities for success will be chosen and then re-evaluated after a set time period to see if they are still exhibiting market leadership. The strategy seeks to adjust allocations within the portfolio to capitalize on changing opportunities across global equity and fixed income markets.
- **Foresight Investment Advisors**
    - Companion Moderate - The Foresight Investment Advisor Moderate Portfolio seeks to average 75% of gains in up market years and seeks to limit losses to no more than 8% in down market years.
- **Hanseatic Management Services**
    - Hanseatic All Cap Tax Efficient Stock Strategy - Hanseatic believes that it is ideal to buy a stock when it emerges from a cyclical or secular decline, or a sidewise consolidation, and is in the beginning of a positive price trend. Hanseatic utilizes quantitative modeling called the Q Score Process to screen for these stocks, combined with an ironclad, biasfree sell discipline to minimize portfolio risk. The Q Score is a dynamic algorithm based analytic for identifying strong market performers over an investment time horizon. The Q score input is a time series of stock price. Through model factors calculated from the time series, which include the exponential moving average of price, a proprietary oscillator, and other trend measures over multiple time dimensions, each stock is ranked and the output produces a buy list.
- **Howard Capital Management**
    - Horizon Bond – The Horizon Bond strategy invests using the Proactive Sector Rotation methodology. This program typically seeks to participate in sectors using a strategy that rotates among various types and durations of bonds.
    - ALP Conservative – The ALP Conservative strategy invests in a 30% equities/70% bonds, which may vary based on the manager's discretion. The program seeks to participate in all markets and sectors using varying indices and methodologies.
    - ALP Balanced – The ALP balanced strategy invests in a 50% equities/50% bonds, which may vary based on the manager's discretion. The program seeks to participate in all markets and sectors using varying indices and methodologies.

    - ALP Growth – The ALP Growth strategy invests in a 70% equities/30% bonds, which may vary based on the manager's discretion. The program seeks to participate in all markets and sectors using varying indices and methodologies.
    - Dividend Income Conservative - (Holdings: Mutual Funds, Target Equity/Bond: 55/45, but may vary at manager's discretion) typically seeks to participate in all markets and sectors by investing the portfolio in sectors HCM's PSR methodology indicates have potential to outperform, and protect assets during adverse market conditions through application of the HCM-BuyLine.
    - Dividend Income Balanced - (Holdings: Mutual Funds, Target Equity/Bond: 65/35, but may vary at manager's discretion) typically seeks to participate in all markets and sectors by investing the portfolio in sectors HCM's PSR methodology indicates have potential to outperform, and protect assets during adverse market conditions through application of the HCM-BuyLine.
    - Dividend Income Growth - 85/15, but may vary at manager's discretion) typically seeks to participate in all markets and sectors by investing the portfolio in sectors HCM's PSR methodology indicates have potential to outperform, and protect assets during adverse market conditions through application of the HCM-BuyLine.
    - HCM Dividend Sector Index Plus – (Holdings: Stocks, Target Equity/Bond: 100/0) uses a hybrid methodology that attempts to get the best return out of dividend-oriented indexing. The goal is to invest in stocks with the potential to pay high dividend yields in each of 10 major S&P sector indices, and protect assets during adverse market conditions through application of the HCM-BuyLine.
- **Julex Capital Management**
    - Dynamic Income – The model is seeking to maximize the potential for income while minimizing downside risk. The strategy seeks to outperform Barclays US Aggregate Bond Index with a similar risk profile over a full market cycle.
- **Martin Investment Management**
    - U.S. Equity "Best Ideas" Growth - The core "Best Ideas" strategy for Martin Investment Management, LLC is actively managed with a focused portfolio of approximately 25 to 30 large capitalization U.S. domestic equities and international ADRs. We invest in stocks that we view as high quality with above average growth rates that are purchased at favorable price/earnings ratios. Our firm believes that holding a focused portfolio of approximately 25 to 30 stocks over a long-term horizon improves the portfolio's Active Share and the probability of outperforming the market over time. Growth with a Value Discipline has a quality emphasis and is based on fundamental valuation methods.

- **Morningstar**
  - Dividend Stock Portfolio – The model invests in dividend-paying stocks that are generally higher-quality in nature, with most boasting durable competitive advantages of some kind, such as economies of scale, patent protection, or iconic brand-names.
  - Hare Portfolio – The model seeks to outperform the S&P 500 index and to generate positive returns regardless of the broad market environment. Companies in this strategy tend to be either small or fast growing, or have a high risk/return proposition. Importantly, these stocks are selling at reasonable prices, not nosebleed multiples of price/earnings. In addition, they are generally higher-quality in nature, with most boasting durable competitive advantages of some kind, such as high customer switching cost, powerful network effects, or cost advantages.
  - Tortoise Portfolio – The model seeks to outperform the S&P 500 index and to generate positive returns regardless of the broad market environment. Companies in this portfolio tend to be large, moderate to low levels of risk. Those these firms aren't typically growing at a fast clip, they are normally profitable, cash-generating companies with solid balance sheets. Most stocks in the model boast durable competitive advantages of some kind, such as economies of scale, patent protection, or iconic brand names.
- **Navellier & Associates, Inc.:**
  - Libertas 30 – A diversified portfolio including domestic equity, international, alternative, and fixed income components. ETF universe is ranked using a quantitative system based on market price anomalies and the direction of the market based on risk/return characteristics. The portfolio may be less defensive than other similar portfolios. Uses a sine wave overlay to signal when to increase and decrease ETF and cash positions.
  - Tactical U.S. Equity Sector Plus - A diversified portfolio including domestic equity and fixed income components using iShares® and PowerShares ETFs. Uses NO shorting, leverage, inverse ETFs, or exotic derivative investments. Focuses primarily on downside risk management, especially in weak markets. Under extreme market conditions, the portfolio can build and hold substantial defensive positions to avoid losses.
- **Newfound Research**
  - Risk Managed Global Sectors – This strategy aims to provide access to global equities with an embedded, disciplined risk management process. The strategy uses the eleven global sector ETFs. Each of these ETFs invests in global equities (U.S., Foreign Developed and Emerging Markets) of companies operating in a specific sector. The strategy has the ability to add a position in cash equivalents to protect capital in declining market environments.
  - Multi-Asset Income – This strategy aims to provide access to alternative income generating vehicles in a risk-managed framework. The strategy operated under

the guiding philosophy that long-term income generation depends on both yield and capital protection. The strategy invests in global high-income assets classes through ETFs including both equity (MLPs, REITs, preferreds, dividend equities, etc.) and fixed income (bank loans, high yield EM bonds, etc.) exposure.

- **Niemann Capital Management**
  - Dynamic Global Equity Sector - The Niemann Capital Management, Inc. ("Niemann") Dynamic Global Equity Sector strategy is a global-equity ETF Managed Portfolio that invests in industry and sector ETFs around the world. The strategy uses a rotational approach with tactical allocation, trend following and relative strength disciplines. Niemann's ETF selection process includes their proprietary Risk- Balanced Opportunity™ calculation, which is similar to risk-adjusted return. Dynamic Global Equity Sector is fully invested at all times. The strategy seeks to offer some downside protection in certain market environments by rotating weakening themes into strengthening ones. At times, Dynamic Global Equity Sector can be over-weighted or under-weighted certain parts of the market.
  - Dynamic U.S. Equity Core - The Niemann Capital Management, Inc. ("Niemann") Dynamic U.S. Equity Core strategy is a U.S.-equity ETF Managed Portfolio that invests in in ETF indexes, industries, sectors and alternatives. The strategy uses a rotational approach with tactical allocation, incorporating both trend following and relative strength disciplines. Niemann's ETF selection process includes their proprietary Risk-Balanced Opportunity™ calculation, which is similar to risk-adjusted return. The Niemann Dynamic U.S. Equity Core is fully invested at all times. The strategy seeks to offer some downside protection in certain market environments by rotating from weakening themes into strengthening ones. At times, Dynamic U.S. Equity Core can be over-weighted or under-weighted certain parts of the market.
  - Risk Managed Global Equity Sector - The Niemann Capital Management, Inc. ("Niemann") Risk Managed Global Equity Sector strategy is a global-equity ETF Managed Portfolio that invests in sector and industry ETFs from around the world. The strategy uses a tactical rotational approach which incorporates trend following and relative strength disciplines. The ETF selection process includes Niemann's proprietary Risk-Balanced Opportunity™ calculation, which is similar to risk-adjusted return. The Risk Managed Global Equity Sector seeks to offer downside protection by incrementally going to cash or cash equivalents as market risk becomes excessive. Niemann monitors market risk daily by measuring the percentage of securities in an uptrend or a downtrend. As certain percentages are reached, the strategy activates the proprietary market risk on/off switch. When downside protection is activated, Niemann stops buying new ETFs, evaluates existing positions and sells down-trending ETFs, putting the proceeds in cash or cash equivalents. At times, the strategy can be up to 100% cash in order to minimize potential losses.

  - Risk Managed U.S Equity - The Niemann Capital Management, Inc. ("Niemann") Risk Managed US Equity strategy is a U.S.-equity ETF Managed Portfolio that invests in domestic ETF indexes, industries, sectors and alternatives. The strategy uses a rotational approach with tactical allocation, and incorporates trend following, relative strength and strict risk-management disciplines. The ETF selection process includes Niemann's proprietary Risk-Balanced Opportunity™ calculation, which is similar to risk-adjusted return. The strategy seeks to offer downside protection by incrementally going to cash or cash equivalents as market risk becomes excessive. Niemann monitors market risk daily by measuring the percentage of securities in an uptrend or a down-trend. As certain percentages are reached, the strategy activates the proprietary market risk on/ off switch. When downside protection is activated, Niemann stops buying new ETFs, evaluates existing positions and sells down-trending ETFs, putting the proceeds in cash or cash equivalents. At times, the strategy can be up to 100% cash in order to minimize potential losses.
- **Optimus Advisory Group**
  - Bond Rotation Strategy – The Optimus Bond Rotation Strategy seeks to provide total return while maintaining the ability to move between various durations and bond categories. Optimus Separately Managed Accounts – are tactical and alternative investment strategies based on proprietary mathematical algorithms. Assets are invested in mutual funds and/or ETFs. Some Optimus SMAs are not diversified and all Optimus SMAs experience frequent trading. Leveraged inverse mutual funds are used in some Optimus SMAs.
  - Tactical High Yield – Seeks to provide investors with the total return normally associated with High Yield Bonds, while using optimal exit techniques for downside risk reduction. Optimus Separately Managed Accounts – are tactical and alternative investment strategies based on proprietary mathematical algorithms. Assets are invested in mutual funds and/or ETFs. Some Optimus SMAs are not diversified and all Optimus SMAs experience frequent trading. Leveraged inverse mutual funds are used in some Optimus SMAs.
- **Redwood Investment Management**
  - Managed Volatility – The Redwood Managed Volatility Strategy (RWDIX) investment seeks a combination of total return and prudent management of portfolio downside volatility and downside loss. The fund uses a trend-following strategy that seeks to identify the critical turning points in the markets for high yield bonds and bank loans. It gains exposure to the high yield bond and bank loan markets through investments in investment companies, including open-end mutual funds, exchange-traded funds ("ETFs"), and closed-end funds, including business development companies.
- **SpiderRock Advisors, LLC**
  - SpiderRock Hedged Equity Concentrated Stock – This strategy uses an option overlay model which seeks to hedge downside risks for concentrated stock

positions. The strategy uses options and combinations of options to construct a hedge structure that protects the underlying securities from large downside moves, while at the same time preserving a portion of the upside. The strategy seeks a consistent reduction in stock volatility, while also allowing clients to maintain their current stock positions and its dividends. The option positions are dynamically rebalanced during times of market volatility, and systematically implemented to take advantage of option pricing inefficiencies.

- **Summit Capital Solutions**
  - Dual Momentum Sector Strength Conservative – This model seeks to provide exposure to up to 4 top-ranked broad U.S. economic sectors based upon SCS raking methodology. The strategy seeks to capitalize on historical tendencies of sectors to diverge from one another during the course of a major market cycle. Cash can represent up to 50% of this portfolio.
  - Dual Momentum Sector Strength Balanced – This model seeks to provide exposure to up to 4 top-ranked broad U.S. economic sectors based upon SCS raking methodology. The strategy seeks to capitalize on historical tendencies of sectors to diverge from one another during the course of a major market cycle. Cash can represent up to 75% of this portfolio.
  - Dual Momentum Sector Strength Aggressive - This model seeks to provide exposure to up to 4 top-ranked broad U.S. economic sectors based upon SCS raking methodology. The strategy seeks to capitalize on historical tendencies of sectors to diverge from one another during the course of a major market cycle. Cash can represent up to 100% of this portfolio.
- **Taiber Kosmala & Associates**
  - Stop Loss Conservative - The Conservative Stop Loss Portfolio is a portfolio that is invested in 40% equities and 60% fixed income. Through active management the portfolio will invest in either a 40% equity ETF position/60% fixed income ETF position or a 100% fixed income ETF position.
  - Stop Loss Moderate/Balanced - The Moderate/Balanced Stop Loss Portfolio is a portfolio that in invested 70% in equities and 30% in fixed income. Through active management the portfolio will invest in either a 70% equity ETF position/30% fixed income ETF position or a 100% fixed income ETF position.
  - Stop Loss Aggressive - The Aggressive Stop Loss Portfolio is a portfolio that is 100% equity based. Through active management the portfolio will invest in either a 100% equity ETF position or a 100% fixed income ETF position.
  - Enhanced Yield Growth and Income ETF - The Enhanced Yield Growth and Income Portfolio seek to provide above market income with capital appreciation as a secondary goal.
  - Opportunistic Municipal Bond – This model makes use of both open-end and closed end investments vehicles to mitigate cost and enhance portfolio yield. The primary objective of the model is to distribute tax-exempt market income while maintaining high average credit quality. The model is positioned to protect

capital in a rising rate environment. Capital appreciation is intended as a secondary goal by realizing discount normalization through market demand of closed-end investments.

- Strategic ETF - The primary objective of the Strategic ETF models is to minimize portfolio volatility for a given target return. The Strategic ETF models use long-term, historical data to project future returns and volatility while diversifying the portfolios efficiently across multiple asset classes. The allocations are determined through Modern Portfolio Theory to systematically reduce any overlapping investment exposures and price movements among asset classes. The strategy will maintain a buy-and-hold posture, while being subsequently rebalanced on an annual basis to maintain target allocations.
- Tactical ETF - The primary objective of the Tactical ETF models is to provide total return. Portfolio construction starts with long-term strategic targets, using Modern Portfolio Theory to initiate a target allocation. The models are monitored in respect to ongoing market movements, opportunistically investing in secular trends. The models will be tactically rebalanced, and may shift among non-core satellite exposures to circumvent popular and overcrowded investment themes. The tactical outlook may involve higher portfolio turnover as the investment horizon is typically shorter than long-term strategic targets.
- Hanseatic All Cap Tax Efficient Stock Strategy with VCM Overlay - There are two components of the strategy: the technical overlay and the underlying portfolio. The technical overlay is a combination of the mathematics, the technical indicators employed, and the data series utilized to execute the strategy. The technical overlay identifies inflection points and “triggers” the risk-on/risk-off posture of the portfolio. The underlying portfolio is the actively managed equity portfolio to which the risk-on/risk-off positioning is applied.   When the technical overlay indicates a risk-on posture, the strategy is invested in the underlying equity portfolio. When the technical overlay indicates a risk-off posture, the strategy is invested in iShares Core US Aggregate Bond ETF ticker symbol “AGG.” Hanseatic believes that it is ideal to buy a stock when it emerges from a cyclical or secular decline, or a sidewise consolidation, and is in the beginning of a positive price trend. Hanseatic utilizes quantitative modeling called the Q Score Process to screen for these stocks, combined with an ironclad, biasfree sell discipline to minimize portfolio risk. The Q Score is a dynamic algorithm based analytic for identifying strong market performers over an investment time horizon. The Q score input is a time series of stock price. Through model factors calculated from the time series, which include the exponential moving average of price, a proprietary oscillator, and other trend measures over multiple time dimensions, each stock is ranked and the output produces a buy list.
- Zacks Dividend Large Cap Value Stock Strategy with VCM Overlay - There are two components of the strategy: the technical overlay and the underlying portfolio. The technical overlay is a combination of the mathematics, the technical indicators employed, and the data series utilized to execute the strategy. The

technical overlay identifies inflection points and "triggers" the risk-on/risk-off posture of the portfolio. The underlying portfolio is the actively managed equity portfolio to which the risk-on/risk-off positioning is applied. When the technical overlay indicates a risk-on posture, the strategy is invested in the underlying equity portfolio. When the technical overlay indicates a risk-off posture, the strategy is invested in iShares Core US Aggregate Bond ETF ticker symbol "AGG." Zacks proprietary Risk Managed Dividend Strategy seeks total returns from both capital appreciation and dividend payments. The strategy emphasizes stocks with attractive valuations, strong dividends, and low risk characteristics. The approach uses a stock selection model that forms the quantitative basis for the buy/sell discipline as stocks with low rankings are sold during portfolio rebalancing and are replaced by stocks with more favorable rankings. Additionally, qualitative considerations are used by the portfolio manager; examples of these include the verifying the accuracy of each stock's factor exposures, which may be adversely impacted by possible lags in updates from the data feeds, and very recent corporate news that is not yet reflected in the data.

- Brown Flexible Equity Strategy with VCM Overlay - There are two components to the Brown Flexible Equity Strategy with VCM Overlay: the technical overlay and the underlying portfolio. The technical overlay is a combination of the mathematics, the technical indicators employed, and the data series utilized to execute the strategy. The technical overlay identifies inflection points and "triggers" the risk-on/risk-off posture of the portfolio. The underlying portfolio is the actively managed equity portfolio to which the risk-on/risk-off positioning is applied. When the technical overlay indicates a risk-on posture, the strategy is invested in the underlying equity portfolio. When the technical overlay indicates a risk-off posture, the strategy is invested in iShares Core US Aggregate Bond ETF ticker symbol "AGG". The Brown Flexible Equity portfolio identifies all businesses within the U.S. equity universe, seeking compelling long-term investments. The portfolio seeks to invest in firms that are built to last but look for low- entry prices that may arise from short- term investor sentiment or temporary challenges from a company or industry.
- Brown Large Cap Growth Strategy with VCM Overlay - There are two components to the Brown Large Cap Growth Strategy with VCM Overlay: the technical overlay and the underlying portfolio. The technical overlay is a combination of the mathematics, the technical indicators employed, and the data series utilized to execute the strategy. The technical overlay identifies inflection points and "triggers" the risk-on/risk-off posture of the portfolio. The underlying portfolio is the actively managed equity portfolio to which the risk-on/risk-off positioning is applied. When the technical overlay indicates a risk-on posture, the strategy is invested in the underlying equity portfolio. When the technical overlay indicates a risk-off posture, the strategy is invested in iShares Core US Aggregate Bond ETF ticker symbol "AGG". The Brown Large Cap Growth portfolio focuses on finding companies with strong business models and capable management teams that

have the potential to maintain attractive growth throughout a market cycle. The portfolio utilizes the concept of Darwinian Capitalism, a discipline that aims to have existing holdings constantly competing against new ideas to hold their place in the portfolio. This is done by maintaining a concentrated portfolio with a strict "one in, one out" discipline. The portfolio aims to achieve a high-active-share portfolio that is constantly optimized around investments that offer the most attractive risk-return potential.

  - Brown Large Cap Sustainable Growth Strategy with VCM Overlay - There are two components to the Brown Large Cap Sustainable Growth Strategy with VCM Overlay: the technical overlay and the underlying portfolio. The technical overlay is a combination of the mathematics, the technical indicators employed, and the data series utilized to execute the strategy. The technical overlay identifies inflection points and "triggers" the risk-on/risk-off posture of the portfolio. The underlying portfolio is the actively managed equity portfolio to which the risk-on/risk-off positioning is applied. When the technical overlay indicates a risk-on posture, the strategy is invested in the underlying equity portfolio. When the technical overlay indicates a risk-off posture, the strategy is invested in iShares Core US Aggregate Bond ETF ticker symbol "AGG". The Brown Large Cap Sustainable Growth portfolio focuses on uncovering large-cap companies that are building strong, successful business models by growing revenues, and trimming costs to create long-term growth. All portfolio decisions are guided by a detailed and constantly updated risk/reward analysis model. The portfolio will typically hold 30-40 securities with a self-imposed "one in, one out" discipline to consistently test portfolio holdings against new ideas. Risk is managed through intensive research into business quality, as well as disciplined portfolio adjustment based on valuation considerations.

- **Texas Elite Advisors**
  - Elite Relative Value Strategy - The portfolio's strategy was designed to provide competitive investment returns while attempting to manage volatility utilizing price timing to switch positions within a select basket of U.S. Large Cap equities. In general, the portfolio maintains long investment positions in five to ten companies using a combination of common stock.
- **W.E. Donoghue and Company (WEDCO)**
  - Power Dividend Index – The Power Dividend and Yield Portfolio is an investment strategy combining strategic asset allocation with a tactical overlay.
  - WEDCO Power International Dividend Index – The index is predicated upon the S-Metwork ADR Dividend Index of 50 stocks derived from the BNY Mellon Composite Depositary Receipt Index. The strategy employs an intermediate term tactical overlay to determine whether to be in a bullish or defensive posture.
  - Power Dividend Index Fund (PWDIX) tracks the W.E. Donoghue Power Dividend Total Return Index (PWRDXTR). The W.E. Donoghue Power Dividend Total Return Index uses a proprietary methodology to trigger allocations between an equally

weighted portfolio of dividend paying stocks and money markets. The PWRDXTR methodology employs a systematic approach to identify the five stocks in each of the ten S&P 500 Global Industry Classification Standard (GICS) sectors with the highest dividend yields. The ten GICS sectors are consumer discretionary, consumer staples, energy, financials, health care, industrials, information technology, materials, telecommunication services and utilities. This methodology is designed to convey the potential benefits of high dividend yield, sector diversification, equal weighting and risk reduction. Technical indicators are utilized as an overly for allocating between either stocks or money markets, should market conditions warrant, to attempt to mitigate losses during equity market downturns.

    - Power Income (PWRIX) - The Power Income Portfolio is designed to maintain long-term capital appreciation while producing high current returns. It invests primarily in high-yield bonds and money market funds and utilizes our proprietary risk-reducing system, which moves investments between these two asset classes to minimize losses during a downturn and maximize gains during upturns. This model operates according to the momentum of the markets, and not on subjective judgments. This portfolio is suitable for conservative investors who will need their funds within the next 6 to 24 months and whose primary goal is preservation of capital. This attractive alternative to buying government or corporate bonds is often used in conjunction with other W.E. Donoghue portfolios for the conservative portion of a larger portfolio.

- **Zacks Investment Management**
    - Zacks Dividend Large Cap Value Stock Strategy - Zacks proprietary Risk Managed Dividend Strategy seeks total returns from both capital appreciation and dividend payments. The strategy emphasizes stocks with attractive valuations, strong dividends, and low risk characteristics. The approach uses a stock selection model that forms the quantitative basis for the buy/sell discipline as stocks with low rankings are sold during portfolio rebalancing and are replaced by stocks with more favorable rankings. Additionally, qualitative considerations are used by the portfolio manager; examples of these include the verifying the accuracy of each stock's factor exposures, which may be adversely impacted by possible lags in updates from the data feeds, and very recent corporate news that is not yet reflected in the data.
- **ZEGA Financial**
    - HiPOS Conservative - The strategy is an alternative investment strategy that seeks excess returns from an aggressive investment profile. ZEGA generates return by selling credit spreads, which are two-legged options strategies. HiPOS is designed to be highly liquid and has little to no historical correlation to the equity or interest rate sensitive markets.
    - HiPOS Moderate – This model seeks to provide an alternative investment strategy as a complement or replacement for existing fixed income allocations. The model generates returns by selling credit spreads, which is a two-legged option

strategy. This model may produce positive returns in up or down markets and has little historic correlation to interest rate sensitive markets. Maximum 50% allocation.

- HiPOS Aggressive – This model seeks to provide an alternative investment strategy as a complement or replacement for existing fixed income allocations. The model generates returns by selling credit spreads, which is a two-legged option strategy. This model may produce positive returns in up or down markets and has little historic correlation to interest rate sensitive markets. Maximum 100% allocation.
- Buy and Hedge – This strategy is designed to provide broad market exposure while limiting the downside risk in the event of a material market correction. It is offered in two versions. Classic looks to create hedges around the 10% level and utilizes a combination of a core ETF position paired with a protective put. ZEGA then uses proprietary algorithms to reduce the cost of hedges by selling other volatility where appropriate. The Retirement version provides more at-the-money hedges but still allows the investor to have long term market exposure in equity markets but attempts to reduce the downside risk by limiting the actual capital invested in equity positions. Positions are created by using a combination of options to build synthetic exposure as well as holding ETF shares for growth and income.

VCM uses a variety of sources of data to conduct its economic, investment and market analysis, such as financial newspapers and magazines, economic and market research materials prepared by others, conference calls hosted by mutual funds, corporate rating services, annual reports, prospectuses, and company press releases. It is important to keep in mind that there is no specific approach to investing that guarantees success or positive returns; investing in securities involves risk of loss that clients should be prepared to bear.

VCM and its investment adviser representatives are responsible for identifying and implementing the methods of analysis used in formulating investment recommendations to clients. The methods of analysis may include quantitative methods for optimizing client portfolios, computer-based risk/return analysis, technical analysis, and statistical and/or computer models utilizing long-term economic criteria.

- Optimization involves the use of mathematical algorithms to determine the appropriate mix of assets given the firm's current capital market rate assessment and a particular client's risk tolerance.
- Quantitative methods include analysis of historical data such as price and volume statistics, performance data, standard deviation and related risk metrics, how the security performs relative to the overall stock market, earnings data, price to earnings ratios, and related data.
- Technical analysis involves charting price and volume data as reported by the exchange where the security is traded to look for price trends.

- Computer models may be used to derive the future value of a security based on assumptions of various data categories such as earnings, cash flow, profit margins, sales, and a variety of other company specific metrics.

In addition, VCM reviews research material prepared by others, as well as corporate filings, corporate rating services, and a variety of financial publications. VCM may employ outside vendors or utilize third-party software to assist in formulating investment recommendations to clients.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear. There is no guarantee that any specific investment or strategy will be profitable for a particular client.

A.1. Important Disclosure – Custodian Investment Programs

Please be advised that the firm utilizes certain custodians/broker-dealers. Under this arrangement we can access certain investment programs offered by our custodian that offer certain compensation and fee structures that create conflicts of interest of which clients need to be aware. Please see Item 5.A. of this Brochure for detailed information.

A.2. Mutual Funds and Third-Party Money Managers

VCM may recommend no-load and load-waived mutual funds and individual securities (including fixed income instruments). VCM may also assist the client in selecting one or more appropriate third-party money manager(s) and/or sub-advisers for all or a portion of the client's portfolio. Such managers will typically manage assets for clients who commit to the manager a minimum amount of assets established by that manager—a factor that VCM will take into account when recommending managers to clients.

A description of the criteria to be used in formulating an investment recommendation for mutual funds, ETFs, individual securities (including fixed-income securities), and managers is set forth below.

VCM has formed relationships with third-party vendors that

- provide a technological platform for separate account management
- prepare performance reports
- perform trading
- perform or distribute research of individual securities
- perform billing and certain other administrative tasks

VCM may utilize additional independent third parties to assist it in recommending and monitoring individual securities, mutual funds, and managers to clients as appropriate under the circumstances.

VCM reviews certain quantitative and qualitative criteria related to mutual funds and managers and to formulate investment recommendations to its clients. Quantitative criteria may include

- the performance history of a mutual fund or manager evaluated against that of its peers and other benchmarks

- an analysis of risk-adjusted returns
- an analysis of the manager's contribution to the investment return (e.g., manager's alpha), standard deviation of returns over specific time periods, sector and style analysis
- the fund, sub-advisor or manager's fee structure
- the relevant portfolio manager's tenure

Qualitative criteria used in selecting/recommending mutual funds or managers include the investment objectives and/or management style and philosophy of a mutual fund or manager; a mutual fund or manager's consistency of investment style; and employee turnover and efficiency and capacity.

Quantitative and qualitative criteria related to mutual funds and managers are reviewed by VCM on a quarterly basis or such other interval as appropriate under the circumstances. In addition, mutual funds or managers are reviewed to determine the extent to which their investments reflect efforts to time the market, or evidence style drift such that their portfolios no longer accurately reflect the particular asset category attributed to the mutual fund or manager by VCM (both of which are negative factors in implementing an asset allocation structure).

VCM may negotiate reduced account minimum balances and reduced fees with managers under various circumstances (e.g., for clients with minimum level of assets committed to the manager for specific periods of time, etc.). There can be no assurance that clients will receive any reduced account minimum balances or fees, or that all clients, even if apparently similarly situated, will receive any reduced account minimum balances or fees available to some other clients. Also, account minimum balances and fees may significantly differ between clients. Each client's individual needs and circumstances will determine portfolio weighting, which can have an impact on fees given the funds or managers utilized. VCM will endeavor to obtain equal treatment for its clients with funds or managers, but cannot assure equal treatment.

VCM will regularly review the activities of managers utilized for the client. Clients that engage managers or should first review and understand the disclosure documents of those managers, which contain information relevant to such retention or investment, including information on the methodology used to analyze securities, investment strategies, fees and conflicts of interest.

A.3. Material Risks of Investment Instruments

VCM typically invests in open-end mutual funds and exchange-traded funds for the vast majority of its clients. However, for certain clients, VCM may affect transactions in the following types of securities:

- Equity securities
- Mutual fund securities
- Exchange-traded funds
- Fixed income securities
- Corporate debt securities, commercial paper, and certificates of deposit
- Municipal securities
- Corporate debt obligations

- Variable annuities
- Real Estate Investment Trusts ("REITs")
- Physical Gold and Silver

A.3.a. Equity Securities

Investing in individual companies involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.

A.3.b. Mutual Fund Securities

Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.

A.3.c. Exchange-Traded Funds ("ETFs")

ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. Some examples of ETFs are SPDRs®, streetTRACKS®, DIAMONDS℠, NASDAQ 100 Index Tracking Stock℠ ("QQQs ℠") iShares® and VIPERs®. The funds could purchase an ETF to gain exposure to a portion of the U.S. or foreign market. The funds, as a shareholder of another investment company, will bear their pro-rata portion of the other investment company's advisory fee and other expenses, in addition to their own expenses.

Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral and the liquidity of the supporting collateral.

Further, the use of leverage (i.e., employing the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF's underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

A.3.d. Fixed Income Securities

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign) and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds have liquidity and currency risk.

A.3.e. Corporate Debt, Commercial Paper and Certificates of Deposit

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign) and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds also have liquidity and currency risk.

Commercial paper and certificates of deposit are generally considered safe instruments, although they are subject to the level of general interest rates, the credit quality of the issuing bank and the length of maturity. With respect to certificates of deposit, depending on the length of maturity there can be prepayment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

A.3.f. Municipal Securities

Municipal securities carry additional risks than those of corporate and bank-sponsored debt securities described above. These risks include the municipality's ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax free at the federal level, but may be taxable in individual states other than the state in which both the investor and municipal issuer is domiciled.

A.3.g. Corporate Debt Obligations

Corporate debt obligations include corporate bonds, debentures, notes, commercial paper and other similar corporate debt instruments. Companies use these instruments to borrow money from investors. The issuer pays the investor a fixed or variable rate of interest and must repay the amount borrowed at maturity. Commercial paper (short-term unsecured promissory notes) is issued by companies to finance their current obligations and normally has a maturity of less than nine months. In addition, the firm may also invest in corporate debt securities registered and sold in the United States by foreign issuers (Yankee bonds) and those sold outside the U.S. by foreign or U.S. issuers (Eurobonds).

A.3.h. Variable Annuities

VCM offers a variable annuity model through Jefferson National. The investment selections for the variable annuity may be limited to the choices offered through the specific product. Specifics regarding the annuity are found in the annuity prospectus and application documents. Variable Annuities are long-term financial products designed for retirement purposes. In essence, annuities are contractual agreements in which payment(s) are made to an insurance company, which agrees to pay out an income or a lump sum amount at a later date. There are contract limitations and fees and charges associated with annuities, administrative fees, and charges for optional benefits. They also may carry early withdrawal penalties and surrender charges, and carry additional risks such as the insurance carrier's ability to pay claims. Moreover, variable annuities carry investment risk similar to mutual funds. Investors should carefully review the terms of the variable annuity contract before investing.

A.3.i. Non-Traded Real Estate Investment Trusts ("REITs")

A REIT is a tax designation for a corporate entity which pools capital of many investors to purchase and manage real estate. Many REITs invest in income-producing properties in the office, industrial, retail, and residential real estate sectors. REITs are granted special tax considerations which can significantly reduce or eliminate corporate income taxes. In order to qualify as a REIT and for these special tax considerations, REITs are required by law to distribute 90% of their taxable income to investors. REITs can be traded on a public exchange like a stock, or be offered as a non-traded REIT. REITs, both public exchange-traded and non-traded, are subject to risks including volatile fluctuations in real estate prices, as well as fluctuations in the costs of operating or managing investment properties, which can be substantial. Many REITs obtain management and operational services from companies and service providers which are directly or indirectly related to the sponsor of the REIT, which presents a potential conflict of interest that can impact returns on investments.

Non-traded REITs include: (i) A REIT that is registered with the Securities and Exchange Commission (SEC) but is not listed on an exchange or over-the-counter market (non-exchange traded REIT); or, (i) a REIT that is sold pursuant to an exemption to registration (Private REIT). Non-traded REITs are generally blind pool investment vehicles. Blind pools are limited partnerships which do not explicitly state their future investments prior to beginning their capital-raising phase. During this period of capital-raising, non-traded REITs often pay distributions to their investors.

The risks of non-traded REITs are varied and significant. Because they are not exchange-traded investments, they are often lack a developed secondary market, thus making them illiquid investments. As blind pool investment vehicles, non-traded REITs' initial share prices are not related to the underlying value of the properties. This is because non-traded REITs begin and continue to purchase new properties as new capital is raised. Thus, one risk for non-traded REITs is the possibility that the blind pool will be unable to raise enough capital to carry out its investment plan. After the capital raising phase is complete, non-traded REIT shares are infrequently re-valued and thus may not reflect the true net asset value of the underlying real estate investments. Non-traded REITs often offer investors a redemption program where the shares can be sold back to the sponsor, however, those redemption programs are often subject to restrictions and may be suspended at the sponsor's discretion. While non-traded REITs may pay distributions to investors at a stated target rate during the capital-raising phases, the funds used to pay such distributions may be obtained from sources other than cash flow from operations, and such financing can increase operating costs.

A.3.j. Physical Gold and Silver

Buying gold and silver bars and coins exposes the investor to the risk of loss and theft. Costs are involved to mitigate this risk such as transportation and storage which will result in additional expense which serves to reduce any potential gains. Gold and silver prices are volatile and subject to market risk, inflation risk, currency risk, and political risk (government could nationalize mines, fix prices or create regulatory impediments that could have a material impact on prices).

B. Investment Strategy and Method of Analysis Material Risks

Our investment strategy is custom-tailored to the client's goals, investment objectives, risk tolerance, and personal and financial circumstances.

B.1. Margin Leverage

Although VCM, as a general business practice, does not utilize leverage, please be advised that if a client instructs VCM to utilize margin leverage please review the following:

The use of margin leverage enhances the overall risk of investment gain and loss to the client's investment portfolio. For example, investors are able to control $2 of a security for $1. So if the price of a security rises by $1, the investor earns a 100% return on their investment. Conversely, if the security declines by $.50, then the investor loses 50% of their investment.

The use of margin leverage entails borrowing, which results in additional interest costs to the investor.

Broker-dealers who carry customer accounts require a minimum equity requirement when clients utilize margin leverage. The minimum equity requirement is stated as a percentage of the value of the underlying collateral security with an absolute minimum dollar requirement. For example, if the price of a security declines in value to the point where the excess equity used to satisfy the minimum requirement dissipates, the broker-dealer will require the client to deposit additional collateral to the account in the form of cash or marketable securities. A deposit of securities to the account will require a larger deposit, as the security being deposited is included in the computation of the minimum equity requirement. In addition, when leverage is utilized and the client needs to withdraw cash, the client must sell a disproportionate amount of collateral securities to release enough cash to satisfy the withdrawal amount based upon similar reasoning as cited above.

Regulations concerning the use of margin leverage are established by the Federal Reserve Board and vary if the client's account is held at a broker-dealer versus a bank custodian. Broker-dealers and bank custodians may apply more stringent rules as they deem necessary.

B.2. Short-Term Trading

Although VCM, as a general business practice, does not utilize short-term trading, there may be instances in which short-term trading may be necessary or an appropriate strategy. In this regard, please read the following:

There is an inherent risk for clients who trade frequently in that high-frequency trading creates substantial transaction costs that in the aggregate could negatively impact account performance.

B.3. Short Selling

VCM generally does not engage in short selling but reserves the right to do so in the exercise of its sole judgment. Short selling involves the sale of a security that is borrowed rather than owned. When a short sale is effected, the investor is expecting the price of the security to decline in value so that a purchase or closeout of the short sale can be effected at a significantly lower price. The primary risks of effecting short sales is the availability to borrow the stock, the unlimited potential for loss, and the requirement to fund any difference between the short credit balance and the market value of the security.

B.4. Technical Trading Models

Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends, and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance. Please be advised that investing involves risk and that no particular investment strategy can guarantee against losses. . In particular, stop loss/buy orders do not guarantee securities will be sold/bought at a particular price. Stop loss/buy orders are generally converted to market orders at the specified price, and may be executed at a lower/higher price do to liquidity and current demand for the security. In addition, stop loss/buy orders may increase trading cost which could lower the portfolio's rate of return. The cash position may be more or less than 3% in the future which would have an impact on returns.

All market timing strategies that are employed are designed to be reactive indicators and therefore are not designed to avoid all losses.

B.5. Option Strategies

Various option strategies give the holder the right to acquire or sell underlying securities at the contract strike price up until expiration of the option. Each contract is worth 100 shares of the underlying security. Options entail greater risk but allow an investor to have market exposure to a particular security or group of securities without the capital commitment required to purchase the underlying security or groups of securities. In addition, options allow investors to hedge security positions held in the portfolio. For detailed information on the use of options and option strategies, please contact the Options Clearing Corporation for the current Options Risk Disclosure Statement.

VCM as part of its investment strategy may employ the following option strategies:

- Covered call writing
- Long call options purchases
- Long put options purchases
- Option spreading

B.5.a. Covered Call Writing

Covered call writing is the sale of in-, at-, or out-of-the-money call option against a long security position held in the client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

B.5.b. Long Call Option Purchases

Long call option purchases allow the option holder to be exposed to the general market characteristics of a security without the outlay of capital necessary to own the security. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

B.5.c. Long Put Option Purchases

Long put option purchases allow the option holder to sell or “put” the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long put option increases. In this way long puts are often used to hedge a long stock position. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

B.5.d. Option Spreading

Call option spreading usually involves the purchase of a call option and the sale of a call option at a higher contract strike price, both having the same expiration month. The purpose of this type of transaction is to allow the holder to be exposed to the general market characteristics of a security without the outlay of capital to own the security, and to offset the cost by selling the call option with a higher contract strike price. In this type of transaction, the spread holder “locks in” a maximum profit, defined as the difference in contract prices reduced by the net cost of implementing the spread. This is a long call spread position that represents a bullish posture on the underlying security.

Put option spreading usually involves the purchase of a put option and the sale of a put option at a lower contract strike price, both having the same expiration month. The purpose of this type of transaction is to allow the holder to purchase protection on the underlying security and to partially offset the cost by selling the put option with a lower contract strike price. In this type of transaction, the spread holder has protection on the underlying that goes in to the money at the higher strike and provides protection all the way down to the lower strike. This is a long put spread position that represents a bearish posture on the underlying security.

Short Options spreads involve the sale of a call or put and the purchase of a corresponding call or put at a strike price that is further from the money than the call or put that was sold, both having the same expiration month. This transaction is called a ‘credit spread’ because it produces a net credit to the account of the investor. The maximum profit is the credit that was collected by the investor. The maximum loss is the difference in contract prices reduced by the net proceeds collected by the investor when implementing the spread. This is a bullish position when selling a spread with puts and a bearish position when selling a spread with calls.

There are many variations of option spreading strategies; please contact the Options Clearing Corporation for a current Options Risk Disclosure Statement that discusses each of these strategies.

B.6.e. Inverse Funds

An inverse ETF is an exchange-traded fund (ETF) or Mutual Fund (MF) that is constructed by using various derivatives for the purpose of profiting from a decline in the value of an underlying benchmark. Investing in these ETFs and or MF is similar to holding various short positions or using a combination of advanced investment strategies to profit from falling prices. Most leveraged and/or inverse ETFs and mutual funds "reset" daily, meaning that they are designed to achieve their stated objectives on a daily basis. Their performance over longer periods of time—over weeks or months or years—can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period of time. This effect can be magnified in volatile markets. There is always a risk that not every leveraged and/or inverse ETF or mutual fund will meet its stated objective on any given trading day. Leveraged and/or inverse ETFs and mutual funds may be more costly than traditional ETFs and mutual funds, and may be less tax-efficient than traditional ETFs and mutual funds, in part because daily resets can cause the ETF or mutual fund to realize significant short-term capital gains that may not be offset by a loss. Be sure to check with your tax advisor about the consequences of investing in a leveraged and/or inverse ETF or mutual fund.

There are many variations of option spreading strategies; please contact the Options Clearing Corporation for a current Options Risk Disclosure Statement that discusses each of these strategies.

C. Security-Specific Material Risks

There is an inherent risk for clients who have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, one type of investment instrument (equities versus fixed income). Clients who have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There is nothing to report on this item.

B. Administrative Enforcement Proceedings

There is nothing to report on this item.

C. Self-Regulatory Organization Enforcement Proceedings

There is nothing to report on this item.

Item 10: Other Financial Industry Activities and Affiliations

A. Broker-Dealer or Representative Registration

Matthew and Jeremy Rettich are 85% owners of Producers Equity Group, which owns 49% of Center Street Holdings, which owns 100% of Center Street Securities, a FINRA registered broker-dealer and member SIPC, and Center Street Advisors, Inc., a registered investment adviser. To the extent that any securities transactions may have to be performed for a client, the firm has an economic interest in recommending those transactions be placed through Center Street Securities. We manage this conflict by disclosing the conflict and ensuring that any recommendations are in the client's best interest by taking into account their personal financial situations and objectives.

B. Futures or Commodity Registration

Neither VCM nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator or commodity trading advisor and do not have an application to register pending.

B.1. Physical Gold and Silver

VCM will assist clients in purchasing physical gold and silver through a third-party tangible asset dealer and may receive commission compensation which could influence their recommendations to clients. Clients are not required to purchase physical gold or silver though VCM or any of its affiliates.

C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest

The following outside activities and affiliations create an additional conflict of interest in that VCM's President and IARs' obligations to these outside interests may either conflict with the advisement provided by VCM or take up a substantial amount of their time and therefore the time spent on providing the advisory services described herein may be limited by virtue of their obligations to these outside interests. Although VCM's President and IARs will devote as much time to the business and affairs of VCM as is reasonably necessary to deliver the advisory services described herein, they may devote a significant portion of their time to the affairs of these other activities and affiliations.

VCM has adopted policies and procedures to address the conflicts presented by these relationships. For example, as part of the firm's fiduciary duty to its clients, VCM and its IARs will endeavor at all times to put the interest of its investment advisory clients first. Additionally, the conflicts presented by this practice are disclosed to clients at the time of entering into an advisory agreement. Please refer to Item 11 of this brochure titled Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

C.1. Broker-Dealer/Investment Adviser/Insurance Agency Affiliations

Matthew and Jeremy Rettich are 85% owners of Producers Equity Group, which owns 49% of Center Street Holdings, which owns 100% of Center Street Securities, a FINRA registered broker-dealer and member SIPC, and Center Street Advisors, Inc., a registered investment adviser. To the extent that any securities transactions may have to be performed for a client, the firm has an economic interest in recommending those transactions be placed through Center Street Securities. We manage this conflict by disclosing the conflict and ensuring that any recommendations are in the client's best interest by taking into account their personal financial situations and objectives.

IARs of Virtue may also be agents/registered representatives of a non-affiliated firm such as a broker-dealer or insurance agency, engaging in the business of selling life, health, long-term care, disability, and annuity insurance products as well as securities. As registered representatives, associates may receive separate compensation in the form of commissions for the purchase of securities through their affiliated broker-dealer as well as for the sale of insurance products. The receipt of commission compensation creates an incentive to recommend products that may be viewed in the best economic interests of VCM and its professionals versus those of its clients. Clients may use the insurance provider of their choice.

C.2. Cornerstone Retirement Group LLC

Matthew Rettich is a licensed insurance agent and CEO of Cornerstone Retirement Group LLC, a financial planning firm. From time to time he may offer clients advice, or recommend insurance products through Cornerstone Retirement Group LLC and receive a commission for doing so. Please be advised there is a potential conflict of interest in that there is an economic incentive to recommend insurance and other investment products. Please also be advised that VCM strives to put its clients' interests first and foremost. Clients are in no way required to implement a plan through any representative of VCM in their capacity as a registered investment adviser with another firm. Other than for insurance products that require a securities license, such as variable insurance products, clients may utilize any insurance carrier or insurance agency they desire. For products requiring a securities and insurance license, clients may be limited to those insurance carriers that have a selling agreement with VCM's employing broker-dealer.

C.3. Virtue Advisors

Jeremy Rettich is a licensed insurance agent and President of Virtue Advisors, an insurance marketing firm. He may recommend insurance products offered through Virtue Advisors and receive a commission for doing so. Please be advised there is a potential conflict of interest in that there is an economic incentive to recommend insurance and other investment products. Please also be advised that VCM strives to put its clients' interests first and foremost. Other than for insurance products that require a securities license, such as variable insurance products, clients may utilize any insurance carrier or insurance agency they desire. For products requiring a securities and insurance license, clients may be limited to those insurance carriers that have a selling agreement with VCM's employing broker-dealer.

C.4. Virtue Financial Advisors

Jeremy Rettich is President of Virtue Financial Advisors, a financial planning firm. From time to time, he will offer clients advice or products from this activity. VCM always acts in the best interest of the client. Clients are in no way required to implement a plan through any representative of VCM in their capacity as a registered investment adviser with another firm. Please be advised there is a potential conflict of interest in that there is an economic incentive to recommend insurance and other investment products. Please also be advised that VCM strives to put its clients' interests first and foremost. Other than for insurance products that require a securities license, such as variable insurance products, clients may utilize any insurance carrier or insurance agency they desire. For products requiring a securities and insurance license, clients may be limited to those insurance carriers that have a selling agreement with VCM's employing broker-dealer.

C.5. Tucker Asset Management, LLC

Tucker Asset Management, LLC ("Tucker Asset Management") is a limited liability company organized in the State of Colorado. Karlan Tucker Trust owns 100% of the firm. The firm was formed to provide investment advisory services. Virtue Financial Holdings, LLC has been granted an economic interest in the firm and therefore may be in a position to influence the business of Tucker Asset Management. VCM may have a potential conflict of interest in that any recommendations of Tucker Asset Management may, depending on the fee structures of Tucker Asset Management and VCM, be viewed as being in the best interest of Virtue Financial Holdings.

C.6. Virtue Financial Holdings, LLC

Virtue Financial Holdings, LLC ("VFH") has acquired an economic interest in Tucker Asset Management, LLC, an investment adviser applicant with the state of Colorado and numerous other state jurisdictions. VFH is the parent company of VCM. VCM may have a potential conflict of interest in that any recommendations by its affiliate, VFH, of Tucker Asset Management may, depending on the fee structures of Tucker Asset Management and VCM, be viewed as being in the best interest of VCM's affiliate VFH.

C.7. Summit Capital Solutions, LLC

VCM is affiliated with Summit Capital Solutions, LLC ("Summit Capital"), a registered investment adviser. Jeremy Rettich also has an ownership interest in Summit. Summit offers separate account management services directly to end clients and Summit Capital offers its services to clients of registered investment advisers under a sub-adviser relationship with various platforms. This creates a conflict of interest in that Jeremy Rettich has a financial incentive to promote a Summit advised investment, and to use them as part of Virtue's portfolios. Clients are under no obligation to invest in Summit advised investments and may choose a non-Summit advised investment solution.

D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest

VCM may from time to time participate as a sub-advisor under other firms' advisory programs. A client of the other firm selects a registered investment advisor, such as VCM, from a list of approved advisors to provide investment management services. VCM receives a fee for account management services provided to clients of an outside firm as outlined in a sub-advisory agreement. This agreement may also outline items such as the advisory services to be provided, the responsibilities of VCM and the other firm, and the terms of engagement including fees and termination. Responsibilities such as collecting the client's investment objectives, determining the strategy best suited for the client, and communication with the client will be the responsibility of the outside firm. VCM has no responsibility to assess the value of services provided by the outside firm, therefore the client should evaluate whether such a program is suitable for their needs and objectives, and whether comparable or similar services are available at a lower cost elsewhere

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

A. Code of Ethics Description

In accordance with the Advisers Act, VCM has adopted policies and procedures designed to detect and prevent insider trading. In addition, VCM has adopted a Code of Ethics (the "Code"). Among other things, the Code includes written procedures governing the conduct of VCM's advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by the chief compliance officer of VCM. VCM will send clients a copy of its Code of Ethics upon written request.

VCM has policies and procedures in place to ensure that the interests of its clients are given preference over those of VCM, its affiliates and its employees. For example, there are policies in place to prevent the misappropriation of material non-public information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

VCM does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, VCM does not recommend any securities to advisory clients in which it has some proprietary or ownership interest.

C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

VCM, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which VCM specifically prohibits. VCM has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest
- prohibit fraudulent conduct in connection with the trading of securities in a client account

- prohibit employees from personally benefitting by causing a client to act, or fail to act in making investment decisions
- prohibit the firm or its employees from profiting or causing others to profit on knowledge of completed or contemplated client transactions
- allocate investment opportunities in a fair and equitable manner
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow VCM's procedures when purchasing or selling the same securities purchased or sold for the client.

D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

VCM, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may affect securities transactions for their own accounts that differ from those recommended or affected for other VCM clients. VCM will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation (please refer to Item 12.B.3 Order Aggregation). It is the policy of VCM to place the clients' interests above those of VCM and its employees.

Item 12: Brokerage Practices

A. Factors Used to Select Broker-Dealers for Client Transactions

A.1. Custodian Recommendations

VCM may recommend that clients establish brokerage accounts with TD Ameritrade or Jefferson National ("custodian"), FINRA registered broker-dealers and SIPC members, to maintain custody of clients' assets and to effect trades for their accounts. Although VCM may recommend that clients establish accounts at the custodian, it is the client's decision to custody assets with the custodian. VCM is independently owned and operated and not affiliated with custodian. For VCM client accounts maintained in its custody, the custodian generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the custodian or that settle into custodian accounts. VCM may provide investment advice to clients as to the proper allocation and selection of investments made available through the 529 plan. Please be advised that our advice is limited to those funds available within the 529 plan. VCM may provide investment advice to clients as to the proper allocation and selection of investments made available through a fee-based variable annuity product. Please be advised that our advice is limited to those funds available within the 529 plan.

VCM considers the financial strength, reputation, operational efficiency, cost, execution capability, level of customer service, and related factors in recommending broker-dealers or custodians to advisory clients.

In certain instances and subject to approval by VCM, VCM will recommend to clients certain other broker-dealers and/or custodians based on the needs of the individual client, and taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The final determination to engage a broker-dealer or custodian recommended by VCM will be made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

A.1.a. Soft Dollar Arrangements

VCM does not utilize soft dollar arrangements. VCM does not direct brokerage transactions to executing brokers for research and brokerage services.

A.1.b. Institutional Trading and Custody Services

The custodian provides VCM with access to their institutional trading and custody services, which are typically not available to the custodian's retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain minimum amount of the advisor's clients' assets are maintained in accounts at a particular custodian. The custodian's brokerage services include the execution of securities transactions, custody, 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.

A.1.c. Other Products and Services

The custodian also makes available to VCM other products and services that benefit VCM but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of VCM's accounts, including accounts not maintained at the custodian. The custodian may also make available to VCM software and other technology that

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing and other market data
- facilitate payment of VCM's fees from its clients' accounts
- assist with back-office functions, recordkeeping and client reporting

The custodian may also offer other services intended to help VCM manage and further develop its business enterprise. These services may include

- compliance, legal and business consulting
- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants and insurance providers

The custodian may also provide other benefits such as educational events or occasional business entertainment of VCM personnel. In evaluating whether to recommend that clients custody their assets at the custodian, VCM may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a conflict of interest. VCM mitigates this conflict by making custodian recommendations in conformity with the client's personal and financial circumstances and in the best interests of the client.

A.1.d. Independent Third Parties

The custodian may make available, arrange, and/or pay third-party vendors for the types of services rendered to VCM. The custodian may discount or waive fees it would otherwise charge for some of these services or all or a part of the fees of a third party providing these services to VCM.

A.1.e. Additional Compensation Received from Custodians

VCM may participate in institutional customer programs sponsored by broker-dealers or custodians. VCM may recommend these broker-dealers or custodians to clients for custody and brokerage services. There is no direct link between VCM's participation in such programs and the investment advice it gives to its clients, although VCM receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits may 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 VCM 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
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to VCM by third-party vendors

The custodian may also pay for business consulting and professional services received by VCM's related persons, and may pay or reimburse expenses (including client transition expenses, travel, lodging, meals and entertainment expenses for VCM's personnel to attend conferences). Some of the products and services made available by such custodian through its institutional customer programs may benefit VCM but may not benefit its client accounts. These products or services may assist VCM in managing and administering client accounts, including accounts not maintained at the custodian as applicable. Other services made available through the programs are intended to help VCM manage and further develop its business enterprise. The benefits received by VCM or its personnel through participation in these programs do not depend on the amount of brokerage transactions directed to the broker-dealer.

VCM also participates in similar institutional advisor programs offered by other independent broker-dealers or trust companies, and its continued participation may require VCM to maintain a predetermined level of assets at such firms. In connection with its participation in such programs, VCM will typically receive benefits similar to those listed above, including research, payments for business consulting and professional services received by VCM's related persons, and reimbursement of expenses (including travel, lodging, meals and entertainment expenses for VCM's personnel to attend conferences sponsored by the broker-dealer or trust company).

As part of its fiduciary duties to clients, VCM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by VCM or its related persons in and of itself creates a conflict of interest and may indirectly influence VCM's recommendation of broker-dealers for custody and brokerage services. VCM mitigates this conflict by disclosing the conflict and managing the account in conformity with the client's personal and financial circumstances and in the best interests of the client.

A.2. Brokerage for Client Referrals

VCM does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

A.3. Directed Brokerage

A.3.a. VCM Recommendations

VCM typically recommends TD Ameritrade or Jefferson National as custodian for clients' funds and securities and to execute securities transactions on its clients' behalf.

A.3.b. Client-Directed Brokerage

Occasionally, clients may direct VCM to use a particular broker-dealer to execute portfolio transactions. Clients who designate the use of a particular broker-dealer should be aware that they will lose any possible advantage VCM derives from aggregating transactions. Such client trades are typically affected after the trades of clients who have not directed the use of a particular broker-dealer. VCM loses the ability to aggregate trades with other VCM advisory clients, potentially subjecting the client to inferior trade execution prices as well as higher commissions.

B. Aggregating Securities Transactions for Client Accounts

B.1. Best Execution

VCM, pursuant to the terms of its investment advisory agreement with clients, has discretionary authority to determine which securities are to be bought and sold, and the amount of such securities. VCM recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. VCM will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include but are not limited to the following:

- The financial strength, reputation and stability of the broker
- The efficiency with which the transaction is effected
- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any)
- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance and settlement

- Block trading and positioning capabilities
- Performance measurement
- Online access to computerized data regarding customer accounts
- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates
- The economic benefit to the client
- Related matters involved in the receipt of brokerage services

Consistent with its fiduciary responsibilities, VCM seeks to ensure that clients receive best execution with respect to clients' transactions by blocking client trades to reduce commissions and transaction costs. To the best of VCM's knowledge, these custodians provide high-quality execution, and VCM's clients do not pay higher transaction costs in return for such execution.

Commission rates and securities transaction fees charged to effect such transactions are established by the client's independent custodian and/or broker-dealer. Based upon its own knowledge of the securities industry, VCM believes that such commission rates are competitive within the securities industry. Lower commissions or better execution may be able to be achieved elsewhere.

B.2. Security Allocation

Since VCM may be managing accounts with similar investment objectives, VCM may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by VCM in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts.

VCM's allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account the clients' best interests. VCM will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

VCM's advice to certain clients and entities and the action of VCM for those and other clients are frequently premised not only on the merits of a particular investment, but also on the suitability of that investment for the particular client in light of his or her applicable investment objective, guidelines and circumstances. Thus, any action of VCM with respect to a particular investment may, for a particular client, differ or be opposed to the recommendation, advice, or actions of VCM to or on behalf of other clients.

B.3. Order Aggregation

Orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Subsequent orders may also be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure. All clients participating in each aggregated order will receive the average price and, subject to minimum ticket charges and possible step outs, pay a pro rata portion of commissions.

To minimize performance dispersion, "strategy" trades should be aggregated and average priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if VCM believes that a larger size block trade would lead to best overall price for the security being transacted.

B.4. Allocation of Trades

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, clients' liquidity needs and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

VCM acts in accordance with its duty to seek best price and execution and will not continue any arrangements if VCM determines that such arrangements are no longer in the best interest of its clients.

B.5. Trade Error Policy

The firm maintains policies and procedures for the disposition of trade errors. The firm's policy is as follows:

All trade errors must be reviewed and approved by a VCM Manager or the Chief Compliance Officer ("CCO") before a correction can be effected. It is the responsibility of the Manager and/or CCO, once the correcting trade has been effected, to memorialize the details of the error and correction, and if necessary, to work with the applicable service provider (most likely the custodian) to determine fault and how the corrected trade is to be reflected or corrected in the client's account. Errors resulting in losses of $100 or less, irrespective of fault, will be absorbed either by the custodian or VCM. It is our goal that where applicable, the benefit of an error shall always go to the client. For example, if the firm failed to purchase a security for a client on a particular day and upon discovery of the error, the price of the stock was lower, the client would get the benefit of the lower price. There may circumstances, for example, either for a buy or sell transaction, where the firm may be required to provide the price on the day the security transaction was to be effected in order to accommodate tax selling, avoid violating regulatory requirements for same day substitutions, and related circumstances. VCM firm policy is that any gains generated from trade errors will be donated to a tax-exempt charity of VCM's choice.

Item 13: Review of Accounts

A. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

Accounts are reviewed by the account's advisor and random accounts are reviewed by VCM's Chief Compliance Officer. The frequency of reviews is determined based on the client's investment objectives, but reviews are conducted no less frequently than annually. More frequent reviews may also be triggered by a change in the client's investment objectives, tax considerations, large deposits or withdrawals, large purchases or sales, loss of confidence in the underlying investment, or changes in macro-economic climate.

Financial planning clients receive their financial plans and recommendations at the time service is completed. Financial plans are reviewed by the Chief Compliance Officer prior to delivery to clients. There are no post-plan reviews unless engaged to do so by the client.

B. Review of Client Accounts on Non-Periodic Basis

VCM may perform ad hoc reviews on an as-needed basis if there have been material changes in the client's investment objectives or risk tolerance, or a material change in how VCM formulates investment advice.

C. Content of Client-Provided Reports and Frequency

The client's independent custodian provides account statements directly to the client no less frequently than quarterly. The custodian's statement is the official record of the client's securities account and supersedes any Orion statements or reports created on behalf of the client by VCM.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

VCM will enter into contractual agreements to act as a solicitor permitted by Rule 206(4)-3 of the Investment Advisers Act of 1940 ("Act"). Pursuant to these agreements, VCM receives compensation for referring prospective clients to third-party investment managers (The Pacific Financial Group and Howard Capital Management). Such arrangements will comply with the cash solicitation requirements under the Investment Advisers Act of 1940. Generally, these requirements require the solicitor to have a written agreement with the referral partner. The solicitor must provide the client with a disclosure document describing the fees it receives from the referral partner, whether those fees represent an increase in fees that the referral partner would otherwise charge the client, and whether an affiliation exists between VCM and the referral partner. VCM will provide prospective clients with all applicable written disclosures required by the Act or as otherwise required by state or federal securities regulatory authorities.

B. Advisory Firm Payments for Client Referrals

VCM may enter into agreements with solicitors who will refer prospective advisory clients to VCM in return for a portion of the ongoing investment advisory fee. Such arrangements will comply with the cash solicitation requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940. Generally, these requirements require the solicitor to have a written agreement with VCM. The solicitor must provide the client with a disclosure document describing the fees it receives from VCM, whether those fees represent an increase in fees that VCM would otherwise charge the client, and whether an affiliation exists between VCM and the solicitor.

Please be advised that the firm may employ internal and external recruiters ("Recruiters") whose primary responsibility is to recruit and employ qualified investment advisor representative candidates. In this regard the Recruiters are paid a percentage of the aggregate revenue generated by the recruit's advisory clients, provided such recruit (i) joins VCM as an investment advisor representative and (ii) the recruit's advisory clients establish an investment advisory relationship with VCM. Please note that recommendations by the Recruiters to qualified investment advisor representative candidates may entail the offer of economic benefits to entice the candidate to join VCM. This practice creates a conflict of interest in that any recommendations you receive to establish an investment advisory relationship with VCM may be motivated by investment advisor representative's economic self-interest rather than what may be in the best interest of the advisory client. Please note there is no additional fee paid by the client as a result of any fee paid to the Recruiters by VCM. We manage these conflicts by disclosing such conflict to our prospective clients and ensuring that all of our advice to clients is formulated with the clients' best interests in mind.

Please be advised that VCM has entered into a solicitor's arrangement with one of its investment advisory clients. In addition to the conflict where recommendations by the solicitor may be viewed as being in the best interests of the solicitor and VCM, there are additional conflicts that you should be made aware. The solicitor may receive (i) preference regarding trade allocation on block trades for several clients, (ii) preference regarding favorable investment opportunities, and (iii) receive disproportionate allocation of time by VCM and the servicing IAR. The one-page solicitor disclosure statement will reflect these additional conflicts and are required to be acknowledged in writing by the prospective client.

C. Expense Reimbursements

VCM may from time to time receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing, such as advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is the in best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

Item 15: Custody

VCM is considered to have custody of client assets for purposes of the Advisers Act for the following reasons.

- The client authorizes us to instruct their custodian to deduct our advisory fees directly from the client's account. The custodian maintains actual custody of clients' assets.
- Our authority to direct client requests, utilizing standing instructions, for wire transfer of funds for first-party money movement and third-party money movement (checks and/or journals, ACH, Fed-wires). The firm has elected to meet the SEC's seven conditions to avoid the surprise custody exam, as outlined below:
    1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
    2. The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
    3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
    4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
    5. The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
    6. The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
    7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Individual advisory clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances, and portfolio holdings in their accounts. Clients are urged to compare the account balance(s) shown on their account statements to the quarter-end balance(s) on their custodian's monthly statement. The custodian's statement is the official record of the account. Private fund investors will receive fund level statements of all activity, cash balances, and portfolio holdings on a quarterly basis from their qualified custodian

Item 16: Investment Discretion

Clients may grant a limited power of attorney to VCM with respect to trading activity in their accounts by signing the appropriate custodian limited power of attorney form. In those cases, VCM will exercise full discretion as to the nature and type of securities to be purchased and sold, and the amount of securities for such transactions. Investment limitations may be designated by the client as outlined in the investment advisory agreement.

Item 17: Voting Client Securities

VCM does not take discretion with respect to voting proxies on behalf of its clients. VCM will endeavor to make recommendations to clients on voting proxies regarding shareholder vote, consent, election or similar actions solicited by, or with respect to, issuers of securities beneficially held as part of VCM supervised and/or managed assets. In no event will VCM take discretion with respect to voting proxies on behalf of its clients.

Except as required by applicable law, VCM will not be obligated to render advice or take any action on behalf of clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. VCM has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. VCM also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, VCM has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where VCM receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate and where the client has authorized contact in this manner.

Item 18: Financial Information

A. Balance Sheet

VCM does not require the prepayment of fees of $1,200 or more, six months or more in advance and as such is not required to file a balance sheet.

B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

VCM does not have any financial issues that would impair its ability to provide services to clients.

C. Bankruptcy Petitions During the Past Ten Years

There is nothing to report on this item.