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**Wrap Fee Program Brochure**  
**Form ADV Part 2A - Appendix 1**  
March 31, 2021

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This brochure provides information about the qualifications and business practices of Vault Wealth Strategies, LLC. If clients have any questions about the contents of this brochure, please contact us at 405-928-4422. 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.

Please note that the use of the term “registered investment adviser” and description of our firm and/or our associates as “registered” does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements for our firm’s associates who advise clients for more information on the qualifications of our firm and our employees.

Additional information about our firm is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #288541.



## Item 2. Material Changes

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Since our last annual amendment filed on August 17, 2020, the following material changes have been made to this brochure:

- Our primary address has changed.
- The Firm now offers Estate Planning services. See ADV Part 2A for more details.
- The Firm updated its fee structure. See Item 4 for more details.
- The Firm updated its Types of Clients & Account Requirements. See Item 5 for more details.
- The Firm received PPP funds. See Item 9 for more details.
- Mr. Milholland is independently contracted with National Gold Consultants. See his ADV Part 2B for more details.

### Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs. You may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD#288541.

If you have any questions, please contact the firm at [hello@vaultwealthstrategies.com](mailto:hello@vaultwealthstrategies.com) or 405.928.4422.



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## Item 4. Service, Fees, and Compensation

We offer asset management services via our Wrap Fee Program as described in this Wrap Fee Program Brochure. Our wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

### Wrap Fee Program

Our Wrap Fee Program provides investment management and investment execution for one all inclusive fee. This program enables you to pursue your investment objectives with us as manager all in one consolidated model portfolio. As part of this service, a portfolio is created that can consist of individual stocks, bonds, exchange traded funds ("ETFs"), options, mutual funds and other public and private securities or investments.

Portfolios will be designed to meet a particular investment goal, determined to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored, and if necessary, rebalanced based upon the client's individual needs, stated goals and objectives. Clients' accounts are managed on a discretionary basis.

### Fee Schedule

Investment Management fees are calculated as a percentage of what we manage for you. Our standard Investment Management fee is calculated as follows:

**0.10% monthly on the first \$2,000,000 of AUM**, which is the equivalent of 1.20% annually ( $0.10\% * 12 \text{ months} = 1.20\%$ ). In real dollars this amounts to \$1/mo per \$1,000 that we manage for you up to \$2,000,000.

**0.05% monthly on the next \$2,000,000 of AUM**, which is the equivalent of .60% annually ( $0.05\% * 12 \text{ months} = 0.60\%$ ). In real dollars this amounts to \$0.50/mo per \$1,000 that we manage for you between \$2,000,000 and \$4,000,000.

**0.025% monthly on any amount above \$4,000,000 of AUM**, which is the equivalent of 0.30% annually ( $0.025\% * 12 \text{ months} = 0.30\%$ ). In real dollars this amounts to \$0.25/mo per \$1,000 that we manage for you over \$4,000,000.

Trading & Transaction costs associated with the Account are covered in this fee as part of our Wrap Fee Program.

*Custodian AUM Fee Calculation Methodologies:*

Shareholders Service Group (SSG) - Calculated and Billed Monthly

YOUR AUM FEE divided by 12 multiplied by (AUM VALUE - EXCLUSIONS) equals FEE

For example, an account with an AUM VALUE of \$1,000 and an AUM FEE of 1.20% is  $((1.2\% / 12) * \$1,000) = \$1 \text{ FEE}$

APEX - Calculated Daily but Billed Monthly

YOUR AUM FEE divided by 365 multiplied by (AVERAGED DAILY AUM VALUE) equals FEE

For example, an account with an AVERAGED DAILY AUM VALUE of \$1,000 and an AUM FEE of 1.20% is  $((1.2\%/365)*\$1,000) = \$0.03 \text{ FEE}$  for that day.

Interactive Brokers - Calculated Daily but Billed Monthly (excludes weekends and holidays)

YOUR AUM FEE divided by the number of trading days for the year multiplied by (AVERAGED DAILY AUM VALUE) equals FEE



For example, an account with an AVERAGED DAILY AUM VALUE of \$1,000 and an AUM FEE of 1.20% is  $((1.2\%/252)*\$1,000) = \$0.05$  FEE for that day. \*where 252 is the number of days the market is open in 2021

Fees are negotiable and will be deducted from client account(s) monthly in arrears. Adjustments will be made for deposits and withdrawals during the billing period. Fees will be deducted from your account monthly in arrears (meaning at the end of the month we will charge your account for the fees incurred).

Vault will never have custody except for authorized fee withdrawal of any Client funds or securities, as the services of a qualified and independent custodian will be used. In most cases, at least a partial cash balance will be maintained in the Account so that Vault may debit advisory fees for services rendered.

A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. Your fee is bundled with our costs for executing transactions in your account(s). We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for executed trades. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

### **Other Types of Fees and Expenses**

You may pay custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by our firm.

## **Item 5. Account Requirements & Types of Clients**

We offer advisory services to Individuals, High Net Worth Individuals, as well as Pension and Profit Sharing Plans.

There is no minimum investment requirement for our Comprehensive Wealth Management service, however, for clients who hire us for Investment Management only we have a \$100,000 minimum investment requirement. At its sole discretion, the Firm may waive this minimum requirement. The size of the account will determine such things as custodian selection, the use of a subadvisor, frequency of rebalancing, among other things.

## **Item 6. Portfolio Manager Selection & Evaluation**

### **Portfolio Managers**

Vault Wealth Strategies serves as sponsor and as portfolio manager for the services under this Wrap Fee Program. We may utilize the services of a subadvisor to help implement our strategies and take care of day to day trading and rebalancing activities.

### **Tailoring of Advisory Services**

We offer the same suite of services to all of our clients. However, specific client financial plans and their implementation are dependent upon each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets. Clients may impose restrictions on investing



in certain securities or types of securities. However, if the restrictions prevent Vault from properly servicing the client account, or if the restrictions would require Vault to deviate from its standard suite of services, Vault reserves the right to end the relationship.

### **Participation in Wrap Fee Programs**

Our wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. Generally, we do not manage wrap fee accounts any differently than if they were not in a wrap fee program; however, certain client accounts may be managed differently based on the size and nature of the account and/or the client's investment objectives and risk tolerance.

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

Our firm does not charge performance-based fees.

### **Methods of Analysis**

Our method of analysis starts with understanding risk: both at the individual client level and the individual security (investment) level. The whole premise of investing is to get a return on your investment, but investing doesn't come without risk. We build portfolios that aim to optimize the return potential for the amount of risk taken (risk-adjusted returns). Once we help a client quantify the amount of risk they are comfortable taking, we can then align them with an appropriate portfolio.

We are not market timers or short-term traders, and we make no attempt to predict market tops or bottoms (or even market direction for that matter). There are simply too many variables in a complex world to consistently predict market movement. In other words, price is truth. We don't try to replace what markets actually did with guesswork.

While past performance does not guarantee future results, we rely on historical data to inform decision making. By regularly recalculating analytics data on our investment holdings we can provide clients with a range of probable outcomes. A probability range that falls within a client's comfort zone (acceptable downside risk) empowers them to stick with their investment strategy. This is important because staying invested and controlling emotions is imperative to being a successful investor over time.

### **Investment Strategies**

We primarily manage portfolio strategies that consist of mutual funds, ETFs (Exchange Traded Funds), individual stocks and bonds, or some combination of the aforementioned.

When using pooled investment vehicles we may make available certain 'prepackaged' portfolios that follow certain popular approaches familiar to the general public. Examples include, but are not limited to, a "Ramsey Style Mutual Fund Portfolio" or an "All Weather ETF Portfolio".

We also manage our own in-house strategies. These strategies are based on our own experience and research. The objective of our model portfolios is to create baskets of historically uncorrelated assets with a history of asymmetrical (lopsided) risk/reward profiles. We also tend to look for companies that have experienced a full market cycle before, a healthy balance sheet, durable business model, and we like it when a company is still being led by its founder.

In rare occasions based on individual clients facts and circumstances we may incorporate other investment vehicles such as options, futures, REITs, BDCs, ETNs, etc.



Client portfolios are periodically monitored, and changes to investment positions are made when appropriate. This rebalancing of portfolios is intended to bring the overall portfolio mix into alignment with the clients' Risk Number and/or to recalibrate the model. When making investment decisions, diversification, expenses and taxes are considered along with cash flow needs.

We generally employ a long-term investment strategy for our Clients, as consistent with their financial goals. Vault will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, we may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security

Investing in securities always involves a risk of loss that the client should be prepared to bear.

## **Risk Considerations**

**Company Risk:** When investing in securities, such as stocks, there is always a certain level of company or industry specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as unsystematic risk and can be reduced or mitigated through appropriate diversification.

**Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to economic and market events and conditions. These factors may be external and independent of a security's underlying circumstances.

**Liquidity Risk:** A lack of demand in the marketplace may result in the inability to sell some or all investments promptly, or only be able to sell at less than desired prices.

**Credit Risk:** Debt issuers may struggle or fail to make required payments, resulting in losses for bondholders. The value of a debt obligation may decline if the debt issue is downgraded by ratings agencies due to a perceived increase in default risk.

**Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country.

**Inflation Risk:** Inflation may erode the purchasing power of your investment portfolio, even if the dollar value of your investments remains the same.

**Interest Rate Risk:** The market values of fixed income (bond) holdings are impacted by fluctuations in interest rates. When interest rates increase, yields on existing bonds will become less attractive, causing values to decline. Most investments are sensitive to the level and direction of interest rates.

**Reinvestment Risk:** Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

**Securities Type Risk:** Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.



## **Voting Client Securities**

Vault does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

## **Item 7. Client Information Provided to Portfolio Managers**

Vault Wealth Strategies is the sponsor and sole portfolio manager for the Program. Vault does not share Client information with other portfolio managers because it is the sole portfolio manager for this Wrap Fee Program.

## **Item 8. Client Contact with Portfolio Managers**

Vault Wealth Strategies is a full-service investment management advisory firm. Clients are always free to directly contact us with any questions or concerns they have about their portfolios or other matters. If a subadvisor is utilized, clients will be provided with the disclosure brochure and may contact them accordingly.

## **Item 9. Additional Information**

### **Disciplinary Information**

Neither Vault Wealth Strategies, LLC nor any of our associated persons has any reportable disciplinary information.

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

Certain representatives of Vault Wealth Strategies, LLC are licensed insurance agents with Vault Insurance Brokerage, LLC, an affiliated independent insurance agency owned and managed by Mr. Milholland, and/or are appointed with other independent insurance providers. As a result of this affiliation, representatives may receive normal and customary commissions on insurance business. These transactions are separate from the advisory services provided by Vault Wealth Strategies. A conflict of interest exists as these commissionable sales can create an incentive to recommend products based on the compensation earned. To mitigate this potential conflict, our firm will act in the client's best interest.

Those representatives with this affiliation will disclose such affiliation on their individual disclosure brochures - ADV Part 2B, along with any other business activities that exist outside of Vault Wealth Strategies, LLC.

Our firm is not registered, nor does it have an application pending to register, as a broker-dealer, registered representative of a broker dealer, investment company or pooled investment vehicle, other investment adviser or financial planner, futures commission merchant, commodity pool operator, commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, pension consultant, or a sponsor or syndicator of limited partnership, or an associated person of the foregoing entities.

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

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to



demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All our Associated Persons are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics.

Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm. A copy of our Code of Ethics can be made available upon request.

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

We do not recommend that clients buy or sell any security in which a related person to Vault or Vault has a material financial interest.

### **Review of Accounts**

Securities in Client accounts are monitored on a regular and continuous basis by Advisory Persons of Vault Wealth Strategies under the supervision of its Chief Compliance Officer ("CCO"), Luke Milholland. The nature of these reviews is to learn whether client accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Our firm does not provide written reports to clients, unless asked to do so.

Verbal reports to clients take place on at least an annual basis when our Investment Management or Comprehensive Wealth Management clients are contacted. Our firm may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

Retirement Plan Consulting clients receive reviews of their retirement plans for the duration of the service. Our firm also provides ongoing services where clients are met with upon request to discuss updates to their plans, changes in their circumstances, etc.

### **Client Referrals and Other Compensation**

*RobustWealth, Inc. ("ADVRW")* - We may utilize ADVRW as a subadvisor for certain clients' accounts. We receive indirect economic benefits from ADVRW in the form of the support products and services that they make available to us and other independent investment advisors. We may receive indirect economic benefits from service providers (such as custodians, broker/dealers) utilized by ADVRW. The availability to us of ADVRW's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

*Referral Fees* - Our firm does not pay referral fees (non-commission based) to independent solicitors (nonregistered representatives) for the referral of their clients to our firm in accordance with relevant state statutes and rules.

### **Financial Information**

Our firm is not required to provide financial information in this Brochure because:



- Our firm does not require the prepayment of more than \$1,200 in fees when services cannot be rendered within 6 months.
- Our firm does not take custody of client funds or securities.
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

Our firm has never been the subject of a bankruptcy proceeding.

In March of 2020, out of an abundance of caution Vault applied for and received PPP funds.

## **Item 10. Requirements for State-Registered Advisers**

The education and business background of our founder & firm owner, Luke Milholland, can be found on Mr. Milholland's Form ADV Part 2B brochure supplement. Mr. Milholland's other business activities can also be found on Form ADV Part 2B.

Please see Item 9 of this Firm Brochure for any other business in which our firm is actively engaged. Our firm does not charge performance based fees. Our firm and management persons have not been involved in any arbitration awards, found liable in any civil, self-regulatory organization or administrative proceedings or have any relationships with issuers or securities apart from what is disclosed above.

Our firm does not have compensation arrangements connected with advisory services which are in addition to our advisory fees. Our management persons and representatives do not engage in other financial industry activities or affiliations. As a fiduciary, our firm always put our Client's interest above our own. Information regarding participation of interest in client transactions can be found in our Code of Ethics as well as Item 9 of this Brochure. Clients may obtain a copy of our Code of Ethics by contacting our Chief Compliance Officer.

