

Brochure

Vann Equity Management, LLC

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This Brochure provides information about the qualifications and business practices of Vann Equity Management, LLC (“VEM,” “us,” “we” or “our”). When we use the words “you,” “your” and “client” we are referring to you as our client or our prospective client. We use the term “supervised person” when referring to our officers, employees, and all individuals providing investment advice on behalf of VEM. If you have any questions about the contents of this Brochure, please contact us at 214-983-0346 or jvann@vannequity.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.

VEM is a registered investment adviser. The registration of an investment adviser does not imply any level of skill or training. The oral and written communications made to you by VEM, including the information contained in this Brochure, should provide you with information to determine whether to hire or retain VEM as your adviser.

Additional information about VEM is also available on the SEC’s website at www.adviserinfo.sec.gov. The SEC’s website also provides information about any persons affiliated or registered with, and or required to be registered, as investment adviser representatives of VEM.

Item 2 - Material Changes

Please note that there were no material changes to this Brochure since our last delivery or posting of our Brochure on the SEC's public disclosure website ("IAPD") at www.advisorinfo.sec.gov, however, this Brochure does include a number of minor editorial changes, and updated information on our assets under management.

Currently, our Brochure may be requested by contacting John A. Vann, Chief Compliance Officer at 214-983-0346. Our Brochure is also available on our website, which is located at www.vannequitymanagement.com, free of charge.

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Item 4 – Advisory Business

Vann Equity Management LLC, which is formerly known as Precision Capital Management (referred to herein as “VEM,” the “Firm,” “us” and “we”), is an investment adviser that is registered with the United States Securities and Exchange Commission (“SEC”), and is a Limited Liability Company formed pursuant to the laws of the State of Texas.

VEM primarily provides customized discretionary portfolio management services to individuals, families, pension and profit-sharing plans, corporations or other businesses and non-profit institutions. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is granted by the investment management agreement you sign with our firm. VEM generally invests client assets in domestic and international stocks, bonds, mutual funds, options, exchange traded funds (“ETFs”) and other public or private securities or investments. Advisory Representatives are available to offer advice on most types of investments owned by a client and at the specific request of a client, will explore investment options not currently owned by a client.

Ownership

VEM is owned and controlled 100% by Vann Partners LLC, formally known as LFAM Investment Counsel and Advisors LLC (“Vann”). The JAV 2020 Irrevocable Trust and Aaron Vann are members of Vann, as of November 2020. VEM has been in the advisory business under the current ownership since November 2020.

Some Investment Advisory Representatives (“IAR’s”) operate under Austin Wealth Specialists, a “doing business as” (“DBA”) trade name and logo, which they use for marketing purposes. Clients should understand that even though Vann’s IARs operate under this DBA, when those IARs offer or provide advisory services through Vann, they do so under the supervision of Vann.

Services Offered

VEM offers the following advisory services:

- Financial planning services
- Portfolio management services for individuals and/or small businesses
- Portfolio management for businesses or institutional clients (other than investment companies)
- Pension consulting services

Assets Under Management

VEM managed \$203,644,459 in client assets on a discretionary basis, as of December 31, 2024.

Overview of Services Offered

Asset Management Services

VEM provides advisory services through its Asset Management Services program. Asset Management Services involve providing clients with continuous and on-going management over client accounts. This means that VEM will continuously monitor a client's account and make trades in client accounts, when necessary, in accordance with the client's investment objective.

VEM's services are always provided based on the individual needs of each client. VEM Advisory Representatives are instructed to consider the individual needs of each client when recommending an advisory platform. VEM's Advisory Representative will conduct a complimentary initial meeting with the client for an information and data-gathering session. At this initial meeting, the Advisory Representative will assist the client in determining the advisory services needed. Clients are given the ability to impose restrictions on their accounts including specific investment selections and sectors. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

When client accounts are managed using models, investment selections are based on the underlying models, and we do not develop customized (or individualized) portfolio holdings for each client. However, the determination to use a particular model or models is always based on each client's individual investment goals, objectives, and mandates.

US Large Cap Growth Model

A pure growth portfolio of typically between 60-75 US large cap stocks with diversified exposure across industries. We seek to invest in competitively advantaged businesses at various stages of their corporate life cycle, leveraging innovation and change to drive rapid growth in earnings and cash flow. We look to identify stocks with the potential to deliver sustainable earnings growth, capitalizing on both secular and cyclical growth. We are patient investors, aiming to invest in companies trading at attractive valuations relative to their long-term potential and taking advantage of cyclical opportunities to build positions in high conviction names.

US Large Cap Value Model

A best ideas portfolio of 60-65 US large cap companies with hidden value and upside potential that we believe are overlooked by the market. We are looking for high quality companies with effective management teams where we believe they can materially improve the business. We focus on relative value, searching for companies with solid businesses, strong balance sheets, and durable earnings profiles that are inexpensive relative to their history, sector, or the market. We balance our valuation analysis with qualitative factors to identify the most compelling valuation opportunities.

US Small/Mid Cap Core Model

Mid Cap Core Equity Fund seeks long-term growth of capital. The portfolio management team aims to construct a portfolio of companies that have high or improving return on invested capital, quality management, a strong competitive position and which are trading at compelling

valuations. The investment seeks to provide long-term capital growth. The fund will normally invest at least 80% of its net assets (including any borrowings for investment purposes) in stocks of small companies. The advisor defines a small company as one whose market capitalization falls (i) within or below the current range of companies in either the Russell 2000® Index or the S&P SmallCap 600 Index or (ii) below the three-year average maximum market cap of companies in either index as of December 31 of the three preceding years. While most assets will typically be invested in U.S. common stocks, the fund may invest in foreign stocks in keeping with its objectives.

Non-US International ADR Core Model

International ADR core is a thematic growth portfolio that is geographically, economically, and demographically diversified, and seeks long-term capital appreciation by investing in non-U.S. securities of varying market capitalizations.

Index Advantage Fixed Income ETF

The Index advantage Fixed Income strategy is constructed using Mutual Funds and ETF's consisting of investment grade, hi-yield, U.S and Non-U.S. denominated securities varying in yield, credit and duration. The strategy looks to be consistently 95% invested. The strategy is meant to be part of an overall comprehensive portfolio allocation, or extension of an existing allocation with an objective for exposure to the Fixed Income market.

Index Advantage Domestic ETF

The Index Advantage Domestic US strategy seeks investment results that produce higher returns than the S&P 500 Index. This portfolio is constructed using ETF's that can measure Large, Mid, or Small capitalization companies, as well as individual asset styles of Growth, Blend or Value in the US equity market. The strategy employs a 50% Strategic/50% Tactical asset allocation while maintaining individual cash, sector and leverage constraints. The strategy is meant to be part of an overall comprehensive portfolio allocation, or extension of an existing allocation with an objective for exposure to the US equity market.

Index Advantage International ETF

The Index Advantage International Non-US strategy seeks investment results that produce higher returns than the MSCI EAFE Index. This portfolio is constructed using ETF's that can measure Large, Mid, or Small capitalization companies, as well as individual asset styles of Growth, Blend or Value in NON-US equity markets. The strategy employs a 50% Strategic/50% Tactical asset allocation while maintaining individual cash, country, developed vs. emerging, sector and leverage constraints. The strategy is meant to be part of an overall comprehensive portfolio allocation, or extension of an existing allocation with an objective for exposure to the Non-US equity markets.

Index Advantage Global ETF

The Index Advantage Global strategy seeks investment results that produce higher returns than the MSCI All Country World Index. This portfolio is constructed using ETF's that can

measure Large, Mid, or Small capitalization companies, as well as individual asset styles of Growth, Blend or Value in US and NON-US equity markets. The strategy employs a 50% Strategic/50% Tactical asset allocation while maintaining individual cash, country, developed vs. emerging, sector and leverage constraints. The strategy is meant to be part of an overall comprehensive portfolio allocation, or extension of an existing allocation with an objective for exposure to equity markets available across the world. This strategy can also be considered a complete allocation to equity markets.

Third-Party Portfolio Management Program

VEM may recommend our Third-Party Portfolio Management Programs (“Program”) to Clients to supplement our advisory services. The Program is typically managed by third-party portfolio manager (“TPPM”) on a discretionary basis, and each TPPM may offer different types of investment programs and/or services. TPPM programs offer access to a variety of investment portfolio models and strategies, with varying levels of risk. After consultation with their VEM financial professional, a Client may select a TPPM investment management program that is appropriate for their objectives, goals, financial situation and risk tolerance. When using a TPPM, the Client may incur additional platform and investment management fees. The TPPM fees are generally not included in the fees charged by Vann but are disclosed in the Advisory Firm's investment management agreement, which each Client is provided and must sign in order to access the services of the TPPM. Such additional fees are only incurred on the portion of Client's portfolio managed by the TPPM. TPPMs are separately registered investment advisers, and are not affiliated with VEM.

Freedom Platform

VEM offers asset management services to advisory clients utilizing Freedom Investment Management, Inc.’s (“Freedom”) portfolios on the Freedom platform. The client can elect to authorize VEM discretionary authority within the Investment Advisory Agreement, full discretion to hire and fire sub-advisors within the Freedom platform. Freedom shall have discretionary authority for the investment and reinvestment of the designated assets with full authority to buy, sell or otherwise effect investment transactions involving the designated assets in the client’s name and for the client’s account.

Realized Financial, Inc. Sub-Advisory Services

VEM has entered into a sub-advisory agreement with Realized Financial, Inc. (“Realized”) as a sub-advisor to directly manage portions of the overall client portfolio concerning Delaware Statutory Trusts (“DSTs”), Qualified Opportunity Zone Funds (“QOZFs”), certain real estate investment trusts (including 721 exchanges, also known as UPREITS) offered by the sponsors of such securities, and 1031-like exchanges involving such securities. VEM continues to serve as a client’s primary advisor. In this capacity, VEM remains responsible for the ongoing monitoring of Realized managed accounts as well as for whether Realized remains suitable in the context of a client’s overall investment program. VEM will recommend adjustments to Realized allocations when we believe such changes would be in a client’s best interest. Clients are provided with the

Form ADV Part 2A (or similar disclosure) for any sub-advisor recommended, which provides complete detail on the sub-advisory fees, billing schedule, and payment procedures.

Retirement Plan Services

We offer various levels of advisory and consulting services to employee benefit plans ("Plan"). The services are designed to assist plan sponsors in meeting their management and fiduciary obligations to participants under the Employee Retirement Income Securities Act ("ERISA"). Pursuant to adopted regulations of the U.S. Department of Labor, we are required to provide the Plan's responsible Plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status. VEM services may also include planning services for retirement plan participants and consulting with the retirement plan sponsor on methods of improving or enhancing the retirement plan. The exact suite of services provided to a client will be listed and detailed in the Retirement Plan Services Agreement.

VEM acknowledges that in performing Consulting Services or Administrative Services that it is acting as a "*fiduciary*" as such term is defined under ERISA for purposes of providing non-discretionary investment advice only. VEM will act in a manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause VEM to be a fiduciary as a matter of law. However, in providing the Consulting Services or Administrative Services, VEM (a) has no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of Client's retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of Client's retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of Client's retirement plan or the interpretation of Client's retirement plan documents, (b) is not an "*investment manager*" as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the "Administrator" of Client's retirement plan as defined in ERISA.

Retirement Accounts – DOL Disclosure

We are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") and/or the Internal Revenue Code ("Code"), as applicable, when we provide investment advice regarding portfolio assets held in an IRA, Roth IRA, Archer Medical Savings Account, a Plan covered by ERISA, or a plan described in Section 4975(e)(1)(A) of the Code (collectively referred to sometimes herein as ("Retirement Accounts").

To ensure that VEM will adhere to fiduciary norms and basic standards of fair dealing, we are required to give advice that is in the "best interest" of the retirement client. The best interest standard has two chief components, prudence and loyalty. Under the prudence standard, the advice must meet a professional standard of care and under the loyalty standard, our advice must be based on the interests of our retirement clients, rather than the potential competing financial interest of VEM.

To address the conflicts of interest with respect to our compensation, we are required to act in your best interest and not put our interest ahead of yours. To this end, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice).
- Never put our financial interests ahead of you when making recommendations (give loyal advice).
- Avoid misleading statements about conflicts of interest, fees, and investments.
- Follow policies and procedures designed to ensure that we give advice that is in your best interest.
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Financial Planning Services

VEM provides advisory services in the form of financial planning and consulting services. Financial planning services do not involve the active management of client accounts, but instead focus on a client's overall financial situation. Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning, and other areas.

Wrap Program

VEM does not provide a wrap program, however, through the Program described above, it does provide access to third-party portfolio managers who offer wrap programs. The TPPM's services are further described in their respective Form ADV Wrap Brochure, which will be provided to you should you elect to engage a TPPM.

Item 5 – Fees and Compensation

Type of Compensation

Based on the investment services provided, VEM is compensated by the following means:

- A percentage of assets under management
- Hourly charges
- Fixed fees (other than subscription fees)

Asset Management Service Fees

For VEM asset management services, we will charge an annual fee based upon a percentage of the market value of the assets being managed. Our fee for asset management services is set forth in the following fee schedule. Our fees are negotiable based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with you, etc.).

Fee Schedule		
Minimum Amount	Maximum Amount	Fee (%)
\$0.00	\$50,000,000.00	1.50%
\$50,000,001.00	And Above	Negotiable

You will be charged a 1.5% advisory fee when your account is valued at \$50,000,000 or less. If greater than \$50,000,000 the fees are negotiable. Since our fees are negotiable, the exact fee you will pay may be different from those reflected above. The fees you will pay will be clearly stated in the advisory agreement that you sign with our firm.

To determine the advisory fees you will be charged, we will combine the value of all accounts maintained by you and your family members (a process commonly referred to as householding). For example, if you had four accounts that had a combined total of just over \$1 million dollars, each account will be charged based on the over \$1 million threshold noted in the fee schedule above. In combining accounts for purposes of determining the amount of the advisory fee that will be charged, while we will normally include your accounts, the accounts of your spouse, the accounts for the benefit of your minor children, and the accounts of any relatives supported by you, we will add the accounts of any other relatives you identify.

Clients generally authorize us to directly debit fees from their accounts. Fees are billed monthly, in arrears and are based on the average daily balance of your account during the preceding month. If fees are in excess or fall short of the monthly fee that is billed, the fees will be reconciled the following month with either an additional debit or a credit to your account. If insufficient cash is available in your account to pay the fee charged to your account, we will sell investments from your account in an amount sufficient to pay the fee.

When you establish an investment advisory relationship with VEM, your first month's advisory fee will be pro-rated based on the number of days your account was under our management. Similarly, when you terminate your advisory relationship with VEM, your last month's advisor fee will be prorated based on the number of days your account was under our management. Upon the opening of a client account, we will not begin the average daily balance calculation until the account is funded.

The custodian holding your account will send you an account statement on a monthly basis which provides details of all activity in your account, including the advisory fees that were deducted. Please review each statement for accuracy. VEM will have access to copies of your account statements from the custodian.

Freedom Platform Fees

The Freedom Platform Fee will be charged as a percentage of assets under management. For Clients utilizing the Freedom platform, Freedom will charge all fees including the Vann Advisory Fee.

Investor Household AUM	
<\$250,000	0.34%-0.76%
Next \$250,000	0.32%-0.70%
Next \$1,500,000	0.30%-0.62%
Next \$3,000,000	0.28%-0.45%
\$5,000,001+	Discretionary

On the Freedom Platform, the Client shall pay various Investment Management Fees as outlined in written Investment Plans provided for each Account and requiring the Client's approval before implementation. In certain cases, there is an additional annual fee charged by Sub-Advisers that ranges from 0.10% to 0.50% of assets under management. The actual Investment Management Fee charged may vary due to changes in the selected Model or Program, changes in the composition of strategies within a Model, and variations in the value of Account assets affiliated with each model due to normal market fluctuations. The Investment Management Fee is calculated by Freedom, Freedom instructs the Custodian to deduct the fee from the Client's Account, and Freedom processes the payment of the fee to the applicable Sub-Adviser. Assets invested in professionally managed pooled vehicles such as exchange traded funds and mutual funds incur operating expenses within the funds, for which the Client is referred to the fund prospectus and/or other disclosure documentation regarding any internal fees or other charges.

Realized Sub-Advisory Fees

Pursuant to the Sub-Advisory Agreement, Realized may be engaged by VEM to provide discretionary investment advisory services to certain portions of the portfolios of specified clients of VEM. Realized is paid a portion of the asset management fee paid by clients to VEM based on the value of the client's account as shown below. Fees are calculated on an annual basis and deducted from your account quarterly, in arrears, by VEM with Realized's portion of the overall fee paid directly by VEM to Realized.

Fee Schedule		
Minimum Amount	Maximum Amount	Fee (%)
\$300,000	\$500,000	1.60%
\$500,001	\$1,000,000	1.55%
\$1,000,001	\$2,500,000	1.50%
\$2,500,001	\$5,000,000	1.45%
\$5,000,001	\$10,000,000	1.38%
\$10,000,001	\$15,000,000	1.33%
\$15,000,001	\$20,000,000	1.30%
\$20,000,001	\$30,000,000	1.20%

Retirement Plan Service Fees

For the retirement plan engagements, fees are negotiated on a case-by-case basis and are determined with each client depending upon the size and complexity of the retirement plan and the services rendered. We also take into consideration special situations or conflicts of interest where charging a fee is prohibited under ERISA law. The exact fee assessed, and payment arrangements will be quoted and disclosed in the Retirement Plan Services Agreement prior to commencing such services. Upon termination of an agreement, any fees paid in advance will be prorated and any unearned fees will be refunded.

Valuation

The valuation of securities and other instruments are generally determined by their last reported sale price on the principal market in which they are traded, if traded on a market for which transaction prices are publicly reported. Otherwise, other readily marketable securities and instruments are valued by using a pricing service or by other equitable means consistent with the fiduciary duty of the Investment Advisor Representative to determine a fair market value.

Transaction Costs

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. See also "*Brokerage Practices and Referral Arrangements and Other Compensation*" for a description of additional compensation received by VEM and for a description of factors that VEM considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Financial Planning Service Fees

VEM will charge a fixed fee and/or hourly fee for consulting services. Our consulting fees are negotiable. We utilize the following financial planning fee schedules:

Fixed Fees: VEM will charge a fixed fee that ranges from \$1,000.00 to \$20,000.00, for broad-based planning services. *In limited circumstances*, the total cost could potentially exceed \$20,000.00. In such cases, we will notify the client and may request that the client pay an additional fee.

Hourly Fees: VEM charges an hourly fee of \$350 for clients who request specific services (such as a modular plan or hourly consulting services) and do not desire a broad-based written financial plan.

Prior to engaging VEM to provide financial planning or consulting services, the client will generally be required to enter into a written agreement with us. The agreement will set forth the

terms and conditions of the engagement and describe the scope of the services to be provided and the portion of the fee that is due from the client. Generally, VEM requires one-half of the financial planning fee to be paid upon entering into the written agreement. The balance is generally due upon the completion of the agreed-upon services. In the event the client terminates VEM's financial planning services, the balance of VEM's unearned fees (if any) shall be refunded to the client.

Occasionally, we may provide non-discretionary services on a special project basis that are unique to each client per their request. For special projects requested by clients VEM charges an hourly rate of \$250.00 per hour billed quarterly.

Additional Fees and Expenses

In addition to the advisory fees we charge, VEM also assesses an annual technology and administrative fee to each individual account. The amount of that fee is determined based on the platform under which the account is managed, as follows:

Account Fee per Registration - \$75.00

This flat fee will be charged in addition to our advisory fees and will be charged regardless of the value of each account. Upon a client terminating their relationship with VEM, the annual technology fee will be prorated for the time the account is active during the current calendar year.

Termination

The relationship between parties may be terminated in accordance with the requirements set forth in the agreement.

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

VEM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) or engage in side-by-side management.

Item 7 – Types of Clients

Client Types

We offer portfolio management investment advice to the following types of clients:

- Individuals
- Families
- High net worth individuals
- High net worth families
- Pension and profit-sharing plans (other than participants)
- Charitable organizations
- Trusts
- Estates
- Private business owners

-
- Private foundations
 - Retirement plans

Account Minimum Requirements

For accounts managed in investment strategies developed by VEM, a minimum of \$40,000 is required for asset allocation models and \$250,000 for equity portfolios. A minimum of \$50,000 is required for Unified Managed Account Program accounts. However, subject to applicable law, actual advisory fees and the required minimum dollar value of assets may be negotiated. Fees may also vary due to the particular circumstances of the client, additional or differing levels of service, or as otherwise agreed upon with specific clients.

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

Investing in securities involves risk of loss that clients should be prepared to bear.

Analysis Methods

VEM Advisory Representatives use various methods of analysis and investment strategies. Methods and strategies will vary based on the VEM Advisory Representative providing advice. Models and strategies used by one Advisory Representative may be different than strategies used by other Advisory Representatives. Some VEM Advisory Representatives may use just one method or strategy while other Advisory Representatives may rely on multiple. VEM does not require or mandate a particular investment strategy to be implemented by its Advisory Representatives. Further, VEM has no requirements for using a particular analysis method and VEM Advisory Representatives are provided flexibility (subject to VEM supervision and compliance requirements) when developing their investment strategies. Security analysis methods utilized by VEM include the following:

Charting

Charting analysis seeks to identify resistance and support reference prices for decisions to buy (price hits the support) or sell (price hits the resistance). Through charting, the analysis seeks to identify price patterns and market trends in financial markets. Charting may apply to long-term investing or be used as a market-timing strategy, depending on the timeframe of the price charts.

Fundamental

Fundamental analysis maintains that markets may misprice a security in the short run, but that the correct price will eventually be reached by the market. The fundamental analysis of a business involves analyzing a business's: financial statements and health, management and competitive advantages, and competitors and markets. When applied to futures and forex, it focuses on the overall state of the economy, interest rates, production, earnings, and management.

Technical

Technical analysis maintains that all information is already reflected in the stock price. Technical analysis is a discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Generally, technical analysis employs models and trading

rules based on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns.

Cyclical

Cyclical analysis generally targets cyclical stocks for purchase of equity securities when the ratio of price-to-earnings (P/E Ratio) is low and sell them when the P/E Ratio is high (i.e., when earnings are peaking). The P/E Ratio is a measure of the price paid for a share relative to the annual net income or profit earned by the firm per share.

Quantitative

Quantitative analysis is the process of collecting and evaluating measurable and verifiable data such as revenues, market share, and wages in order to understand the behavior and performance of a business. In the past, business owners and company directors relied heavily on their experience and instinct when making decisions.

Macro Analysis

The strategy begins with a top-down macro assessment of the income landscape by assessing each of its key asset categories across an integrated framework. The assessment includes an analysis of absolute yield levels, credit and spread risks and a forecast yield and total return target for each asset class. Based on the top-down assessment and our asset forecast, a group of Exchange Traded Products (“ETPs”) will be selected. A bottom-up assessment is then made on each qualifying ETP. This assessment will include an analysis of the portfolio holdings, current country, and industry exposures, expected yield and duration, issuer quality, technical analysis and certain qualitative characteristics that are important in choosing an exchange-traded product. We will then select the individual ETFs that maximize yield and provide adequate trading liquidity, while maintaining the targeted risk budget. If market risk levels are elevated or if the portfolio’s forecast risk is too high, the strategy will hedge, via inverse ETPs, or utilize cash holdings in order to satisfy its risk budget. Macro Analysis employs both internal and externally sourced research. Internal research tools include our quarterly Economic Strategy Workbook, Red-Yellow-Green Valuation Model, historical market data and analysis of the current Economic and Business Cycle. Externally, we source and leverage high quality street research.

Sources of Information

The main sources of information that VEM uses to analyze these investment strategies is:

- Financial newspapers and magazines.
- Inspections of corporate activities.
- Research materials prepared by others.
- Corporate rating services.
- Timing Services.
- Annual reports, prospectuses, filings with the SEC.
- Company press releases.

Other sources of information that we may use include:

- Advisor Intelligence.
- World Wide Web.

Investment Strategies

Numerous model portfolios are developed by VEM at any one time, but generally speaking, portfolios will be designed based on the following objectives:

- Large cap growth.
- Large cap value.
- International.
- Asset allocation.

The investment strategies VEM uses to implement any investment advice given to clients includes the following:

- Long term Purchases (securities held at least a year).
- Short-term purchases (securities sold within a year).
- Trading (securities sold within 30 days).
- Option writing, including covered options, uncovered options or spreading strategies.
- Utilization of Alternative Investments (partnerships, hedge funds, commodity pools, etc.).

Investment Strategy Risks

Investing in securities involves risk of loss that clients should be prepared to bear. All investment programs have certain risks that are borne by the investor. Our investment approach seeks to keep the risk of loss in mind. Investors face the following investment risks:

Quantitative Process, Model and Technology Risks

There is a risk of loss associated with our use of either third-party or internally generated data, computer algorithms, and risk/return forecasting models. Our approach of employing quantitative investment tools involves the use of data provided by FactSet databases and computer models. There can be no assurance that models and/or databases will operate correctly or perform as anticipated in all market conditions or enable the investment objective of a strategy to be achieved. As is the case with any complex software or data-driven model, it is possible that errors or “bugs” may occur in coding and/or data feeds resulting in the model not operating as intended. There is a risk that we may not identify such errors in a timely fashion, which could result in unintended or adverse performance results. We make a best effort to identify any errors and verbally review current methods and research tools.

Reliance on Third-Party Managers/Sub-Advisers

The success of sub-advised accounts depends upon, among other things, the ability of the third-party managers or sub-advisers to develop and successfully implement trading strategies that achieve their investment objectives. While Vann will select and monitor the third-party managers

or sub-advisers, Vann relies to a great extent on information provided by the third-party managers or sub-advisers and may have limited access to other information regarding the third-party managers' portfolios and operations. There is a risk that a third-party manager or sub-adviser may knowingly, negligently or otherwise withhold or misrepresent information, including the presence or effects of any fraudulent or similar activities. Vann's proper performance of its monitoring functions would generally not give Vann the opportunity to discover such situations prior to the time the third-party manager or sub-adviser discloses (or there is public disclosure of) the presence or effects of any fraudulent or similar activities.

General Risks

Lack of Diversification: Portfolio investments may be concentrated, and diversification may be limited. There are no limits with respect to position sizes. Any assets or combination of assets that can be held in a securities account can be purchased or sold.

Cash and Cash Equivalents: Accounts may maintain significant cash positions from time to time and the client will pay the Investment Management Fee based on the net asset value of the Account, including cash and cash equivalents. Furthermore, the Account may forego investment opportunities to hold cash positions if we consider it in the best interests of the Accounts.

Interest Rate Fluctuation: The prices of securities in which the Advisor may invest are sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs of borrowed securities and leveraged investments.

Long term Purchases (securities held at least a year)

Liquidity: The portfolio may be invested in liquid and illiquid securities. You should be aware that liquid securities may become less liquid during the holding period.

Short-term purchases (securities sold within a year)

Market Risks: The success of a significant portion of the program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program may decline, including due to other market participants developing similar programs or techniques.

Trading (securities sold within 30 days)

Market Risks: The success of a significant portion of a trading program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program may decline for many reasons, including other market participants developing similar programs or techniques.

Trading is Speculative: There are risks involved in trading securities. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal,

monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.

Turnover: Our trading activities may be done on the basis of short-term market considerations. The portfolio turnover rate could be significant, potentially involving substantial brokerage commissions, and related transactional fees and expenses.

Margin Risk

Leverage: We may use leverage in investing. Such leverage may be obtained through various means. The use of short-term margin borrowings may result in certain additional risks to Accounts. For example, should the securities pledged to a broker to secure a margin account decline in value, a margin call may be issued pursuant to which additional funds would be required to be deposited with the broker or the broker would affect a mandatory liquidation of the pledged securities to compensate for the decline in value. We might not be able to liquidate assets quickly enough to pay off the margin debt and the Accounts may therefore also suffer additional significant losses as a result of such default. Although borrowing money increases returns if returns on the incremental investments purchased with the borrowed accounts exceed the borrowing costs for such accounts, the use of leverage decreases returns if returns earned on such incremental investments are less than the costs of such borrowings.

Option writing, including covered & uncovered options or spreading strategies

Options and Other Derivatives: We may purchase or sell options, warrants, equity-related swaps or other derivatives that trade on an exchange. Both the purchasing and selling of call and put options entail risks. An investment in an option may be subject to greater fluctuation than an investment in the underlying securities. The effectiveness of purchasing or selling stock index options as a hedging technique depends upon the extent to which price movements in the portion of the Accounts' hedged correlate with price movements of the stock index selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular security, whether an Account realizes a gain or loss will depend upon movements in the level of security prices in securities markets generally rather than movements in the price of a particular security.

Uncovered Risks: We may employ various risk-reduction techniques designed to minimize the risk of loss in Accounts. Nonetheless, substantial risk remains that such techniques will not always be possible to implement and when possible, will not always be effective in limiting losses. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the value of such positions declines, but utilize other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedge transactions also limit the opportunity for gain if the value

of a portfolio position should increase. Moreover, it may not be possible for us to hedge against a fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at a price sufficient to protect from the decline in value of the portfolio position anticipated as a result of such a fluctuation. The success of the hedging transactions will be subject to the ability to correctly predict market fluctuations and movements. Therefore, while we may enter into such transactions to seek to reduce risks, unanticipated market movements and fluctuations may result in a poorer overall performance for the Account's Portfolio than if we had not engaged in any such hedging transactions. Finally, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary.

Utilization of Alternative Investments

Alternative investment products, including hedge funds, commodity hedged accounts and managed futures, involve a high degree of risk, often engage in leveraging and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing important tax information, are not subject to the same regulatory requirements as mutual funds, often charge high fees which may offset any trading profits, and in many cases the underlying investments are not transparent and are known only to the investment manager.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio of securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains, in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares

when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Information Security Risk

Clients may be susceptible to risks to the confidentiality and security of VEM's operations and proprietary and customer information. Information risks, including theft or corruption of electronically stored data, denial of service attacks on our website or websites of our third-party service providers, and the unauthorized release of confidential information are a few of the more common risks faced by us and other investment advisors. Data security breaches of our electronic data infrastructure could have the effect of disrupting our operations and compromising our customers' confidential and personally identifiable information. Such breaches could result in an inability for us to conduct business, potential losses, including identity theft and theft of investment funds from customers, and other adverse consequences to customers. We have taken and will continue to take steps to detect and limit the risks associated with these threats.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of VEM or the integrity of VEM's management. VEM has no information which is applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Rastegar Real Estate Investment Firm(s)

Vann has known Ari Rastegar, the Rastegar Real Estate Investment Firm(s), and affiliated entities (collectively "Rastegar") since 2015. Vann introduced Rastegar to clients while with a prior firm during the 2015 – 2016 period, and two clients ultimately invested with Rastegar. Those clients subsequently made direct investments in the following years. This conflict of interest has been mitigated by VEM by not recommending Rastegar for new portfolio holdings for clients of VEM.

Other than Rastegar, VEM does not have any other Financial Industry Activities or Affiliations.

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

General

VEM has adopted a Code of Ethics for all of our supervised persons describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other

things. All supervised persons at VEM must acknowledge the terms of the Code of Ethics annually or as amended.

VEM anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which we have management authority to effect and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which VEM, its affiliates and/or clients, directly or indirectly, have a position of interest. Our employees and persons associated with us are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of VEM and its affiliates are allowed to trade for their own accounts in securities which are recommended to and/or purchased for our clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of VEM will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our clients. In addition, the Code of Ethics requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between VEM and its clients.

Personal Trading

VEM and our related persons are allowed to purchase and sell securities for their own account. To prevent conflicts of interest, all employees of VEM must comply with our Code of Ethics, which imposes restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.

Certain affiliated accounts are allowed to trade in the same securities with client accounts on an aggregated basis when consistent with our obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. We will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro-rata basis. Any exceptions will be explained on the trade order. VEM's clients or prospective clients may request a copy of our Code of Ethics by contacting John A. Vann.

Cross Trades

It is VEM's policy that we will not affect any principal or agency cross-securities transactions for client accounts. We will also not cross trades between client accounts.

Insider Information

Further, the Code of Ethics and our Compliance Manual impose certain policies and procedures concerning the misuse of material non-public information that are designed to prevent insider trading by any officer, partner, or supervised person of VEM.

Item 12 – Brokerage Practices

General

VEM generally requires clients to establish brokerage accounts with FINRA registered broker-dealers and members SIPC (collectively “Custodians”), to maintain custody of clients’ assets and to effect trades for their accounts. VEM is independently owned and operated and not affiliated with either Custodian. VEM considers the financial strength, reputation, operational efficiency, cost, execution capability, level of customer service, and related factors in recommending custodians to advisory clients.

Best Execution

As a fiduciary, VEM must seek best execution for client transactions, which includes consideration of a client’s total costs or proceeds and the quality of broker-dealer services. Ultimately the determinative factor in our best execution analysis is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution for the managed account.

To address its best execution obligation, VEM (i) maintains best execution policies and procedures designed to address our current business; (ii) monitors qualitative factors related to our Custodians, including execution capability, financial responsibility and responsiveness the execution performance; and (iii) conducts ongoing due diligence of the Custodians execution to verify that that prices received were favorable under prevailing market conditions.

Additionally, with respect to mutual funds, the duty to seek the most favorable terms reasonably available under the circumstances gives rise to the recognition by VEM that the management of overall investment expenses requires a balance between choosing the most appropriate share class investment for a client portfolio that offers no loads, transaction fees or commissions and using a vehicle with a low annual expense ratio. However, in managing the client portfolio assets, VEM will balance the benefits of investing in mutual funds that are considered “no-load, no transaction fee” at the Custodian, as opposed to using a fund with a transaction fee or commission, but which carries a much lower annual operating expense ratio.

Directed Brokerage

VEM does not permit clients to direct the execution of investment transactions (referred to as “directed brokerage”) to any broker-dealer other than Charles Schwab & Co. and Goldman Sacks Custody Solutions.

Trade Aggregation/Block Trades

In some instances, trades for more than one client's account may be aggregated (block trades) and executed as a single trade in order to provide fair and equitable prices among managed client accounts. All clients will receive equal treatment when VEM and its Advisory Representatives perform block trades for managed accounts. Securities purchased or sold using block trades will then be allocated in a fair and equitable manner to all client accounts involved in the block trade. If for any reason the entire block trade cannot be completed on the day the trade is placed, client accounts will receive an equal pro-rata portion of the securities traded. We are not obligated to include any client account in a block trade. Block trades will not be affected for any client account if doing so is not in the best interest of the Client. In making this determination as to whether to block a transaction or not, VEM may consider a number of factors, including, but not limited to whether the proposed transaction is a stand-alone transaction made for cash distribution purposes, the Client's investment objectives and policies, investment guidelines, liquidity requirements, legal or regulatory restrictions, tax considerations, and the nature and size of the blocked order. No client, including employee accounts, will be intentionally favored over any other client. VEM will keep records of all block trades executed and the allocations for each client account that participates in the block trade. VEM will not receive any additional compensation or remuneration as a result of the aggregation.

Soft Dollar Arrangements

Soft dollar arrangements are a common practice in the Investment Advisory industry. The U.S. Congress created a "safe harbor" under Section 28(e) of the Securities and Exchange Act of 1934, which establishes strict standards by which soft dollar arrangements are allowed. Under this safe harbor, an advisor can consider the provision of research, as well as execution services, in evaluating the cost of brokerage services without violating its fiduciary responsibilities. VEM follows the safe harbor available under Section 28(e) in arranging and executing its soft dollar arrangements.

Our Custodians make available to us products and services that benefit us but may not directly benefit our client's accounts. Some of these products and services assist us in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of our fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting.

As a fiduciary, we endeavor to act in its clients' best interests. While we recommend that clients maintain their assets in accounts at the Custodians, that recommendation is based in part on the benefit to us of the availability of some of the foregoing products and services, and not solely on the nature, cost or quality of custody and brokerage services provided by Custodians, which creates a potential conflict of interest. We mitigate that conflict of interest through disclosures made in this Brochure, client agreements, and in reports and conversations with clients.

Item 13 – Review of Accounts

Account Review

VEM recommends that clients have their financial situation reviewed and updated at least annually. Clients that contract for annual consulting services and financial planning services terminate upon the presentation of the plan or completion of the consultation. If clients elect to have VEM perform this review and update, a new client agreement will be required, and additional fees may be charged.

For those clients to whom VEM provides investment management services, VEM monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. More frequent reviews can be triggered by a specific client request, by a change in client goals or objectives, by an imbalance in a portfolio asset allocation, or by market or economic conditions or political environment.

In addition, the Compliance Officer of VEM will review all client accounts quarterly. Though VEM will attempt to correct trading errors as soon as they are discovered, it may not be responsible for poor executions or trading errors committed by the brokers with which it transacts or VEM itself, unless, in the case of VEM, such errors resulted from VEM's gross negligence, fraud or willful misconduct. Clients will generally receive reports concerning the status of their account from the custodian on a quarterly or more frequent basis as required. These reports will generally include an account summary, an activity summary, and a portfolio valuation report.

Reports

The client's custodian provides account statements directly to the client no less frequently than quarterly. Clients should compare the account statements they receive from their custodian with those they receive from VEM. The custodian's statement is the official record of the client's securities account and supersedes any statements or reports created on behalf of the client by VEM. The clients receive brokerage transaction confirmations and monthly statements from the custodian of the account.

At our discretion VEM may provide written performance and/or position reports to clients in addition to the statements and reports discussed above. Clients are strongly urged to compare all reports prepared by VEM against the account statements received from the client's broker/dealer or qualified custodian.

Third Party Money Managers Review

Accounts established through Referrals Relationships with other investment advisers will have their accounts reviewed upon receipt of statements or reports from the other investment advisers, which are usually generated on a quarterly basis.

Reports

Accounts at other investment advisers are reviewed when the Vann receives copies of their Clients' brokerage statements and performance reports, which are usually generated on a quarterly basis.

Item 14 – Client Referrals and Other Compensation

Client Referrals

VEM may enter into a Solicitor Agreement with unaffiliated registered investment advisors (“Solicitor”) whereby the Solicitor may refer clients to us. Solicitors will not provide any investment management services or render any investment advice on behalf of VEM. For each client referral the Solicitor makes to VEM, we will pay a percentage of the management fees earned and collected by us for such referral to the Solicitor. The specific terms of the compensation will be disclosed to the prospective client in the Disclosure Statement that shall be delivered to each prospective client. Compensation paid to the Solicitor is contingent upon a prospective client engaging us for investment advisory services. Therefore, the Solicitor has a financial incentive to recommend VEM. This creates a conflict of interest; however, we address this conflict of interest by disclosing the referral relationship, and the acknowledgement that a client is not obligated to engage us for our advisory services.

VEM has an agreement with certain Investment Advisory Representatives (“IAR’s”), to which VEM compensates IAR’s for client referrals made in compliance with the Advisers Act and rules promulgated thereunder. VEM has agreed to pay IAR’s a referral fee in connection with its referral that results in additional client assets to VEM, in an amount as mutually agreed upon by VEM and its IAR’s.

Item 15 – Custody

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

VEM is deemed to have custody of client funds and securities whenever VEM is given the authority to have fees deducted directly from client accounts. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

VEM has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client’s name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian’s name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client’s independent representative, at least quarterly. **Clients should carefully review those statements and are urged to compare the statements against reports received directly from VEM.** When clients have questions about their account statements, they should contact VEM or the qualified custodian preparing the statement.

Standing Letters of Authority

VEM has been deemed to have inadvertent custody as a result of your providing us with Standing Letters of Authorization (“SLOA(s)”) to withdraw funds from your portfolio account to pay third parties. Notwithstanding that, a surprise examination is not required as we are relying on the conditions set forth in the No-Action letter issued by the Securities and Exchange Commission on February 21, 2017. Pursuant to the conditions set forth in the No-Action Letter, VEM confirms that (1) you provide an instruction to the qualified custodian, in writing, that includes the your 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) you authorize us, 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) our custodians performs appropriate verification of the instruction, such as a signature review or other method to verify the your authorization, and our custodians provides a transfer of funds notice to you promptly after each transfer; (4) you have the ability to terminate or change the instruction to our custodians; (5) we have 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 your instruction; (6) we maintain records showing that the third party is not a related party of VEM or located at the same address as VEM; and (7) our custodians sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Item 16 – Investment Discretion

Discretionary Authority

VEM usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, we observe the investment policies, limitations, and restrictions of the clients for which we advise. For registered investment companies, our authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made. Investment guidelines and restrictions must be provided to VEM in writing.

Item 17 – Voting Client Securities

General Policy

It is the policy of VEM to not vote proxies for clients, and Client’s specifically retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Notwithstanding the above, upon special request, and upon the approval of VEM, VEM will vote a proxy for Client under its discretionary management authority.

To the extent VEM accepts responsibility to vote proxies for a Client, as a general policy, proxies will be voted in accordance with management recommendations. However, the VEM has the discretion to deviate from these guidelines in certain situations where it is determined that the management recommendation is not consistent with its Client's interests.

Conflicts of Interest

VEM understands that in certain circumstances, we may face conflicts of interest in making decisions on how proxies should be voted. If a material conflict exists, the proxy will not be voted until it has been determined that the conflict is not material, or appropriate steps have been taken to resolve the conflict of interest.

If a material conflict of interest is identified, VEM will use one of the following methods to resolve the conflict:

- Disclosing the conflict to the client and obtaining the client's consent before voting.
- Provide the client with an opportunity to vote the proxies themselves.
- Receive an independent third-party voting recommendation.
- Such other method deemed appropriate under the circumstances, given the nature of the conflict.

Clients may obtain a copy of their proxy voting records as well as our voting policy and procedure by written request to the address set forth on the cover of this Brochure.

Item 18 – Financial Information

VEM does not require the prepayment of fees of \$1,200 or more, six months or more in advance. We are required to provide you with certain financial information or disclosures about financial conditions which would impede our ability to provide the advisory services described herein. VEM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of bankruptcy proceedings.

Item 19 – Requirements for State-Registered Advisers

Item 19 is not applicable to Federally registered investment advisers.