

Form ADV Part 2A
March 2025

Vanderbilt Advisory Services

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This brochure provides information about the qualifications and business practices of Vanderbilt Advisory Services. If you have any questions about the contents of this Brochure, please contact the Compliance Department at (631) 845-5100 and/or by email at Compliance@VanderbiltSecurities.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Vanderbilt Advisory Services is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Vanderbilt Advisory Services is 116537

Any references to Vanderbilt Advisory Services as a registered investment adviser or its related persons as investment advisor representatives does not imply a certain level of skill or training.

Vanderbilt Financial Group is the marketing name for Vanderbilt Advisory Services and its affiliates.

Item 2 – MATERIAL CHANGES

Form ADV 2 is divided into two parts, *Part 2A* and *Part 2B*. *Part 2A* (the “Firm Brochure”) provides information about a variety of topics relating to an adviser’s business practices and conflicts of interest. *Part 2B* (the “Brochure Supplement”) provides information about the advisory representative(s) providing advisory services to you.

Material Changes

There are no material changes to our programs.

Future Changes

From time to time, we may amend this Firm Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. A summary of Material Changes shall be provided to each Client annually.

At any time, you may view the current Firm Brochure on-line at the SEC’s Investment Adviser Public Disclosure website at <http://adviserinfo.sec.gov>.

To review the firm information for Vanderbilt Advisory Services:

- Click **Investment Adviser Search** in the left navigation menu and enter.
- Select the option for Firm and enter **116537** (*our firm’s CRD number*) in the field labeled “Firm Name or CRD# or SEC#”, click “Start Search”.
- ADV Part 1 will be displayed.
- This will provide access to the Form ADV Part 1 and Part 2A.

Item 11 of the ADV Part 1 lists the legal and disciplinary information regarding the Firm.

The current version of the ADV Part 2A is located on the left navigation near the bottom.

You may also request a copy of the current Firm Part 2A at any time by contacting the Compliance Department at (631) 845-5100.

Vanderbilt Advisory Services (“VAS”) believes that communication and transparency are the foundation of its relationship with you and continually strive to provide complete and accurate information at all times. VAS encourages all current and prospective investors to read this Firm Brochure and discuss any question you may have with us.

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Item 4 – ADVISORY BUSINESS

Vanderbilt Advisory Services (hereafter “VAS”) is a registered investment advisory firm under the oversight of the U.S. Securities and Exchange Commission (SEC). Operating as part of Vanderbilt Financial Group, VAS provides comprehensive investment services tailored to clients' financial positions and investment objectives. Through strategic asset allocation, VAS invests in individual equities, bonds, mutual funds, Exchange Traded Funds (ETFs), and other securities.

VAS's advisory team consists of independent contractors affiliated as Advisor Representatives. These professionals manage their own businesses and offices, offering advisory services along with other financial solutions. Some operate under separate business names as “dba” entities. Detailed information about each Advisor Representative can be found in their respective Part 2B Brochure Supplement.

Advisor Representatives may offer varying levels of advisory services and programs outlined in this brochure. Their education, experience, and skills differ, and fees are not necessarily correlated with these factors. As a result, you may find differences in pricing for similar services among Advisor Representatives. The Brochure Supplement provides further details on individual qualifications and fees.

It is important to note that investment recommendations and advice provided by VAS and its Advisor Representatives do not constitute legal or accounting advice. Clients should consult their attorney or accountant to understand the full impact of financial recommendations. Additionally, clients should promptly inform VAS or their Advisor Representative of any changes to their financial situation, investment goals, or objectives, as failure to do so may result in recommendations that do not align with their expectations.

As of 10/31/2023, VAS has approximately \$1,620,533,275 of client assets under management of which \$1,613,297,290 is discretionary and \$72,359,985 is non-discretionary.

Vanderbilt Advisory Services Programs

VAS Managed Account Program

VAS offers both discretionary and non-discretionary managed account platforms, providing customized portfolios tailored to each client's individual needs, investment objectives, and risk profile. Each account is actively managed by a VAS Investment Advisor Representative (“Advisor”).

In a **discretionary account**, your VAS Advisor has the authority to manage your portfolio and adjust allocations as needed. The Advisor will determine which securities to buy or sell and make adjustments to holdings without prior consultation with you. This approach may involve active trading with positions held for short-term (30 days or less) or longer-term periods, depending on market conditions. Discretionary authority is granted through the execution of the VAS Investment Advisory Agreement.

For **non-discretionary accounts**, your Advisor will not make any changes to the investment positions without first consulting you and obtaining your explicit consent.

Managed portfolios typically include equities, mutual funds, bonds, exchange-traded funds (ETFs), and other securities, as initially agreed upon between you and your Advisor. Both discretionary and non-discretionary accounts are designed to align with your financial goals, and you may impose restrictions or limitations on investing in specific securities or asset types.

VFG Tactical ETF Model Portfolios

VAS offers proprietary investment model portfolios designed to optimize performance through strategic asset allocation and risk management. As part of our business structure, the firm receives a percentage of the advisory fee collected from the client, ensuring that our revenue aligns with the success of our advisory services rather than specific investment selections. Importantly, advisors do not receive any bonuses or additional compensation based on money invested in the firm's proprietary models. This policy is in place to eliminate potential conflicts of interest, ensuring that all investment recommendations are made solely in the client's best interest.

Financial Planning/Consulting Services

Clients who choose **Financial Planning & Consulting Services** have the option to select from:

- **Hourly Financial Planning/Consulting**
- **Annual Planning Services**

These services may or may not be investment-related and typically include a range of financial analyses, such as income tax and cash flow analysis, estate planning, business valuation, buy-sell analysis, executive benefit evaluation, and government benefit assessment.

Annual Planning Services provide a comprehensive financial analysis, along with updates as requested by the client. Additionally, clients receive ongoing consultation services throughout a one-year period to address their financial planning needs.

Third-Party Investment Advisor Partnerships

VAS has established agreements with Third-Party Investment Advisors to provide advanced investment management solutions and client relationship tools for VAS advisory clients.

A VAS Advisor Representative may recommend that a portion of a client's investment assets be allocated to independent, unaffiliated Third-Party Investment Advisors or separately managed account platforms ("Independent Third-Party Advisors"). These allocations are made in alignment with the client's investment objectives and are governed by a separate agreement between the client and the Independent Third-Party Advisor. In this arrangement, the Third-Party Advisor, acting as a sub-advisor, assumes day-to-day responsibility for the discretionary management of the allocated assets. Meanwhile, the VAS Advisor Representative continues to provide advisory services, including ongoing monitoring and review of account performance, investment objectives, and assets not allocated to the Third-Party Advisor.

When recommending an Independent Third-Party Advisor, the VAS Advisor Representative considers several factors, including the client's investment objectives, the Third-Party Advisor's management style, past performance, reputation, financial stability, reporting standards, pricing structure, and research capabilities.

All applicable fees, including the Third-Party Advisor's management fee, any associated platform fee, and the VAS Advisor Representative's advisory fee, will be outlined in the VAS Investment Advisory Agreement and/or the Third-Party Advisor's agreement executed by the client.

Clients should note that Third-Party Advisors may have more restrictive account requirements and varied billing practices than VAS. In such cases, VAS may adjust its own account requirements or billing practices to align with those of the Third-Party Advisor.

Betterment For Advisors Program

Betterment for Advisors is a digital wealth management platform generally serving independent investment advisory firms, such as Vanderbilt Advisory Services (“Advisor” or “VAS”) and the VAS investment advisor representative (“IAR”). Betterment LLC (“Betterment”), a registered investment advisor, serves as sub-advisor to Vanderbilt Advisory Services clients (“Clients”). MTG LLC, dba Betterment Securities (“Betterment Securities”), a registered broker-dealer and member of FINRA and SIPC, serves as broker-dealer and custodian. Betterment and Betterment Securities are not a “Related Person” or “Affiliate” of Vanderbilt Advisory Services.

Types of Services

The services provided by Betterment include:

- **Goal-Based Investment Management:** Betterment’s goal-based investment platform allows IAR and Clients to identify multiple investment goals for each Client, each with specific portfolio allocations;
- **Portfolio Construction Tools:** Advisor, IAR and Advisor’s Clients have access to a set of Betterment constructed portfolio strategies, third-party model portfolio strategies, or, if applicable, Advisor constructed custom portfolio strategies (described below), each of which is comprised of low cost, index-tracking exchange-traded funds or mutual funds (the latter only for advisors/IARs who are approved to construct portfolios with Dimensional Fund Advisors mutual funds), and are able to customize the risk-level for each investment goal (collectively “traditional securities portfolios”);
- **Automated Investment Management Services:** Betterment’s algorithms automate back-office tasks such as trading, portfolio management, and account rebalancing;
- **Website and Mobile Application:** Betterment’s website and mobile application provide a platform for account access and monitoring and delivery of account documentation and notices; and
- **Advisor Dashboard:** Advisor/IARs have access to a dashboard for purposes of monitoring and managing Client accounts.

Certain Advisors offer to their Clients through Betterment’s platform custom portfolio strategies (“Custom Portfolios”). If Advisor chooses to participate in this offering, Advisor may construct Custom Portfolios using Advisor’s own investment methodologies, and Advisor’s Clients are able to use Betterment’s automated advice features, including automatic rebalancing, dividend reinvestment, tax loss harvesting, and asset location services. Advisor, and not Betterment, is responsible for managing any goal for which a Custom Portfolio is elected on the basis of a Client’s financial situation and investment objectives. Betterment will not evaluate whether any Custom Portfolio is suitable for any Client’s individual investment objectives, either at the time of election or on an ongoing basis. In addition, Advisor, and not Betterment, is responsible for disclosing to Advisor’s Clients any limitations to Betterment’s features caused by the election of a Custom Portfolio strategy. Betterment for Advisors offers several account types to Advisors and their Clients, such as taxable investing accounts, individual retirement accounts (IRAs), and cash management accounts (Cash Reserve). If Advisor’s Client also is employed by a company that utilizes Betterment’s 401(k) offering, Betterment at Work, Advisor may also manage Client’s Betterment 401(k) account if Client delegates investment management authority of their 401(k) to Advisor. Advisors can also view Clients’ Betterment checking account in their Advisor Dashboard, and Advisors can also view Clients’ health savings accounts (HSAs), if the Client has a Betterment HSA through their employer.

Tailored Services and Investment Restrictions

To use Betterment for Advisors' services, Clients and/or their Advisors must inform Betterment of their financial situation and preferences through Betterment's online application. To set up an investing account through the Betterment platform, Advisors and/or their Clients must select an investment goal, select a portfolio strategy (or follow the Advisor's pre-set default portfolio strategy), and set an allocation (the risk level of the portfolio which corresponds to a ratio of stock to bonds), and may provide additional details about the Client's investment objectives within Betterment's interface. Guidance provided by Betterment is available in the online application, but Advisors are ultimately responsible for ensuring that Advisor's Clients are placed in suitable investments. Advisors are also responsible for ensuring that the information they provide to Betterment about their Clients is accurate and up-to-date.

Advisors can also restrict the securities purchased for Client accounts by electing Betterment's Flexible portfolio strategy or Advisor's Custom Portfolio strategy to choose their own asset classes and adjust allocation weights. Clients and/or their Advisors can influence Betterment's discretionary management of their account by turning on or off several of Betterment automated portfolio management features.

Wrap Program

Betterment for Advisors offers its investment sub-advisory services for traditional securities portfolios through a wrap fee program that includes custody and trading services provided by its affiliate, Betterment Securities.

Remainder of page intentionally left blank. Item 5—Fees and Compensation follows.

Item 5 – FEES AND COMPENSATION

VAS Managed Account Program and VFG Tactical Model Portfolios

VAS's advisory fees are negotiable and are not based on a share of capital gains or capital appreciation of the account.

No fee adjustments are made for additional assets deposited into the Account after it is opened or for partial withdrawals from the Account. No fee adjustments will be made for Account appreciation or depreciation.

At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the Advisor may maintain cash positions for defensive purposes or in part as an asset class within a portfolio. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating the Advisor's management fee.

VAS offers four different fee structures: 1) Flat annual fee, 2) Flat percentage, 3) Threshold billing, or 4) Tiered billing. The specific fee structure utilized for your advisory account will be outlined in the executed VAS Investment Advisory Agreement. Advisory fees are based on the Account assets under management. The tables below reflect the *maximum* management VAS permits, refer to the executed Investment Advisory Agreement for your specific fee.

Threshold Billing

*when account balance meets the next threshold level, the fee reflected is charged on the entire account balance

Account Value	Max. Annual Advisory Fee
\$0 - \$249,999	2.75%
\$250,000 - \$499,999	2.65%
\$500,000 - \$999,999	2.50%
\$1,000,000 - \$4,999,999	2.40%
\$5,000,000 & Up	2.40%

Tiered Billing

*Each tier is calculated independently and is not based on entire account balance

Account Value	Max. Annual Advisory Fee
\$0 - \$100,000	2.50%
\$100,001 - \$250,000	2.25%
\$250,001 - \$500,000	2.00%
\$500,001 - \$1,000,000	1.75%
\$1,000,001 - \$2,000,000	1.50%
\$2,000,001 - \$5,000,000	1.25%
\$5,000,001 - \$10,000,000	1.00%
\$10,000,001 & Up	0.75%

Transaction Fees, Advisory Fees, and Payment Terms

Clients are responsible for transaction and service fees, which may vary based on the type of trading activity and associated platform charges. Transaction fees typically range from \$0 to \$25 per trade. Additional fees may be charged by the clearing firm, as detailed in the Clearing/Custodian Fee Schedule provided at account opening. VAS does not receive any portion of these transaction fees. The minimum annual management fee is \$90.00.

Changes to Advisory Fees

Clients acknowledge and agree that any modifications to the Advisory Fee schedule constitute a new agreement. Before any changes take effect, an amended Schedule A must be signed and returned by the client as written acknowledgment of the fee adjustment.

Advisory Fee Collection & Payment Terms

- **Automatic Fee Deduction:** Advisory fees are generally deducted directly from the client's account, provided VAS has received written authorization per the terms of the **VAS Investment Advisory Agreement**.
- **Account Statements:** Clients will receive account statements showing the deduction of advisory fees by the account custodian.
- **Insufficient Funds:** If the account lacks sufficient funds to cover advisory fees, VAS has **limited authority** to sell or redeem securities as necessary to cover the fee.

Alternative Payment Methods: Under certain conditions and with limitations, clients and their Advisor Representative may agree to an alternative payment method, such as direct payment by check to VAS. **Under no circumstances should a client make payments directly to the Advisor Representative or their business name.**

Betterment For Advisors Program

Betterment charges Client an asset-based wrap fee on amounts invested via the Betterment for Advisors platform that is tiered based on the aggregate balance of all of Vanderbilt Advisory Services' Client accounts at Betterment (not including funds held in Betterment Cash Reserve). That wrap fee currently ranges from 0.12% to 0.25% of account balances. The asset-based wrap fee is charged monthly or quarterly, as determined by Advisor's election in the Betterment for Advisors platform, in arrears. The services included for the wrap fee include all of the services provided by Betterment and Betterment Securities through the Betterment for Advisors platform, including advisory services, custody of assets, execution and clearing of transactions, and account reporting. Betterment collects wrap fees directly from Clients pursuant to the terms of the sub-advisory agreement between Betterment and each Client. Clients utilizing the Betterment for Advisors platform may pay a higher aggregate fee than if the advisory, custodial, trade execution, and other services were purchased separately. Advisors with Clients on this pricing structure typically also pay a fixed monthly fee to Betterment.

In addition to the Betterment for Advisors platform fee for assets held on the Betterment for Advisors platform, VAS will charge an advisory fee which Betterment will collect and remit to VAS on behalf of each Client. The fees charged by VAS are outlined in the VAS Advisory Agreement executed at the time of account opening.

Additional information regarding Betterment's fees and compensation is described in Betterment's [Form ADV Part 2A](#).

Financial Planning/Consulting

Financial Planning/Consulting (Hourly) will be charged as a flat rate per hour, depending upon the location and experience of the Advisor Representative providing the service. The total amount of hourly fees will be estimated in the Financial Planning contract the Advisor Representative and client execute. These fees are charged and billed as agreed upon in the VAS Financial Planning Agreement.

Annual Planning Service ("APS") will include a financial analysis, any updates in the financial analysis as requested by the client, and consultation services upon the client's request during a one-year period. The fee for the annual financial planning agreement will be charged as a flat dollar amount, depending on the work to be done, and is to be paid as agreed upon in the Financial Planning Agreement. It will not be based upon capital gains or capital appreciation. The annual APS Fee will be stated to and agreed upon by the client in advance. As with the financial plan, each client with an annual financial planning service agreement will have five days after signing an agreement with Advisor to terminate the agreement and under certain circumstances, Advisor will refund all of the client's initial payment. If a client decided to terminate his agreement with Advisor after the initial five-day period, the portion of the APS quarterly fee paid in advance which had not actually been expended in providing annual planning services would be refunded to the client.

Thus, it is possible that if a client sought to terminate the agreement with Advisor after the initial five-day period and substantial work had been done to provide annual planning services to the client, the client would not receive any return of the initial quarterly payment.

The recommendations provided in any of the financial planning/consulting services will be valid as of the date(s) indicated within the contract and will not be valid for any period beyond that (those) date(s).

Remainder of page intentionally left blank. - Other Fees and Compensation follows

Other Fees and Compensation

VAS strives to recommend the lowest-cost share class of any mutual fund to clients. However, in certain cases, the mutual fund share class selected may not be the least expensive option. This may occur due to factors unknown at the time of recommendation or changes in fund structure, fees, or charges implemented by the mutual fund sponsor over time. While VAS and its Advisor Representatives do not receive any portion of a fund's internal fees, clients should be aware that higher internal fees or expense ratios result in increased costs. VAS strongly encourages clients to carefully review the fund prospectus and consult with their Advisor Representative or the Compliance Team for a thorough explanation of fees and their impact on overall investment performance.

Additional Third-Party Fees

Beyond VAS's annual advisory fee, clients may also incur third-party costs, which may include, but are not limited to:

- *Custodial fees
- *Transaction fees
- *Charges imposed by mutual funds, index funds, and ETFs
- *Wire transfer fees
- *Other fees and taxes related to securities transactions and advisory accounts

These costs are typically not paid to VAS or its affiliates but are instead borne directly by the client in addition to VAS's advisory fees. Fees and expenses charged by mutual funds, index funds, or ETFs—such as fund fees and operating expenses—are disclosed in each fund's prospectus, summary prospectus, or product description. VAS advises investors to review these materials thoroughly and contact the Compliance Department at 631-845-5100 with any questions or for additional information.

Specialized Investments and Private Offerings

Certain investments, such as private offerings, involve additional fees and costs. While VAS and its affiliated broker-dealer do not share in internal fund expenses, these costs can be substantial and are often paid to the issuers of the securities or their affiliates, impacting overall investment performance. Additional risks associated with private offerings are outlined in Item 8 of this document.

In some cases, private offerings may also provide separate compensation, such as sales concessions and special incentives (e.g., warrants) to sales agents and their firms. While VAS does not receive these incentives, its affiliated broker-dealer or Advisor Representatives may receive a share of brokerage fees, transaction charges, or warrants for activity conducted outside of the advisory account.

Compensation from VAS's Affiliated Broker-Dealer

VAS's affiliated broker-dealer, Vanderbilt Securities, LLC, may pass through a portion of its compensation to an Advisor Representative in their capacity as a registered representative of Vanderbilt Securities, LLC. This compensation is for services outside of the advisory relationship, such as brokerage accounts or private offerings, including Direct Participation Programs (DPPs).

Clients should be aware that this additional compensation creates a material conflict of interest. VAS will disclose when and to what extent this conflict arises at the time it occurs.

Dual Registration of Advisor Representatives

Most VAS Advisor Representatives are also **Registered Representatives of Vanderbilt Securities, LLC**, a FINRA-registered broker-dealer, and may also serve as **insurance agents** for an insurance company owned by Vanderbilt Capital, LLC. In these roles, Advisor Representatives may recommend securities, insurance, or other financial products and receive commissions or other compensation.

To determine whether your Advisor Representative is dually registered, you may:

- Contact VAS's **Compliance Department at 631-845-5100**
- Check **FINRA's BrokerCheck** at www.finra.org/brokercheck
- Search the **SEC's Investment Adviser Public Disclosure database** at www.adviserinfo.sec.gov
- Review the **Advisor Representative's Supplemental Brochure (Form ADV Part 2B)**, provided upon account establishment or upon request.

VAS encourages all clients to review these materials carefully and seek clarification on any compensation-related concerns.

PLEASE NOTE: VAS does not permit an Advisor Representative to receive both investment advisory fees and transaction-related commissions (including 12b-1 fees or other additional compensation) within an advisory account. If you have any questions regarding this policy or any fees charged as an advisory client, please contact our Compliance Department at (631) 845-5100.

However, in their capacity as registered representatives managing non-advisory accounts, dually registered Advisor Representatives of VAS may receive payments from certain mutual funds under a 12b-1 distribution plan or similar arrangements as compensation for administrative services. This represents a separate financial interest and is distinct from advisory services.

Remainder of page intentionally left blank. - Bank Deposit Sweep Program follows

Bank Deposit Sweep Program

The Bank Deposit Sweep Program (“BDSP”) is the Firm’s default core sweep vehicle. Your account will automatically be set up with BDSP as your core account investment vehicle by default. We do this because we believe that having your cash balance in a vehicle insured by the FDIC provides you with important protection. However, we offer a wide range of investment products, including among others non-sweep money market mutual funds, treasury bills, and brokered certificates of deposit to invest cash in your Account. If receiving interest income is the primary objective for maintaining a cash balance in your Account, you should speak with your Financial Professional to consider options other than the BDSP.

The BDSP is offered to allow you to maintain and accumulate cash pending future investments or withdrawals in your Account while earning modest interest income that would not be earned if your cash were to remain as a free credit balance and to obtain up to \$2.5 million (or \$5 million for joint accounts) in FDIC insurance for such funds. If you are seeking to invest your Brokerage Account cash balances for potential returns or you seek yields greater than those offered by the BDSP, do not desire FDIC insurance for such funds, and you do not anticipate the need for immediate availability of your cash balances for future investments or withdrawals, you can request that your Financial Professional provide other investment options. Investment options outside of the BDSP will have different characteristics different potential risks and benefits.

The clearing firm, National Financial Services (“NFS”), and participating banks determines the rate of interest you receive on your deposit accounts. To do so, they periodically review the interest rates paid to clients in the BDSP and determine whether, and when, the rates will change. Factors considered include the rates paid by the banks in which your funds are held (“Program Banks”) to obtain deposits from the Sweep Program, expected changes in interest rates, interest rates paid by market competitors, and program expenses. Program Banks pay a rate that is higher than the rate received by you. For BDSP, we retain a substantial portion of the difference, after the fees due to NFS and the third-party administrator for administering the program and related services are paid. We will retain a higher percentage of the interest received from Program Banks than what is credited to your Account(s).

The BDSP is not, and should not be viewed, as a long-term option for cash in your Brokerage Account if you are seeking to maximize the potential return on your investable assets. Note that an overly conservative allocation to lower-yielding options like the Insured Deposit Program will result in long-term under performance compared to other cash vehicles that pay a higher return on investment. If you are seeking to invest your Brokerage Account cash balances for potential returns or yields greater than those offered by the Sweep Program, you can request that your Financial Professional provide other investment options.

The income we earn from the Program Banks are held based on your balances in BDSP will, in almost all circumstances, be substantially greater than the amount of interest you earn from the same balances. The amount of fees that we retain will, in almost all circumstances, be substantially greater than the portion of the fees paid to NFS or our service providers. We receive a substantially higher percentage of the interest generated by deposit balances in the BDSP than the interest credited to customer accounts. **This is a conflict of interest that we ask you to carefully consider.** Interest rates for the BDSP for your NFS account will change over time. For questions on the specific BDSP interest rates for your account, please contact your representative or the Firm’s Home Office at (631) 845-5100. Alternatively, under the “Bank Deposits” section of your NFS account statement, you can see the current applicable rates you will earn on Program Deposits for your specific account.

Both we and NFS will receive more revenue for cash in the BDSP than if your cash was invested in other sweep products, including other Money Market Funds. Therefore, we have an incentive for you to place and maintain your assets in the BDSP to earn more income. We use this revenue to defray the cost of operating the Sweep Program and the expense of providing other services to our clients, and for general operating expenses and to provide net earnings to our firm. **Nonetheless, we believe it is important to state: this is a conflict of interest that we ask you to carefully consider.**

No agency, cross transaction (as such term is defined in Rule 206(3)-2(b) under the Investment Adviser Act of 1940) for accounts shall be effected by VAS.

Client understands certain officers, employees, representatives or agents of VAS, Vanderbilt Securities, Advisory Associates, their affiliates and Sub-Advisors may maintain multiple business relationships and receive compensation other than the fees described in the Agreement. The receipt of such compensation may be considered to represent a conflict of interest.

Remainder of page intentionally left blank. Item 6—Performance Based Fees follows.

Item 6 - PERFORMANCE BASED FEES AND SIDE- BY-SIDE MANAGMENT

The Advisor does not charge performance-related management fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – TYPES OF CLIENTS

Advisor currently provides advisory services to:

- ◆ Individuals
- ◆ High Net Worth Individuals
- ◆ Charitable organizations
- ◆ Limited Liability Corporations (LLCs)
- ◆ Trusts
- ◆ Estates
- ◆ 401(k) Plans
- ◆ SEP/PSP Plans

There are no minimum asset or income requirements to be a client.

Item 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

Methods of Analysis

VAS employs various securities analysis methods, including ***fundamental analysis, technical analysis, and charting***. Rather than focusing solely on individual securities selection, VAS emphasizes strategic asset allocation, seeking to establish an optimal mix of equities, fixed income, and cash that aligns with each client's investment goals and risk tolerance. This approach leverages a combination of tools and resources detailed throughout this brochure.

VAS's Advisor Representatives, as well as third-party advisors and external investment managers engaged through VAS's management programs, may utilize one or more of these analytical methods when managing client portfolios.

Fundamental analysis evaluates economic and financial factors to determine a company's or security's intrinsic value. This includes examining aspects such as sales, assets, market conditions, management, products and services, earnings, and financial structure. The goal is to assess whether a security is undervalued (potentially a buying opportunity) or overvalued (potentially a signal to sell).

Unlike technical analysis, fundamental analysis does not attempt to predict short-term market movements. This presents a potential risk, as securities prices can fluctuate due to broader market trends regardless of a company's individual financial health or industry conditions.

Technical analysis focuses on price movements, trading volume, and market trends to identify potential investment opportunities. By studying historical market data, technical analysts look for patterns in investor behavior that may indicate future price movements.

However, technical analysis does not consider a company's underlying financial health, which poses a risk—a financially unstable or poorly managed company may underperform despite favorable technical indicators.

Charting is a specific form of technical analysis that uses graphs and visual representations to illustrate market patterns, trends, and price movements. By diagramming historical data, analysts aim to identify recurring trends that may signal future price behavior.

Investment Strategies:

VAS does not have one particular company-wide investment strategy. Depending on the needs and objectives of a particular client, the following are examples of strategies the Advisor may use as appropriate:

- ◆ **Long-Term Investing:** This strategy involves buying and holding a security for one year or longer. A long-term investment strategy can afford to weather stock market volatility. Long term investment carries the risk that (1) the investments will not achieve the price targets originally anticipated; (2) the Advisor may not take advantage of short-term gains that could be profitable to a client; and (3) the security may decline in value before the Advisor decides to liquidate the security (4) inflation may erode purchasing power.
- ◆ **Short-Term Investing:** This strategy involves purchasing securities with the intention of selling them within a relatively short time (one year or less) to take advantage of favorable price movements. This type of investment strategy includes the risk that the anticipated price swing may not materialize (1) leaving a long-term investment in a security that was designed to be a short-term purchase, or (2) potentially taking a loss. This strategy also means there are increased transaction-related costs associated with the more frequent trading than a longer-term strategy, plus less the favorable tax treatment of short-term gains.
- ◆ **Trading:** This investment strategy involves buying and selling securities in a very short period of time (within 30 days) to take advantage anticipated brief price swings. A trading strategy includes the risk that the anticipated price swing may not materialize (1) leaving a long-term investment in a security that was designed to be a short-term purchase, or (2) potentially taking a loss. This strategy also means there are increased transaction-related costs associated with the more frequent trading than a longer-term strategy, and any distributions derived from gains may be ordinary income for federal tax purposes.

Betterment For Advisors Investment Strategies:

Betterment for Advisors makes available three categories of securities portfolio strategies:

Betterment Constructed Portfolios, Third-Party Portfolios, and Custom Portfolios.

- ◆ Betterment Constructed Portfolios are portfolios composed of securities for which Betterment selects the underlying securities and weightings of those securities associated with particular allocations. Betterment Constructed Portfolios are composed of publicly traded ETF securities.
- ◆ Third-Party Portfolios are portfolio strategies that are constructed and updated by third-party managers. Betterment does not select the underlying securities in Third-Party Portfolios but periodically reviews the Third-Party Portfolios to ensure that the portfolios remain consistent with the portfolio objectives identified by the third-party manager.
- ◆ Custom Portfolios are Advisor-designed custom portfolios that Advisors are able to construct. A Custom Portfolio consists of a set or multiple sets of securities and allocations with underlying return and volatility assumptions that are either (i) provided by the Advisor to Betterment or (ii) defaulted to Betterment's capital markets assumptions if the Advisor does not provide assumptions. For any Advisor and/or Client who elects a Custom Portfolio, Betterment will allocate the Client's assets in accordance with the Custom Portfolio. For Custom Portfolios, the Advisor and not Betterment is responsible for ensuring the Custom Portfolio (1) is suitable for its Clients, and (2) is constructed and managed in a manner consistent with the Client's financial situation and investment objectives. For certain DFA-authorized Advisors on the Betterment for Advisors platform, an Advisor may design a Custom Portfolio constructed entirely of DFA mutual funds and ETFs (such Custom Portfolio, a "DFA Portfolio"). Betterment does not independently review and/or approve Advisor-built Custom Portfolios.

For additional information on the current investment strategies Betterment offers, please refer to Betterment's [Form ADV Part 2A](#).

Risks

Investing involves risks clients should understand and be prepared to accept. The risks can range from failing to keep pace with inflation to losing some or all of the money you invest. Common risks that investors face include:

- ♦ **Systematic or Market Risk:** Relates to factors that affect the overall economy or securities markets. Market risk affects all companies, regardless of the company's financial condition, management, or capital structure, and, depending on the investment, can involve international as well as domestic factors.
- ♦ **Interest-rate Risk:** The risk that the value of a security will go down because of fluctuations in interest rates. An investments value will change due to a change in the absolute level of interest rates. For instance, when interest rates rise, the yields on existing bonds decrease and become less attractive to potential investors, causing their market values to decline.
- ♦ **Inflation Risk:** Also known as “purchasing power risk” is the risk that results from increases in the prices of goods and services, and therefore the cost of living, which reduces the performance of an investment.
- ♦ **Currency Risk:** Commonly known as “exchange-rate risk” arises from the change in price of one currency in relation to another. If money needs to be converted to a different currency to make an investment, any change in the exchange rate between that currency and yours can increase or reduce your investment return.
- ♦ **Liquidity Risk:** This risk stems from the difficulty in liquidating an investment position quickly enough without taking a significant discount from current market value. Liquidity risk is typically reflected in wide bid-ask spreads or large price movements. Liquidity risk can be a significant problem with certain thinly traded or low-priced securities, unlisted options, or municipal bonds that were part of small issues.
- ♦ **Non-Systematic Risk:** The risk associated with investing in a particular product, company, or industry sector.
- ♦ **Management Risk:** Refers to the impact that bad management decisions, other internal missteps, or even external situations can have on a company's performance and, as a consequence, on the value of investments in that company.
- ♦ **Credit Risk:** The risk that an issuer of debt securities (e.g., bond) or a borrower default on its obligations and will be unable to make payment of interest or principal in a timely manner.
- ♦ **Business/Financial Risk:** The risk that a company will be unable to meet its financial obligations. This risk is primarily a function of the relative amount of debt that the company uses to finance its assets. A higher proportion of debt increases the likelihood that at some point the company will be unable to make the required interest and principal payments.

Risk plays a key role in the investment strategy that Vanderbilt Advisory Services associates develop for clients. Your Advisor Representative may use the following tactics to reduce investment risk:

- ♦ **Diversification** – Investing in a wide variety of assets to reduce risk
- ♦ **Ongoing monitoring** - Active management including transaction reviews, portfolio reviews, account rebalancing and regular client meetings as a means to control risk
- ♦ **Specialized disclosures** – provided to the client when a private investment is placed in an advisory account or when specialized products are paid out of an advisory account.

While these tactics can reduce risk, there are times when almost all asset classes can decline simultaneously, especially in the short-term. VAS cautions all clients and potential clients that investing in securities involves risk of loss; although Vanderbilt Advisory Services does its best to minimize risk, clients should be prepared to bear losses when they occur.

Specific Security Risks

General Risks of Owning Securities: The prices of securities held in client accounts and the income they generate may decline in response to certain events taking place around the world. These include events directly involving the issuers of securities held as underlying assets of mutual funds in a client's account, conditions affecting the general economy, and overall market changes. Other contributing factors include local, regional, or global political, social, or economic instability and governmental or governmental agency responses to economic conditions. Currency, interest rate, and commodity price fluctuations may also affect security prices and income. There may be any number of unforeseen events or conditions that could have an adverse effect on a client's portfolio. It is not possible to list comprehensively the factors that may preclude profits and/or create losses in investment portfolios and the Advisor disclaims responsibility for these situations and for any perceived failure to anticipate these situations.

Private Investments: Private investments, such as limited partnerships, hedge funds, and/or any other type of alternative investments are inherently highly speculative, and as such extremely risky. Investors investing in these types of investments should be able to bear substantial loss, including the entire loss of the investment. To mitigate the risk, exposure through allocation to a private investment in a portfolio should be strictly limited and in accordance with risk limits set in the issuer Private Placement Memorandum ("PPM") or subscription agreement.

Private investments are also subject to high internal fees and costs. Internal fees can be directed to the issuer or its affiliates outside the control of the investor and therefore presenting a material conflict of interest in the management of the fund. These fees will impact the overall return of the investment.

Private investments are illiquid. Although some private investments offer terms for redemption or repurchase of shares, income streams, distributions, or other opportunities for an investor to increase the value of his/her investment or achieve liquidity, none of these terms and conditions are guaranteed, and are all outside the control of the investor and the Advisor.

Private investments, generally, are available only to accredited investors and are offered only by prospectus. The prospectus for each investment provides detailed explanations, numerous additional risk factors, costs and fees, and other very important information. Clients are entitled to receive and are advised to carefully read the prospectus prior to making an investment, even if they have granted discretionary authority to their Advisor Representative.

Exchange Traded Funds (ETFs): An ETF is a type of Investment Company (usually, an open-end fund or unit investment trust) containing a basket of stocks that usually tracks a specific index or sector. An ETF is similar to an index fund in that it will primarily invest in securities of companies that are included in a selected market index or that fall into a particular sector. Unlike traditional mutual funds, which can only be redeemed at the end of a trading day, ETFs trade throughout the day on an exchange. Like stock mutual funds, the prices of the underlying securities and the overall market may affect ETF prices. Similarly, factors affecting a particular industry segment may affect ETF prices that track that particular sector.

Exchange Traded Notes (ETNs): An ETN is a senior, unsecured, unsubordinated debt security by an underwriting bank whose primary objective is to achieve the same return as a particular market index. Similar to other debt securities, the credit of the issuer is the only backing for ETNs, which have a maturity date. Although performance contractually ties to whatever index the ETN is intended to track, ETNs do not have any assets, other than a claim against their issuer for payment according to the terms of the contract. Unlike traditional mutual funds, which can only be redeemed at the end of a trading day, ETNs trade throughout the day on an exchange. ETNs, as debt instruments, are subject to risk of default by the issuing bank as counter party. This is the major design difference between ETFs and ETNs: ETFs are only subject to market risk whereas ETNs are subject to both market risk and the risk of default by the issuing bank.

Mutual Funds: (Open end Investment Company): A mutual fund is a company that pools money from many investors and invests the money in stocks, bonds, short-term money-market instruments, other securities or assets, or some combination of these investments. The portfolio of the fund consists of the combined holdings it owns. Each share represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The price that investors pay for mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads).

The benefits of investing through mutual funds include:

- ◆ ***Professional Management:*** Mutual funds are professionally managed by an investment adviser who researches, selects, and monitors the performance of the securities that the fund purchases.
- ◆ ***Diversification:*** Mutual funds typically have the benefit of diversification, which is an investing strategy that generally sums up as “Don’t put all your eggs in one basket.” Spreading investments across a wide range of companies and industry sectors can help lower the risk if a company or sector fails. Some investors find it easier to achieve diversification through ownership of mutual funds rather than through ownership of individual stocks or bonds.
- ◆ ***Affordability:*** Some mutual funds accommodate investors who do not have a lot of money to invest by setting relatively low dollar amounts for initial purchases, subsequent monthly purchases, or both.
- ◆ ***Liquidity:*** At any time, mutual fund investors can readily redeem their shares at the current NAV (net asset value), less any fees and charges assessed on redemption.

Mutual funds also have features that some investors might view as disadvantages:

- ◆ ***Costs Despite Negative Returns:*** Investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs. Depending on the timing of their investment, investors may also have to pay taxes on any capital gains distribution they receive. This includes instances where the fund went on to perform poorly after purchasing shares.
- ◆ ***Lack of Control:*** Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.
- ◆ ***Price Uncertainty:*** With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or your investment adviser. Investors can also monitor how a stock's price changes from hour to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's NAV, which the fund might not calculate until many hours after the investor placed the order. In general, mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close.

Different Types of Funds: When it comes to investing in mutual funds, investors have literally thousands of choices. Most mutual funds fall into one of three main categories; money market funds, bond funds (also called “fixed income” funds), and stock funds (also called “equity” funds). Each type has different features and different risks and rewards. Generally, the higher the potential return, the higher the risk of loss.

- ◆ **Money Market Funds:** Money market funds have relatively low risks, compared to other mutual funds (and most other investments). By law, they can invest in only certain high quality, short-term investments issued by the U.S. Government, U.S. corporations, and state and local governments. Money market funds try to keep their net asset value (NAV), which represents the value of one share in a fund, at a stable \$1.00 per share. However, the NAV may fall below \$1.00 if the fund's investments perform poorly. Investor losses have been rare, but they are possible. Money market funds pay dividends that generally reflect short-term interest rates, and historically the returns for money market funds have been lower than for either bond or stock funds. That is why "inflation risk," the risk that inflation will outpace and erode investment returns over time, can be a potential concern for investors in money market funds.
- ◆ **Bond Funds:** Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields. Unlike money market funds, the SEC's rules do not restrict bond funds to high quality or short-term investments. Because there are many different types of bonds, bond funds can vary dramatically in their risks and rewards. Some of the risks associated with bond funds include:
 - ◇ **Credit Risk:** There is a possibility that companies or other issuers may fail to pay their debts (including the debt owed to holders of their bonds). Consequently, this affects mutual funds that hold these bonds. Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury Bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.
 - ◇ **Interest Rate Risk:** There is a risk that the market value of the bonds will go down when interest rates go up. Because of this, investors can lose money in any bond fund, including those that invest only in insured bonds or U.S. Treasury Bonds. Funds that invest in longer-term bonds tend to have higher interest rate risk.
 - ◇ **Prepayment Risk:** Issuers may choose to pay off debt earlier than the stated maturity date on a bond. For example, if interest rates fall, a bond issuer may decide to "retire" its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.
- ◆ **Stock Funds:** Although a stock fund's value can rise and fall quickly (and dramatically) over the short term, historically stocks have performed better over the long term than other types of investments. This is true for corporate bonds, government bonds, and treasury securities. Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons—such as the overall strength of the economy or demand for particular products or services. Not all stock funds are the same. For example:
 - ◇ **Growth Funds:** Growth funds focus on stocks that may not pay a regular dividend but have the potential for large capital gains.
 - ◇ **Income Funds:** Income funds invest in stocks that pay regular dividends.
 - ◇ **Small Cap Funds:** Funds that invest in stocks of small companies involve additional risks. Smaller companies typically have higher risk of failure and are not as established as larger blue-chip companies are. Historically, smaller company stocks have experienced a greater degree of market volatility than the overall market average.
 - ◇ **Mid Cap Funds:** Funds that invest in companies with smaller market capitalizations involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.
 - ◇ **Index Funds:** Index funds aim to achieve the same return as a particular market index, such as the S&P 500 Composite Stock Price Index, by investing in all—or perhaps a representative sample—of the companies included in an index.

- ◇ **International Funds:** International investments are subject to additional risks, including currency fluctuation, political instability, and potential illiquid markets.
- ◇ **Emerging Market Funds:** Funds that invest in foreign securities involve special additional risks. These risks include, but are not limited to currency risk, political risk and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.
- ◇ **Sector Funds:** Sector funds may specialize in a particular industry segment, such as technology or consumer products stocks. Funds that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risk. For example, products of companies that technology funds invest in may be subject to severe competition and rapid obsolescence.
- ◇ **REIT Funds:** REIT Funds include REITs within the underlying fund holdings. REITs primarily invest in real estate or real estate-related loans. Equity REITs own real estate properties, while mortgage REITs hold construction, development, and/or long-term mortgage loans. REIT investments include illiquidity and interest rate risk.
- ◇ **Real Estate Funds:** Investments in real estate funds are subject to the risks related to direct investment in real estate, such as real estate risk, regulatory risks, concentration risk, and diversification risk.
- ◇ **TIPS Funds:** Treasury Inflation Protection Securities (TIPS) are inflation-indexed securities structured to remove inflation risk. VAS does not utilize individual TIPS but may recommend mutual funds and exchange traded funds that include TIPS within the underlying fund holdings.

Tax Consequences of Mutual Funds: When investors buy and hold an individual stock or bond, the investor must pay income tax each year on the dividends or interest the investor receives. However, the investor will not have to pay any capital gains tax until the investor actually sells and makes a profit. Mutual funds are different. When an investor buys and holds mutual fund shares, the investor will owe income tax on any ordinary dividends in the year the investor receives or reinvests them. Moreover, in addition to owing taxes on any personal capital gains when the investor sells shares, the investor may have to pay taxes each year on the fund's capital gains. That is because the law requires mutual funds to distribute capital gains to shareholders if they sell securities for a profit and cannot use losses to offset these gains.

- ◆ **Closed-end Funds:** Closed-end funds generally do not continually offer their shares for sale. Rather, they sell a fixed number of shares at one time, after which the shares typically trade on a secondary market, such as the New York Stock Exchange or the NASDAQ Stock Market. Risk factors pertaining to closed-end funds vary from fund to fund. The following list of risk factors provides a review of those associated with generalized closed-end fund investing. Not every risk factor in this list will pertain to each closed-end fund.
 - ◇ **Market Risk:** Securities may decline in value due to factors affecting securities markets generally or particular industries. The value of a trust/fund may be worth less than the original investment.
 - ◇ **Valuation Risk:** Common shares may trade above (a premium) or below (a discount) the net asset value (NAV) of the trust/fund's portfolio. At times, discounts could widen, or premiums could shrink, and could either dilute positive performance or compound negative performance. There is no assurance that discounted funds will appreciate to their NAV.
 - ◇ **Interest Rate Risk:** Generally, when market interest rates rise, bond prices fall, and vice versa. Interest rate risk is the risk that the bonds and/or other income-related instruments in a fund's portfolio will decline in value because of increases in market interest rates. The prices of longer-maturity securities tend to fluctuate more than shorter-term security prices.

- ◇ **Credit Risk:** One or more securities in a trust/fund's portfolio could decline or fail to pay interest or principal when due. Income-related securities of below investment grade quality are predominately speculative with respect to the issuer's capacity to pay interest and repay principal when due and, therefore, involve a greater risk of default.
- ◇ **Concentration Risk:** A trust/fund that invests a substantial portion of its assets in securities within a single industry or sector of the economy may be subject to greater price volatility or adversely affected by the performance of securities in that particular sector or industry.
- ◇ **Reinvestment Risk:** Income from a trust/fund's bond portfolio will decline when the trust/fund invests the proceeds from matured, traded, or called bonds at market interest rates that are below the portfolio's current earnings rate. A decline in income could affect the common shares' market price or their overall returns.
- ◇ **Leverage Risk:** The use of leverage may lead to increased volatility of a trust/fund's NAV and market price relative to its common shares. Leverage is likely to magnify any losses in the trust/fund's portfolio, which may lead to increased market price declines. Fluctuations in interest rates on borrowings or the dividend rates on preferred shares that take place from changes in short-term interest rates may reduce the return to common shareholders or result in fluctuations in the dividends paid on common shares. There is no assurance that a leveraging strategy will be successful.
- ◇ **Foreign Investment Risk:** Investment in foreign securities (both governmental and corporate) may involve a high degree of risk. Trusts/funds invested in foreign securities are subject to additional risks such as, but not limited to, currency risk and exchange-rate risk, political instability, and economic instability of the countries from where the securities originate. In regard to debt securities, such risks may impair the timely payment of principal and/or interest.
- ◇ **Alternative Minimum Tax (AMT):** A trust/fund may invest in securities subject to the alternative minimum tax.
- ◇ **Fluctuating Dividends in Actively Managed Portfolios:** The composition of the trust/fund's portfolio could change, which, all else being equal, could cause a reduction in dividends paid to common shares. Certain closed-end funds invest in common stocks. There is no guarantee of dividends from these common stocks. Fluctuations in dividend levels over time, up and down, are to be expected.

Item 9 - DISCIPLINARY HISTORY

Investment Advisers must disclose any legal or disciplinary events that would be material to a client or potential client's evaluation of VAS or the integrity of our services.

Neither VAS nor Members of Management have had any legal or disciplinary events in their past. Disciplinary information regarding your Advisor Representative may be found in their Part 2B (Brochure Supplement).

Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

Vanderbilt Securities, LLC is an affiliated broker-dealer and controlled by Stephen Distant. Vanderbilt Securities, LLC is a full-service broker/dealer that buys and sells securities which includes but is not limited to stocks, bonds, options, mutual funds, limited partnerships, etc. Vanderbilt Securities, LLC clears on a fully disclosed basis through National Financial Services, LLC.

Stephen Distant is the owner of Vanderbilt Capital, LLC which owns Vanderbilt Securities, LLC ("VS"). He is also a principal with VS. VAS utilizes Vanderbilt Securities, LLC for trading services for some programs, but not all.

Most Advisor Representatives of Vanderbilt Advisory Services are also registered representatives of Vanderbilt Securities, LLC. The broker-dealer affiliation gives the Advisor Representative multiple sources of potential compensation.

The dual affiliations of VAS's principals and associates cause a conflict of interest because the duties each performs for Vanderbilt Securities, LLC represent primary obligations. VAS's principals and associates try to minimize the conflict by operating Vanderbilt Advisory Services and Vanderbilt Securities, LLC business from the same office, through the implementation of compliance and supervisory procedures and controls, among other methods. Clients may contact VAS directly for information or clarification of the roles and responsibilities of the parties.

VAS has a conflict of interest in recommending Vanderbilt Securities, LLC and National Financial Services, LLC as the introducing and clearing broker-dealers respectively for client accounts. Transactions in client accounts help Vanderbilt Securities to meet minimum clearing requirements with National Financial Services. This is an economic benefit to the broker-dealer and its principals, even if no additional commissions are charged to the client. In addition, Vanderbilt Securities receives other economic benefits from National Financial Services, such as rebates on money market or margin account balances, which are based on the number and size of the accounts and balances carried with National Financial Services.

Clients should be aware that when VAS, its principals or employees receive economic benefits, it creates a conflict of interest that may impair the objectivity of VAS and these individuals when making recommendations. Vanderbilt Advisory Services strives to put the interests of our clients first at all times as part of its fiduciary duty as a registered investment adviser. VAS takes the following steps to address this conflict:

- ◆ Implement a compliance program designed to ensure that its regulatory obligations, including its obligations to clients, are met or exceeded;
- ◆ Disclose the existence of all material conflicts of interest;
- ◆ Inform clients that they are not obligated to purchase the products or services through Vanderbilt Securities, LLC or its registered representatives;
- ◆ Educate employees regarding the responsibilities of a fiduciary. In addition, the Advisor has implemented training not limited to annual firm element, anti-money laundering, KYC, and product specific training to educate employees;
- ◆ Collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance, age, employment status, near term financial needs as the basis for making recommendations.

Mr. Distanto is the President and CEO of the Annuity Depot. VAS does not have any material arrangements with the Annuity Depot for services.

Mr. Distanto is the owner of ImpactU.Investments, LLC, which is an affiliated broker-dealer.

Mr. Distanto is the Owner and CEO of Vanderbilt Advisory Services Corp., which is an affiliated SEC registered investment adviser.

VAS maintains a relationship with Diefendorf Planning Services Ltd., an insurance and employee benefits' company. Stephen Distanto, the CEO of VAS, is the CEO of Diefendorf Planning Services, Ltd.

VAS maintains a relationship with Retirement Planning & Administration, Inc., a qualified third-party administrator company. Stephen Distanto, the CEO of VAS, is the CEO of Retirement Planning & Administration, Inc.

VAS maintains a relationship with 3D Wealth Insurance Services, LLC, an insurance and employee benefits' company. Stephen Distanto, the CEO of VAS, is the CEO of 3D Wealth Insurance Services, LLC.

Item 11 - CODE OF ETHICS, PARTICIPATION OF INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

VAS has adopted a Code of Ethics ("Code") for the purpose of instructing its personnel in their ethical obligations and to provide rules for their personal securities transactions. VAS and its personnel owe a duty of loyalty, fairness and good faith towards their clients, and the obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code.

The Code covers a range of topics that may include: general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings, and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV and supervisory procedures.

VAS will provide a copy of the Code to any client or prospective client upon request.

VAS may not make recommendations to clients about securities that it buys or sells in its own account except under certain conditions. VAS and its associates will not buy or sell securities in a VAS or personal account in such a way that might disadvantage a client, such as front running. At all times, Vanderbilt Advisory Services will act in a fiduciary capacity to its clients. Fiduciary is the highest standard of care for a client's assets. When an Advisor Representative makes a recommendation to a client, it must be for the client's sole benefit and interest. Therefore, client orders are always given priority (orders entered first) and the Advisor seeks to ensure that VAS and/or an Advisor Representative do not make personal investment decisions based on the investment decisions of clients.

To ensure that VAS and its associates adhere to these standards, the Advisor monitors the personal trading activity of its associates using the automated surveillance tools provided by National Financial Services, provides training to its associates related to their fiduciary duty, and requires that associates adhere to the firm's personal trading policies described in its code of ethics as demonstrated through the requirement that associates sign an annual attestation of compliance with the code of ethics.

Item 12 - BROKERAGE PRACTICES

As previously stated, Advisory Representatives are registered representatives of VAS. As a result, they are subject to FINRA Conduct Rule 3040 which may restrict them from conducting securities transactions away from VAS unless VAS provides them with written authorization. In order to provide adequate supervision of Advisory Representatives and their trading and management activities, VAS Advisor Representatives are restricted to conducting securities transactions through VAS except for very rare cases.

VAS recommends clients use the services of its affiliated introducing broker/dealer, Vanderbilt Securities, and National Financial Services for clearing and custodial services. Vanderbilt Advisory Services will not recommend a broker-dealer solely on the basis of the lowest possible commission cost, but instead determines whether the broker/dealer has the ability to provide the best qualitative execution. VAS considers several factors prior to recommending a broker and custodian including financial strength, reputation, reporting, execution, pricing, and research. Based on this evaluation, VAS believes that Vanderbilt Securities and National Financial Services will provide a balance of execution services, commission costs and operational capabilities that will help VAS to meet the fiduciary obligations owed to clients.

VAS's recommendation of Vanderbilt Securities is influenced by its economic interests related to clients opening and maintaining accounts with National Financial Services. The Advisor relies on the services National Financial Services makes available to the firm as custodians for its client accounts. These services include:

- ◆ Custodian for funds and securities received by NFS on behalf of clients of VAS
- ◆ Execute, clear, and settle client transactions on behalf of VAS
- ◆ Prepare and disseminate transaction confirmations and periodic statements for clients of VAS
- ◆ Follow the instructions of VAS with respect to transactions and the receipt and delivery of funds and securities
- ◆ Electronic access to client account information
- ◆ Extend margin credit for purchasing or carrying securities on margin
- ◆ Access to institutional trading desks
- ◆ Ability to have investment advisory fees deducted directly from client accounts
- ◆ 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
- ◆ Technology to assist with back-office functions, recordkeeping, and client reporting.
- ◆ Access to additional services and benefits such as compliance publications, educational events, and occasional business entertainment of the firm's associates

In addition, VAS receives other payments and credits from National Financial Services based on a percentage of the interest paid by clients on margin account balances, a percentage of interest earned on customer "free credit balances," a percentage of the interest earned on banksweep account balances maintained by National Financial Services or its affiliates, and a percentage of IRA account fees. These payments or credits will increase as the amount of assets held in client accounts at National Financial Services grows.

When the Advisor uses client commissions, markups, or markdowns to obtain products or services from broker-dealers, it does not have to pay for these products and services from its own funds. Consequently, a conflict exists between the Advisor's fiduciary obligation to seek best execution for clients and its interest in receiving these items, and this practice may cost clients more money.

The Advisor's recommendation of a broker-dealer is not based solely on the cost and quality of the custodial or brokerage services the broker provides; it also considers all of the products, services, and benefits it receives.

Because Vanderbilt Advisory Services has an incentive to recommend National Financial Services, it has adopted policies and procedures to monitor and mitigate this conflict by periodically analyzing the National Financial Services program it recommends to clients, evaluating the usefulness of the services received in relation to the costs of such services, and assessing the overall quality of the services.

Although Vanderbilt Advisory Services may recommend that clients establish accounts at Vanderbilt Securities/National Financial Services, it is the client's decision to open an account with Vanderbilt Securities and custody assets with National Financial Services.

The costs clients will pay using Vanderbilt Advisory Services as investment adviser or Vanderbilt Securities as broker-dealer, or National Financial Services for clearing and custodial services may not be as low as the costs charged by other firms for similar services.

Brokerage for Client Referrals

Vanderbilt Advisory Services introduces clients to National Financial Services; however, VAS does not receive client referrals from National Financial Services.

Directed Brokerage

We do not permit clients to direct us to execute transactions through a specified broker/dealer other than Vanderbilt Securities, LLC. Transactions directed to Vanderbilt Securities as introducing broker-dealer are also directed to National Financial Services as its clearing firm. Not all investment advisers require their clients to direct the use of a particular broker/dealer.

Because clients direct the use of Vanderbilt Securities and National Financial Services, VAS will not seek lower costs, volume discounts, or price improvement opportunities from other broker dealers, and best execution may not be achieved. The transaction costs for client transactions may be higher for accounts that direct the use of a broker-dealer than for accounts that do not direct broker-dealer. While VAS has a reasonable belief that National Financial Services is able to provide best execution and competitive prices, VAS will not independently negotiate or seek lower commissions, volume discounts, or price improvements through other broker-dealers. VAS makes publicly available for each calendar quarter a report on its routing of non-directed orders in NMS securities during that quarter.

We may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services. A client or prospective client should contact the CCO with any questions on this conflict of interest presented by such arrangements.

Trade Aggregation

Transactions for each client are generally considered and entered independently. On the occasion an Advisor Representative aggregates or blocks trades (purchase or sell the same security for several accounts), clients or accounts that participate in an aggregated order will receive an average share price (same price) with all other transaction costs shared on a pro-rata basis. Aggregated orders that are filled in their entirety will be allocated among clients or accounts according to an allocation statement created prior to the execution of the transaction(s). Partially filled orders will be allocated pro-rata based on the allocation statement. The CCO or another authorized principal must approve in writing any allocation that differs from the allocation statement. VAS will not favor a client or account over any other client or account as a result of the allocation.

As a result of not aggregating orders, the cost benefits, such as reduced ticket charges, is not be available to our customers.

Betterment For Advisors Brokerage Services

With respect to the Betterment wrap program, Betterment Securities is responsible for execution of securities transactions and maintains custody of customer assets. Betterment Securities exercises no discretion in determining if and when trades are placed; it places trades only at the direction of Betterment. Clients should understand that the appointment of Betterment Securities as the broker for their accounts held at Betterment may result in their receiving less favorable trade executions than may be available through the use of broker-dealers that are not affiliated with Betterment. If Advisor's Clients do not wish to place assets with or execute trades through Betterment Securities, then Betterment cannot manage Advisor's Client accounts on the Betterment for Advisors platform.

Order Aggregation

With respect to traditional securities portfolios, Betterment places aggregated orders involving multiple Betterment accounts trading in the same securities. Orders for the purchase or sale of securities are routed by Betterment Securities to Apex Clearing Corporation ("Apex"), the clearing broker used by Betterment Securities, for managed execution. Apex is entitled to receive payments or rebates on orders from Betterment Securities, but Apex does not pass on to Betterment Securities any portion of such payments.

Research and Soft Dollar Benefits:

Betterment does not provide research or other products and services to third-party Advisors in connection with Client securities transactions.

Brokerage for Client Referrals:

Betterment does not work with broker-dealers other than its affiliate, Betterment Securities, and Betterment does not receive client referrals from Betterment Securities.

Directed Brokerage:

With respect to traditional securities portfolios, Clients are required to maintain wrap accounts and execute transactions through Betterment Securities. Betterment does not permit Clients to direct brokerage.

Additional information regarding Betterment Securities can be found on FINRA's BrokerCheck.

Item 13 - REVIEW OF ACCOUNTS

The Advisor Representative who manages the account will review investment management accounts upon Client request, and/or annually, at a minimum. The Chief Compliance Officer or a Designated Principal will also conduct secondary reviews on a random basis. Accounts are reviewed for consistency with the investment strategy and performance. Significant market or economic factors, or changes in the client's financial situation, large withdrawals or significant deposits, or changes in account objectives, liquidity needs, or risk tolerance may trigger more frequent reviews.

The reviews include at minimum an evaluation of the portfolio holdings relative to a client's stated objectives, and an appraisal of the performance in the account relative to expectations based on market performance, economic conditions, allocation in the account and other factors. Annual and interim portfolio reviews are considered an integral part of the management service, and do not trigger any additional fees to the customer.

For financial planning/consulting clients, the Advisor Representative and the client will engage in meetings, telephone conversations, and other communications to discuss and review the various topics to be addressed while the financial plan/consulting project is being developed or is being performed. The Advisor Representative will not provide any subsequent monitoring, advice, or updates unless specifically agreed in the written Hourly Financial Planning Agreement.

Reports

Advisory services clients will receive written statements (monthly or quarterly depending on the level of activity in the account) and transaction confirmations directly from the account custodian. The statements include valuation of holdings and transaction activity for the period. The client should use custodial reports to reconcile and compare holdings, prices, transaction records, and other activity in the account. A client may opt to access the custodial statement and confirmations online.

Financial planning clients will receive a completed written financial plan within 180 days of the contract date, provided that all information needed for the analysis and preparation of the report has been promptly provided by the client. The report may include current listings of assets and liabilities, cash flow projections, retirement/accumulation projections or other situation-specific reports dependent upon each client's requests or financial situation. The Advisor Representative will not provide additional reports unless otherwise agreed to in the Financial Planning Agreement. The Advisor will not provide a written report to consulting services clients unless specifically agreed upon in their Consulting Agreement.

Item 14 - CLIENT REFERRALS AND OTHER COMPENSATION

VAS does not directly or indirectly compensate any person who is not an Associated person for client referrals.

VAS acts in the capacity of Solicitor for various Third-Party Investment Advisors to refer qualified prospective clients to invest under their platform. Compensation is made to VAS by the Third-Party Investment Advisor based on the client assets under management.

Item 15 - CUSTODY

Although VAS does not have physical custody of client funds or securities, some states take the position that an investment adviser who directly deducts fees from clients' accounts is deemed to have custody of clients' assets. As such, the Advisor has adopted the following safeguards:

- ◆ Vanderbilt Advisory Services must have written authorization from the client to deduct advisory fees from the account held with a qualified custodian.
- ◆ VAS will disclose that it is a client's responsibility to verify the accuracy of the fee calculation, and that the custodian will not determine whether the fee is properly calculated.
- ◆ The account custodian must agree to send each client a statement, at least quarterly, showing all disbursements from the client's account, including advisory fees.
- ◆ Clients should carefully review the statements provided by the custodian.

Client assets will be held at a qualified custodian according to a separate written agreement between the client and the custodian. Clients should expect to receive regular written account statements at least quarterly from the custodian. VAS encourages clients to use custodial statements to reconcile and compare holdings, prices, transaction records, reconcile the account value to the fee invoice, and review other activity in the account. Clients should contact Vanderbilt Advisory Services with questions or concerns.

Betterment For Advisors Brokerage Services

Betterment Securities maintains custody of Advisor's Clients' traditional securities and cash assets that are managed by Betterment. Account statements are available for review on the activity section of the Advisor Dashboard and for Clients in their Betterment accounts. Clients receive periodic emails from Betterment with information about their accounts as well as links to account statements. You should encourage Clients to carefully and promptly review those statements. Advisor's Clients with IRAs also agree to specific custodial agreements with Millennium Trust Company, who serves as the custodian for Betterment IRA accounts.

Item 16 - INVESTMENT DISCRETION

You may grant VAS authorization to manage your account on a discretionary basis by execution of the Advisory Agreement. Discretionary authority will give VAS the authority to buy, sell, exchange and convert securities in your managed accounts. You may terminate discretionary authorization at any time by providing written notice.

Additionally, you are advised that:

- ◆ You may set parameters with respect to when the account should be rebalanced and set trading restrictions or limitations;
- ◆ Your written consent is required to establish any mutual fund, variable annuity, or brokerage account;

- ◆ VAS requires the use of the broker/dealer with which your Advisory Representative is registered for sales in commissionable mutual funds or variable annuities, if you elect to implement recommendations through your Advisory Representative;
- ◆ With the exception of deduction of VAS's advisory fees from the account, if you have authorized automatic deductions, VAS will not have the ability to withdraw your funds or securities from the account.

If a client determines to engage Advisor on a non-discretionary investment advisory basis (in writing), the client must be willing to accept that Advisor ***cannot execute the specific account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that Advisor would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, the Advisor will be unable to execute the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.***

Clients who participate in the Betterment for Advisors wrap free program have discretionary accounts, meaning that Advisor and Betterment can buy and sell investments on Client's behalf when they determine it is appropriate to do so. Betterment uses algorithms to advise Clients and manage their accounts. These algorithms are developed, overseen, and monitored by Betterment's investment advisory personnel. To use Betterment's investment services, Clients and/or you inform Betterment of a Client's financial goals and personal information through Betterment's online applications. Betterment provides Advisors and Clients with information about its offered portfolio strategies to inform their decision-making but does not make recommendations to Clients that they invest in any particular strategy. Each portfolio is associated with a target allocation of investment types and/or asset classes but you or Clients can modify Betterment's initial target allocation as desired. If Advisor places a Client in a Custom Portfolio, Betterment will allocate the Client's accounts in accordance with Advisor's parameters specified in the Custom Portfolio rather than based on Betterment's own investment methodology.

In the absence of a contrary direction, Betterment periodically rebalances Client portfolios so that in the face of fluctuating market prices each Client's portfolio remains within a range of the target allocation. Betterment also offers optional tax loss harvesting and automated asset location services. Clients will have fewer opportunities to harvest tax losses if an Advisor elects for that Client a Custom Portfolio strategy with fewer asset classes than are included in the Betterment portfolio strategy.

If you allow Clients to place limits on your discretionary authority to manage accounts other than the limits described in Betterment's Form ADV Part 2A, you should consider including any such limits in your ADV.

Item 17 - VOTING CLIENT SECURITIES

For any security that entails a voting right in the underlying company, Advisor will vote on your behalf upon your written request as indicated in the Advisory Agreement. All voting issues, proxies, and solicitations will be communicated to Clients through the Client's broker-dealer/custodian. There are third-party service providers that may assist clients relating to their security voting rights, if you prefer to vote on your own behalf. Client may contact the Advisor to discuss or help answer questions regarding a given voting issue.

Betterment For Advisors Brokerage Services

For assets managed on the Betterment for Advisors platform, Clients delegate to Betterment the authority to receive and vote all proxies and related materials for any security held in Betterment accounts. Betterment maintains policies and procedures reasonably designed to mitigate conflicts of interest and reasonably ensure that proxy matters are conducted in the best interest of Clients.

Betterment will only vote on proxies and respond to corporate actions associated with securities that Betterment currently selects for Betterment Constructed Portfolios (as defined above) and will abstain from voting on other securities, including but not limited to those securities only present in third-party portfolios, Advisor custom portfolios, or securities transferred to Betterment via ACATS, in each case that are not already supported in a Betterment Constructed Portfolio. If a security is present in Betterment Constructed Portfolios and outside of Betterment Constructed Portfolios, Betterment will vote on proxies associated with that security in all portfolios in which it is held. Betterment will abstain from voting on such proxies if it determines that abstaining is in the best interest of its clients.

Additional information about proxy matters is contained in Betterment's [Form ADV Part 2A](#).

Item 18 - FINANCIAL INFORMATION

We are not required to provide financial information to our clients because we do not do any of the following:

- ◆ Require the prepayment of more than \$500 in fees and six or more months in advance.
- ◆ Take custody of client funds or securities (other than deducting advisory fees directly from a client's account with client's written authorization).
- ◆ Have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.