Item 1: Cover Page

Part 2A of Form ADV
Firm Brochure

March 19, 2021

Virtue Capital Management LLC
SEC File No. 801-79938

6 Cadillac Drive, Suite 310
Brentwood, TN 37027

Phone: 615-340-0801
Email: scervantes@virtuecm.com
Website: www.virtuecapitalmanagement.com

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 scervantes@virtuecm.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. 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 that we seek to prepare pursuant to relevant regulatory guidelines provided by the SEC under the Investment Advisers Act of 1940, as amended.

Below is a brief summary of the relevant changes since VCM's last annual updating amendment to its brochure filed on March 30, 2020, which it will provide to VCM's clients within 120 days of the close of our business fiscal year. Other changes made were primarily to provide additional clarifications and to better organize this disclosure document:

Effective January 2021, Steven Cervantes was appointed Chief Compliance Officer at VCM.

In December 2020, VCM sold its revenue sharing interest in Tucker Asset Management, LLC, and no longer has an economic interest in the company.

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 owns 100% of Virtue Capital Management, LLC, is owned by Jeremy Rettich, Matthew Rettich, and James Webb. 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 asset management and financial planning firm offering a variety of investment management, financial planning, portfolio monitoring and third-party manager monitoring services to individuals, high-net-worth individuals, trusts, estates, charitable organizations, other investment advisers and the clients of such independent investment advisers.

B.1. Investment Advisory and Portfolio Management Services

VCM generally provides continuous and regular supervisory or management services. VCM gives continuous advice to its clients through its investment adviser representatives based on the individual needs of each client. VCM manages client accounts on a discretionary basis. VCM has discretionary authority regarding the securities to be bought or sold, the amount of securities to be bought or sold as well as the authority to hire and terminate third-party money managers. Account supervision is generally guided by the stated objectives of the client (e.g., capital appreciation, growth, income, or growth and income). Consideration is also generally given to the allocation of assets among securities-based investment strategies and managers and recommendations and selections are generally tailored to the client's overall investment objectives and risk profiles. VCM's investment committee also seeks to perform due diligence on third-party money managers and investment solutions prior to these being offered through the VCM platform and then strives to perform ongoing due diligence as to such managers and solutions.

B.2. Selection of Other Advisers

VCM may utilize or recommend sub-advisers or third-party money managers ("TPMMs") to clients. VCM will generally be compensated via a fee share with the TPMMs to which it directs those clients. The fees shared will not exceed any limit imposed by any regulatory agency. Before recommending TPMMs to clients, VCM performs due diligence and research on such TPMMs.

B.3. Consulting and Financial Planning Services

Consulting and financial planning services may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. The fees for these services are negotiable and are generally either in the form of fixed fees or hourly fees and the final fee structure is documented in an exhibit to the Financial Planning Agreement. VCM does not, however, provide tax or legal advice.

In offering financial planning, a conflict exists between the interests of the investment adviser and the interests of the client since the investment adviser will benefit from the fees earned from managing the client's assets in the event the client chooses to invest through the VCM platform. However, 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 affect the transaction through the investment adviser. This statement is required by California Code of Regulations, 10 CCR Section 260.235.2.

Clients will usually receive a written or oral report (depending on the client's preference) providing a basic financial plan designed to help achieve the client's 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 including those 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 usually gathers client information through, among other things, 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. Retirement Answers 101 Financial Education Course

We may offer this course to provide pre-retirees and retirees with a better understanding of the many financial planning areas that should often be considered as they enter into or maintain the lifestyle to which they have become accustomed 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 versus fiduciary responsibility," and 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.

B.5. ERISA & Qualified Plan Services

VCM offers to ERISA and other Qualified Plans consulting services that involve one or more of the following services, either onsite or through an electronic medium, as requested by the Plan:

- Enrollment meetings to Plan participants
- Education as to the Plan's options and features
- Education for employees on financial topics such as compound interest, debt, benefits of financial planning as examples
- Discuss with HR payroll and related matters pertaining to Plan services and enrollment issues that may arise
- Individual discussions with employees regarding Plan features and operations
- Discuss investment changes with the Plan's trustees that the 3(38) Plan fiduciary makes from time to time
- Periodically benchmark the plan as to costs and benefits to other plan providers to assess the Plan's competitiveness for industry, size, and features

C. Client-Tailored Services and Client-Imposed Restrictions

Each client's account will usually 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

A wrap fee program is a program where VCM "wraps" both the asset management fees for advisory services and the transaction fees for execution services into a single fee charged to the client. Under a wrap fee arrangement, a client's costs are the same regardless of the number of transactions in an account.

Pursuant to the Agreement signed by each client, the client will pay VCM a monthly Management/ Wrap Program Fee, payable in arrears, based on the accounts average daily balance, prorated based on the amount of the assets to be managed by the adviser as of the opening of business on the first business day of each month. In the event a client should withdraw from a strategy mid-month, the prorated advisory fee will be charged at that time. The wrap program does not cover anything held outside a VCM Model, such as a legacy position or client-initiated purchases.

These fees cover (i) an initial analysis and periodic re-evaluation of the client's investment objectives and needs, and discretionary allocation among portfolio managers, (ii) all advisory services, including fees of portfolio managers, (iii) account statements, (iv) execution, and (v) custody.

As you are participating in a wrap fee program, you will not be charged brokerage commissions; however, please note that your brokerage account may be charged a service charge by the clearing firm, as well as potential account opening, closing, or similar servicing fees, in addition to your wrap fees. Certain IRA accounts may be charged custodial or other service fees as well. If your account is invested in mutual funds, the mutual fund company may assess administrative charges against your investment in that fund. These fees are not charged by VCM, but rather by the product sponsor, brokerage firm, or custodian firm. In the normal course of effecting transactions, prices for certain trades made on behalf of your account may include mark-ups, mark-downs and spread differentials.

Please be advised that the major custodians including ours have eliminated transaction-based charges for equity and ETF transactions. In this regard, we have moved our equity and ETF managed model portfolios to a non-wrap fee program account. With respect to our mutual fund models, we continue to offer a wrap fee program for mutual funds that exclude any "no transaction fee" funds. Be mindful that limiting our mutual fund wrap program to transaction fee only funds limits the universe of mutual funds in our program.

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, 2020, VCM had approximately $700,319,737 in discretionary and $0 in non-discretionary assets under management.

Item 5: Fees and Compensation

A. Methods of Compensation and Fee Schedule

A.1. Investment Management Services Fees

VCM's fee for investment management services is an asset-based fee calculated as a percentage of the value of the managed assets, pursuant to an asset management agreement and negotiated fee that is fully disclosed at the time a client contracts with VCM or a client contracts with an independent investment adviser that in turn contracts with VCM to act as a subadvisor. Such asset-based management fees generally range from 1.00% to 1.95% per year. Please note that the client may be able to obtain comparable services elsewhere at more favorable pricing.

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 generally subject to an investment advisory agreement between the client and VCM or the client and their independent registered investment adviser that in turn contracts with VCM as a subadvisor. 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. VCM may combine the account valuations to assist a client in meeting fee breakpoints and therefore lowering the overall fee level. This option is generally extended to accounts residing in the same household and certain members of the same family. The fees are usually prorated if the investment advisory relationship commences other than at the beginning of a calendar month. In the event a client should withdraw from a strategy mid-month the prorated advisory fee will be charged at that time.

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 VCM 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 the applicable 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 generally 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 and 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 with VCM without penalty, for a 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 typically ranges 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. 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. Fees that are charged in advance will usually 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 an exhibit to 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 generally between $100 and $300. The fees are negotiable, and the final fee schedule will be attached as an exhibit to the Financial Planning Agreement. 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 contract.

A.4. Retirement Answers 101 Financial Education Course Fee

A fee may be charged on a per attendee basis for the course. Clients generally pay the course fee directly to their investment adviser representative hosting the Retirement Answers 101 course.

A.5. ERISA & Qualified Plan Service Fees

Fees for ERISA and Qualified Plan services are negotiated on an engagement-by-engagement basis prior to services commencing and generally involve an annualized percentage based upon the assets under management of the Plan. Such fees may be paid by the Plan directly or as part of the fees charged to the Plan by the investment fiduciary.

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 VCM's 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 VCM 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.

The client is responsible for verifying the accuracy of the fee calculation and we recommend they do this, 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 any 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 funds, ETFs, variable annuities, and managers generally include a management fee, fund expenses, and related fees. If a mutual fund also imposes sales and or early redemption charges, a client may pay an initial or deferred sales charge as further described in the Fund's prospectus. Refer to any respective 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 each account within the household based on each account's corresponding percentage of total household value from the date the household account is initially established with VCM. These fees will be deducted automatically from client accounts and may 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 advisers, which reduces the net asset value of the ETF. Some ETFs are organized as unit investment trusts and do not have an investment adviser. However, all ETFs do incur expenses related to their management and administration that are analogous to an investment adviser'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, the custodian, and the fees charged by VCM to fully understand the total fees to be paid.

Non-Standard Asset (NSA) fees may be charged by TD Ameritrade (one of the custodians used by VCM). The fees charged are $100 for each purchase of an NSA and $150 annually (typically in 4th quarter of each year meaning a client that invest in 3rd quarter could pay a fee of $100 and then be charged a $150 annual fee in 4th quarter) for the custody of each NSA.

C.1. Regulatory Fees

To facilitate the execution of trades, regulatory Trading Activity Fees (TAF) may be added to certain 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 VCM primarily 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, though subject to change, 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.

As 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 advisory 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 usually paid by a client via check, sometimes in advance, but never more than $1,200 in fees more than 6 months in advance, with the remainder sometimes 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 collected from clients for the assets the licensed advisory professionals attract to VCM's available investment models.

VCM advisory professionals that are dually registered as a registered representative of a FINRA member broker-dealer may be paid sales, service or administrative fees for the sale of mutual funds or other investment products. Such dually registered advisory professionals may receive commission-based compensation for the sale of securities and will be paid for the transaction exclusively by the broker-dealer. Investment adviser representatives, in their capacity as a broker-dealer registered representative, are prohibited from earning an advisory fee on the securities value transferred from an advisory client's brokerage account unless commissions earned on such securities transactions occurred at least a 12–18 months prior to the transfer. VCM advisory professionals that are insurance licensed may also receive commission-based compensation for the sale of insurance products. Please see 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 investment adviser representatives. These programs may compensate them for attracting new assets and promoting investment advisory services. VCM may also initiate programs that reward investment adviser representatives who meet certain production criteria, participate in advanced training and/or improve client service. Investment adviser representatives 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. However, as a form of risk mitigation, both the investment adviser representatives and VCM are subject to the duty to put their client's interests first.

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

VCM does not charge performance-based fees and therefore has no economic incentive to manage clients' portfolios in any way other than what is in their best interests.

Item 7: Types of Clients

VCM along with its investment adviser representatives may provide investment advice and/or management supervisory services to any of the following types of clients:

- Individuals
- Pensions and/or profit-sharing plans
- High-net-worth individuals
- Trusts, estates, or charitable organizations
- Corporations and other business entities
- Other investment advisers or their clients

VCM 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. VCM may, at its discretion, accept accounts below the minimum required amount. Prior to engaging VCM to provide any of the investment advisory services described in this Brochure, the client will be required to enter into a written agreement setting forth the terms and conditions under which the firm shall render its services. 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 may offer clients the following, general categories of strategies, which are subject to change at any time by the third-party manager or at VCM's discretion:

- <u>Tactical</u> - A strategy that generally seeks to shift the percentage of assets held in various categories to take advantage of market pricing anomalies or stronger market sectors. This strategy aims to allow portfolio managers to create extra value by taking advantage of certain situations in the marketplace. It is usually a moderately active strategy since managers usually return to the portfolio's original strategic asset mix once reaching the desired short-term profits.
- <u>Strategic</u> - Strategic investments may involve a wide variety of transactions. The portfolio managers of such transactions usually seek to decide on a strategic investment when they believe that the investment is not merely directed towards financial goals, but also broader business or strategic goals.

- Dynamic - Dynamic investment strategies are generally those that seek to make longer-term investments in certain asset classes or securities and periodically buy and sell those securities as markets rise and fall, and as the economy strengthens and weakens. With this strategy, portfolio managers may sell assets that decline and purchase assets that increase.

VCM or third-party money managers or subadvisors may use a variety of sources of data to conduct 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 may review 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.

A.1. 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.

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 may review certain quantitative and qualitative criteria related to mutual funds and managers to formulate investment recommendations to its clients. Qualitative criteria used in selecting/recommending mutual funds or managers may include, among other things, 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 may be reviewed by VCM on a quarterly basis or such other interval as appropriate under the circumstances. In addition, mutual funds or managers may be 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 seeks to regularly review the activities of managers utilized for the client. Clients that engage managers 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.2. Material Risks of Investment Instruments

VCM typically invests in open-end mutual funds and exchange-traded funds for the vast majority of its clients.

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.

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) within ETFs 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 risk can severely and negatively impact the price of the ETF's underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

VCM can purchase ETFs or the strategies it offers may gain exposure to the markets through ETFs with exposure to equities, fixed income, commodities, currencies, developed/emerging international markets, real estate, and specific sectors. The underlying investments of these ETFs will have different risks.

Equity Risk: Equity prices can fluctuate for a variety of reasons including market sentiment and economic conditions.

Small Company Risk: The prices of smaller market capitalization companies tend to be more volatile than those of larger, more established companies.

Fixed Income Risk: It is important to note bond prices generally move inversely with interest rates and fixed income ETFs can experience negative performance in a period of rising interest rates. High yield bonds are subject to higher risk of principal loss due to an increased chance of default.

Commodity Risk: Commodity ETFs generally gain exposure through the use of futures which can have a substantial risk of loss due, in part, to leverage.

Currency Risk: Currencies can fluctuate with changing monetary policies, economic conditions, and other factors.

International Market Risk: International markets have risks due to currency valuations and political or economic events. Emerging markets typically have more risk than developed markets.

Real Estate Risk: Real estate investments can experience losses due to lower property prices, changes in interest rates, and other factors.

Sector Risk: Investments in specific sectors can experience greater levels of volatility than broad-based investments due to their narrower focus.

Inverse ETFs: Inverse ETFs attempt to profit from the decline of an asset or asset class by seeking to track the opposite performance of the underlying benchmark or index. Inverse products attempt to achieve their stated objectives on a daily basis and can face additional risks due to this fact. The effect of compounding over a long period can cause a large dispersion in performance between the ETF and the underlying benchmark or index. Inverse ETFs can lose money even when the benchmark or index performs as desired. Inverse ETFs have potential for significant loss and are not suitable for all investors.

Credit Risk: In certain cases, VCM will purchase Exchanged-Traded Notes ("ETN") in client accounts. ETNs are subject to different risks than ETFs. ETNs are unsecured debt obligations of the issuer and will subject investors to credit risk. The objective of an ETN is to replicate the performance of an underlying index (similar to an ETF), however, ETNs do not buy or hold assets. The closing indicative value of an ETN is calculated by the issuer and can vary from the price of the ETN in the secondary market. The issuer of an ETN can engage in trading activities at odds with clients who hold the ETN.

Liquidity Risk: Although ETFs and ETNs are Exchange-Traded Products ("ETPs"), a lack of demand can prevent daily pricing and liquidity from being available.

B. Other Material Risks

Investment Philosophy: VCM's investment philosophy is based on the belief that economic data can provide valuable information for portfolio construction. VCM's strategies are managed according to this belief and thus, there is a risk the environment will change, and the data no longer produces the same or similar results in future periods as in the past. As the proprietary models and research rely on available data from various sources, there is a risk the necessary pieces of information are no longer made available or the data collection changes. Our methods rely on the assumption the provided data is unbiased and accurate. There is a risk our analysis is compromised by inaccurate or misleading information.

Valuation Forecasts: Our judgment about the attractiveness, value and potential appreciation of a particular asset class or individual security may be incorrect, and there is no guarantee that the securities we select will perform as anticipated. The value of an individual security can be more volatile than the market as a whole, or our approach may fail to produce the intended results. Our estimate of a security's intrinsic value may be wrong or, even if our estimate of intrinsic value is correct, it may take a long time before the market price and intrinsic value converge. As a result, there is a risk of loss on the assets we manage. We seek to reduce your risk through diversification. Although we will do our best in managing your assets, we cannot guarantee any level of performance or that you will not experience a loss in the value of your assets.

Economic & Market Conditions: VCM's models are sensitive to economic and market environments. If economic data diverges from market sentiment, VCM's strategies can experience difficulty. The decision to invest or not invest in certain securities can lead to higher levels of risk than desired and/or the strategies can experience underperformance relative to their respective benchmarks.

C. Risk of Loss and Frequent Trading

Although VCM makes every effort to preserve capital and achieve capital appreciation, you should be aware investing in financial instruments involves the risk of loss. As a client, you should be prepared to bear losses. We do not represent or guarantee our services or methods of analysis can or will predict future results or insulate clients from losses due to market corrections or declines. You should be aware past performance is in no way an indication of future performance. VCM's strategies include frequent trades as positions and asset class exposures are adjusted. Unlike a passive investment approach which has static targets throughout all periods and seeks to match an index or benchmark with minimal adjustments, VCM's active approach is flexible and can have significant change throughout periods. Frequent trading can impact a client's overall performance due to transaction charges, taxes, and other costs associated with trading.

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

Investment adviser representatives of VCM may also be registered representatives of a nonaffiliated firm such as a broker-dealer.

VCM has a referral agreement with an unaffiliated, independent FINRA broker-dealer, LifeMark Securities Corp., through which some of VCM's investment adviser representatives may be dually registered.

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.

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 owners', executives' or investment adviser representatives' obligations to these outside interests may either conflict with the advice provided by VCM or take up a substantial amount of their time and therefore the time spent on providing the services described herein may be limited by virtue of their obligations to these outside interests. Although VCM's owners, executives and investment adviser representatives will devote as much time to the business and affairs of VCM as is reasonably necessary to deliver the services described herein, they may devote a significant portion of their time to the affairs of these other activities and affiliations.

VCM has sought to adopt 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 investment adviser representatives 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. 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.2. Virtue Advisors

Jeremy Rettich is a licensed insurance agent, and the President and indirect owner of Virtue Advisors LLC, an insurance marketing firm. James Webb and Matthew Rettick are also licensed insurance agents and indirect owners of Virtue Advisors. They may recommend insurance products offered through Virtue Advisors and receive a commission or indirect compensation for doing so.

Virtue Advisors receives compensation under an agreement with Great American Life (GA) for VCM investment adviser representatives to provide a fee-based fixed-indexed annuity and optional guaranteed income rider. Virtue Advisors will receive a one-time 1.50% override payment that is not made by, reimbursed by, or deducted from either the Client or the investment adviser representative for each GA fee-based fixed indexed annuity purchased by a Client. 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.

Most VCM investment adviser representatives also sell insurance products or annuities to their clients when appropriate. Insurance activities of investment adviser representatives might include engaging in the business of selling life, health, long-term care, and disability policies. Although some of these insurance related services or products may be provided through Virtue Advisors, many are not. Insurance products, including regular fixed index annuities, are not offered through VCM but are sold by insurance licensed agents using various insurance companies. The issuing insurance companies are not affiliated with VCM. Sometimes the fixed insurance product could be used as a replacement or alternative to the VCM fixed income portion of a portfolio. However, annuity products present their own differences from traditional fixed income securities, such as bonds, including, but not limited to liquidity, tax implications, surrender charges, and underlying fees. Unlike bonds, there is no secondary market for annuity products. Annuities also may be subject to caps, restrictions, fees and surrender charges as described in the annuity contract. Any annuity guarantees are backed by the financial strength and claims paying ability of the issuer. VCM does not charge management fees on commission based fixed index annuities. However, the representative may receive commissions from the recommendation of any insurance product, like a fixed index annuity, and this may present a conflict of interest. Full and fair disclosure will be made to clients if such a conflict exists that could impact the impartiality of their advice.

If a VCM investment adviser representative is licensed as an insurance agent and/or registered representative and makes a recommendation for transacting in a fixed annuity and/or life insurance product, this gives rise to conflicts of interest due to the fact that such VCM investment adviser representative is receiving remuneration in the form of commission and in some cases, other compensation (such as a percentage of an organizations' profits for selling fixed annuities and/or life insurance) which incentives such investment adviser representatives to sell that product. VCM investment adviser representatives mitigate this conflict by making recommendations that are in the client's best interest and which are suitable for them based on their investment objectives and needs.

C.3. Virtue Financial Advisors

VCM is affiliated with Virtue Financial Advisors ("VFA"), a financial planning firm. VFA is equally owned by Jeremy Rettich and Nomi Rettich. Jeremy Rettich is President of Virtue Financial Advisors. Clients of VCM may be offered advice or products by VFA. VCM acts in the best interest of the client, and clients are in no way required to implement a plan through any representative of VCM. Please be advised there is a conflict of interest in that there is an economic incentive to recommend insurance and other investment products to clients or prospective clients. Please also be advised that VCM strives to put its clients' interests first and foremost. Other than for certain 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 Holdings, LLC

VFH is the parent company of VCM. VCM has a conflict of interest in that any recommendations by its affiliates may, depending on the fee structures of VCM, be in the best interest of VCM's affiliate VFH. Jeremy Rettich, the President of VCM, and Matthew Rettich are both substantial direct owners of VFH, and James Webb, Vice President of VCM, is a direct owner of VFH. Therefore, all direct owners of VFH are also indirect owners of VCM and Virtue Advisors.

C.5. Summit Capital Solutions, LLC

VCM is affiliated with Summit Capital Solutions, LLC ("SCS"), a registered investment adviser. SCS is owned by James D. Webb Revocable Living Trust Agreement dated 08/14/2015 (50%) and Jeremy M. Rettich Revocable Living Trust Agreement dated 12/02/2011 (50%). SCS offers separate account management services directly to end clients and 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 and James Webb have a financial incentive to promote a SCS advised investment, and to use them as part of VCM's portfolios. Clients are under no obligation to invest in SCS advised investments and may choose a non-SCS advised investment solution.

C.6. RIA Compliance Firm, LLC

VCM is affiliated with RIA Compliance Firm, LLC ("RIACF"), a Tennessee limited liability company. Jeremy Rettich and James Webb have an ownership interest in and are officers of RIACF. RIACF offers investment advisers, including VCM and Summit, assistance with their compliance needs and VCM may pay RIACF for services it provides to these and other investment advisers that utilize the sub-advisory services of VCM, its managers, its affiliates, or insurance services of Virtue Advisors. This creates a conflict of interest since the principals, employees or independent contractors of VCM, RIACF or Virtue Advisors may have a financial incentive to promote RIACF, and to have investment advisers use the services of RIACF. This also creates a conflict for third-party investment advisers that wish to use the services of RIACF and that receive a discount on the cost for such services or discounts on other related services and technology due to their doing business with VCM or its affiliates and since a client may pay different fees as a result of the investment adviser choosing to do business with VCM as a result. Investment advisers are under no obligation to obtain services from VCM, its affiliates, or RIACF and clients are under no obligation to do business with an investment adviser, VCM or any of its affiliates that may be doing business with RIACF. This conflict is mitigated by the shared desire to provide the best possible compliance services in the most efficient manner to investment advisers to strengthen their ability to comply with applicable securities laws and industry best practices, which can serve to better protect clients. This conflict is also mitigated by an adviser's duty to serve the best interests of its clients regardless of what firm is providing that adviser with compliance services. This conflict is further mitigated by RIACF's use of independent contractors and/or employees as consultants that have no interests in VCM, Virtue Advisors or other VCM affiliates.

D. Recommendation or Selection of Other Investment Advisers 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 adviser, such as VCM, from a list of approved advisers 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 and other violations of the federal securities laws. 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 that are designed to promote the interests of its clients such that they 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 or different securities as are purchased for or recommended to 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 Nationwide, 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 these custodians, it is the client's decision to custody assets with the custodian. VCM is independently owned and operated and not affiliated with its third-party custodians. For VCM client accounts maintained at 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 a 529 plan. Please be advised that our advice is limited to those funds available within any such 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 any such 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. It should also be noted that recently TD Ameritrade and other custodians stopped charging many transaction fees that were previously charged to clients outside of Wrap-Fee program accounts.

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 advisers on an unsolicited basis, at no charge to them so long as a certain minimum amount of the adviser'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 may 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 Nationwide 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.

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 affect 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 on the same day may 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 usually 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

Allocations will usually 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:

Subject to VCM's discretionary authority to make trades, all trade errors must be reviewed and approved by a VCM Manager or the Chief Compliance Officer ("CCO") before a correction can be affected. 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 or third-party money manager) 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 usually be absorbed either by the custodian or VCM. VCM firm policy is that any gains or losses resulting from error correction will be placed in VCM's error correction account. If the error results in a gain, VCM may use the gain to offset trade error losses, allow the client to keep the gain, or donate the gain to charity. If the error results in a loss, VCM will make the client whole by reversing or otherwise as appropriate fixing the error, or by crediting the client account for any loss.

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 investment adviser representatives and random accounts are reviewed by VCM's Chief Compliance Officer or designees. The frequency of reviews is determined based on the client's investment objectives, but adviser reviews are generally 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, changes in macro-economic climate or other variables.

The client will receive written statements no less than quarterly from the custodian. In addition, the client may receive other supporting reports from mutual funds, asset managers, trust companies or custodians, insurance companies, broker-dealers and others who are involved with client accounts.

VCM has the ability to prepare written quarterly reports reflecting current positions and valuations which may be provided to all clients for managed accounts. Third party custodians also provide monthly statements. Financial planning clients receive their financial plans and recommendations at the time service is completed. Financial planning agreements are reviewed by the Chief Compliance Officer or his designee prior to such agreements being executed. 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

Please be advised that the firm, based upon the specific services engaged for in the investment advisory and or financial planning agreement, will prepare written financial planning reports or other reports as specifically engaged by the client to perform in accordance with the terms of such agreement.

Clients may receive a quarterly performance evaluation, a monthly activity summary statement, confirmation of all transactions as they occur, and a year-end tax summary supplemental to their account statements. All reports are provided in writing. Additional reports may be provided depending on the program and at the request of the client. All account statements are sent to the client directly from the custodian. The custodian's statement is the official record of the client's securities account and supersedes any Orion Advisor Technology, LLC 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 may 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 (e.g., The Pacific Financial Group). 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 adviser representative candidates or investment advisers. 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 adviser representative or contracts VCM in a sub-advisory capacity and (ii) the recruit's advisory clients establish an investment advisory or sub-advisory relationship with VCM, as applicable. Please note that recommendations by the Recruiters to qualified investment adviser 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 they might receive to establish an investment advisory relationship with VCM may be motivated by the investment adviser 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. VCM manages these conflicts by disclosing such conflict to its prospective clients and ensuring that all advice to clients is formulated with the clients' best interests in mind.

Please be advised that VCM may enter solicitor arrangements with one or more persons or entities, including, but not limited to, its investment adviser representatives or independent investment advisers. Clients do not pay any additional fees as a result of any such solicitation arrangements. 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 investment adviser representative. 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 or issuers. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors or issuers 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 or reimbursements 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.

D. Other Compensation

VCM receives compensation under an agreement with Great American Life (GA) to provide a fee-based fixed-indexed annuity and optional guaranteed income rider as part of the advisory products it offers. VCM will receive a one-time .25% override payment that is not made by, reimbursed by, or deducted from either the client or the investment adviser representative. It is paid directly from GA to VCM. GA will charge the client an annual 1.00% fee that will be billed monthly for each GA fee-based fixed indexed annuity purchased by a Client.

Receiving compensation can be considered a conflict of interest because the investment adviser representative can have a financial incentive to recommend that a client invest in the GA fee-based fixed indexed annuity. However, if you engage VCM and wish to invest in a GA fee-based fixed indexed annuity investment, your representative should obtain all the necessary financial and personal data necessary to assist the representative in confirming the suitability of this product and help the representative in determining if this is an appropriate investment product for you. Your representative should then be able to provide an accurate recommendation based on your investment objectives without regard for financial incentive. We encourage you to review this ADV closely and discuss any potential conflicts of interest with your representative.

Item 15: Custody

VCM may be considered by the SEC depending upon the SEC's interpretations and guidance at the time to have custody of client assets for purposes of the Advisers Act for the following reasons:

- The client authorizes VCM to instruct the custodian to deduct VCM's advisory fees directly from the client's account. The custodian maintains actual custody of clients' assets in these instances.
- A client may provide VCM 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). In such instances, 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 under an asset management agreement (AMA) with VCM and/or a Client Sub-Advisory Agreement (SAA) with another investment adviser that has contracted with VCM to serve as a sub-adviser authorize VCM to perform the services described in the AMA and/or SAA and give authority to VCM for the discretionary investment and reinvestment of assets designated by the client in the executed AMA and/or SAA (the "Assets") in an account established with VCM (the "Account"). Therefore, VCM is authorized, with full discretion and without prior consultation with such clients, to buy, sell, and trade in stocks, bonds, exchange traded funds ("ETFs"), options, mutual funds and other public and private securities or investments. The authority granted to VCM under the AMA will continue in force until revoked by the client in writing. Such revocation will be effective upon VCM's receipt. Under the AMA and/or SAA the client authorizes VCM to delegate the performance of any of its duties to third parties or affiliates. VCM utilizes the services of a third party (a "Coordinator") to coordinate the services of VCM and various third-party investment managers (the "Managers"). VCM is authorized to allocate client's Assets among different portfolios/programs managed by the Managers. VCM is also authorized to terminate any relationships with a third-party money manager.

Clients may also 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 may 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 asset management 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 attempt to 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 advisory fees of more than $1,200, 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.