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## Firm Brochure: Form ADV Part 2A

April 29th, 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 March 31, 2021, the following material changes have been made to this brochure:

- The Firm updated its Advisory Business services. See Item 4 for more details
- The Firm updated its fee structure. See Item 5 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. Advisory Business

Vault Wealth Strategies, LLC is a registered investment adviser headquartered in Oklahoma City, Oklahoma. The firm is a limited liability company formed under the laws of the State of Oklahoma in 2015 and has been in business as an investment adviser since 2017. The firm is wholly owned by Luke Milholland.

The firm currently provides advisory services in the following areas:

- **Comprehensive Wealth Management**
- **Investment Management**
- **Estate Planning Services**
- **Retirement Plan Consulting**
- **Advisory Consulting Services**

The following paragraphs describe these services. As used in this brochure, the words "we", "our", "us", and "Vault" refer to Vault Wealth Strategies, LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

### Comprehensive Wealth Management

Our Comprehensive Wealth Management service combines financial planning and investment management on an ongoing basis. This offering has less to do with the size of your portfolio and more to do with how we engage with you and your finances over time. In other words, it does not require a certain amount of net worth or assets to receive this level of service. It does, however, require a minimum fee. See Item 5 for details on fees. Typically we advise on the following areas for our Comprehensive Wealth Management Clients:

- Cash Flow Planning
- Retirement Planning
- Debt Reduction
- Investment Planning
- College Planning
- Tax Planning
- Student Loan Analysis
- Work Benefits Analysis
- Insurance Analysis

We advise on other areas such as real estate, estate planning, business planning among other things. We may include such services as part of our Comprehensive Wealth Management agreement or they may be done under a separate agreement.

Our Comprehensive Wealth Management strives to address all facets of life based upon an analysis of your individual needs. Only by knowing how you live, your lifestyle, health, finances, family structure, values, and goals, can we form a plan to work towards helping you achieve a great life today and in the future.

After an initial data gathering process, we will outline an initial plan including cash flow projections, tax review, insurance review, estate planning, and investment planning. Together, we determine the action list and agree on an implementation process geared towards helping you reach your goals.

This process allows us to assist you in implementing our recommendations to effectively manage your income, assets, and liabilities to meet your financial goals and objectives.



Because life is constantly changing, we believe in the process of ongoing planning as much as having an initial plan. It is important that we review your plans and goals regularly. Financial plans are based on your financial situation at the time the plan is prepared and are based on financial information disclosed by you. We feel that scheduled reviews are imperative in making certain we are doing our best to assist you as life progresses. These reviews will focus on changes in your goals, resources, and current laws to help you maximize your resources while minimizing risks.

As your financial situation, goals, objectives, or needs change, you must notify us promptly. It is our goal that you are always in a position to make the next best financial decision. This can only be accomplished if we stay on top of changes in your life.

You are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy in our recommendations and investment strategies.

Investment Management as described below is part of our Comprehensive Wealth Management services.

## **Investment Management**

As part of our Investment Management service, a portfolio is created, consisting of individual stocks, bonds, exchange traded funds ("ETFs"), options, mutual funds and other public and private securities or investments. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Portfolios will be designed to meet a particular investment goal or risk profile, 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.

We manage investments on a discretionary basis. This means you grant us authority to conduct transactions of cash, stocks, bonds, mutual funds, and other securities and/or contracts relating to the same in your account without obtaining your approval for said transactions. Our job is to manage to the risk tolerance we agree upon for certain goals. In practice we will communicate if we feel there is a need for significant changes that deviate from our original investment approach. Otherwise, we will manage the day to day selection and transaction of securities in your account.

We cover applicable trading/transaction costs so those are not additional expenses to you beyond our advisory fee. This is known as a wrap account, which you can learn more about in the Wrap Fee Program below.

## **Estate Planning Services**

Vault offers estate planning services in partnership with Helios Integrated Planning (HIP). HIP provides estate planning document production services, including, but not limited to preparation of trusts and other documents that comprise an estate plan. Vault will work with you to gather data that will be uploaded to HIP via their secure online portal. HIP will then produce an estate plan based on the information provided by Vault.

Estate planning services include:

- Trust-Based estate plan (includes a revocable trust, financial power of attorney, medical power of attorney or advanced health care directive, HIPAA release, general transfer)
- Will-Based Estate Plan ( includes a will, financial power of attorney, medical power of attorney or advance health care directive)
- Estate Plan Review on non-HIP created document



- Amendment to HIP-created Trust
- Property Deeds

No Legal Advice - Client understands that Vault is not a licensed attorney and will be giving no legal advice as part of the engagement. Client understands that HIP will be producing an estate plan based on the information provided to HIP by Vault. Client also understands that HIP is not their attorney.

Confidentiality - In an effort to keep your information safe and secure, HIP currently uses two external data centers (Amazon Web Services, and Netsolus) to host HIP systems. At a minimum, both hosting providers adhere to HIP's ISMS guidelines or have ISMS guidelines that are more restrictive than HIP's. HIP is committed to following the ISO/IEC 27001 guidelines that prioritize an organization's biggest threats based on the damage potential to the company, including financial, legal, contractual, reputation, or any factors which are material to a company. HIP agrees to keep any and all information provided by Vault confidential. HIP may only use the information provided to produce estate planning documents and for researching trends in estate planning decisions. HIP may NOT use any personal information for any marketing purposes or provide the information to any third party.

This service is not suitable for complex estate plans. In more complex circumstances we are happy to recommend an estate planning attorney and may even coordinate with an attorney of the Client's choice.

## **Retirement Plan Consulting**

We offer non-discretionary advisory and consulting services to retirement plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, 3(38) Investment Manager selection, vendor vetting, education services to plan participants, investment performance monitoring, and/or ongoing consulting.

The ultimate authority to administer a Plan shall remain with the plan sponsor or other named fiduciary. We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as diversification, asset allocation, risk tolerance, and time horizon.

We may also provide additional types of advisory services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan are based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

All retirement plan consulting services shall be in compliance with the applicable state laws regulating retirement consulting services. This applies to client accounts that are retirement or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and our firm accepts appointment to provide services to such accounts, our firm acknowledges its fiduciary standard within the meaning of Section 3(21) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

## **Advisory Consulting Services**

We offer consulting services that are limited in scope and primarily involve advising you on specific business, real estate, and/or financial related topics set forth in an agreement. The topics we address may include, but are not limited to, risk assessment/management, investment planning, financial organization, or financial decision making/negotiation.



The Advisory Consulting Service is meant to be flexible and allow for specific areas of planning and engagement. Specific advisory consulting services will be detailed in the Advisory Consulting Agreement.

## **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.

## **Wrap Fee Program**

Our firm offers investment management through wrap fee accounts. You can learn more in our "Wrap Fee Program Brochure", but the premise is that we cover the trading & transaction costs associated with the account in one all inclusive fee. Meaning, you do not pay our investment management fee plus additional trading costs (i.e. commissions).

Some 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. In our wrap fee program, 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. In practice we prefer clients not feel "nickled and dimed" and for them to not have to worry about any additional costs.

## **Assets Under Management**

As of December 31, 2020, the firm manages \$16,808,287 on a discretionary basis and \$657,874 on a non-discretionary basis.

## **Item 5. Fees and Compensation**

How we are paid depends on the type of advisory service we are performing. Please review the fees associated with our various services below.

### **Comprehensive Wealth Management**

Clients receiving Comprehensive Wealth Management Services pay fees consisting of 3 components: 1) A one-time initial fee 2) an Ongoing Financial Planning fee (waived depending on the level of investable assets) 3) an Investment Management fee on any investment accounts that we manage for you. Your specific fees will be detailed in the Advisory Agreement.

Fees are calculated as follows:

- Individuals - \$800 one-time, \$80\* per month ongoing, and an Investment Management fee as described below in section: Investment Management (only applies to investments Vault manages for you)



- Families - \$1,200 one-time, \$100\* per month ongoing, and an Investment Management fee as described below in section: Investment Management (only applies to investments Vault manages for you)
- Entrepreneurs<sup>†</sup> - \$1,800 , one-time, \$300\* per month ongoing, and an Investment Management fee as described below in section: Investment Management (only applies to investments Vault manages for you)
- Custom

\*monthly fee waived when client Assets Under Management (AUM) reaches \$200,000 (individuals), \$300,000 (families), or \$700,000 (entrepreneurs). AUM will be re-evaluated at the end of every year on 12/31, or at any time at the clients request.

<sup>†</sup> Vault defines an entrepreneur as a person who operates a business or businesses.

The one-time fees will not exceed a maximum of \$5,000 and can be paid via check or electronic payment processing. Ongoing financial planning fees will not exceed a maximum of \$2,000 per month and can be deducted from advisory accounts that Vault manages or by direct invoicing via an electronic payment processor. Generally, Ongoing Financial Planning fees are paid by direct invoicing via an electronic payment processor while Investment Management fees are deducted directly from the investment accounts themselves.

This fee structure may not be suitable for certain clients who otherwise are a good fit for the service model. Fees are negotiable and our firm reserves the right to offer these services at a mutually agreed upon alternate fee schedule. A client's specific fee arrangement will be outlined in their client advisory agreement.

The one-time implementation fee is fully refundable within 30 days of the signing of the Advisory Agreement. Ongoing Financial Planning & Investment Management fees are to remain in effect until either party terminates services in writing to [billing@vaultwealthstrategies.com](mailto:billing@vaultwealthstrategies.com) (for client use) or the client's email address on record (for Vault use). Ongoing Financial Planning fees will cease on the month following receipt of the termination notice. For example, if we receive notice on the 7th of the month, fees for that month are still due that same month but not the next month. Investment Management fees will be adjusted for deposits and withdrawals during the billing period.

## Investment Management

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  $((1.2\% / 12) * \$1,000) = \$1$  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  $((1.2\%/365)*\$1,000) = \$0.03$  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.

## **Estate Planning Services**

Fees are negotiable and based on the scope and complexity of the engagement. Vault's maximum fee is \$800 Vault will also collect applicable fees to cover HIP expenses as outlined below:

- Trust-Based Estate Plan: \$450
- Will-Based Estate Plan: \$300
- Estate Plan Review on non-HIP created document: \$100
- Amendment to HIP-created Trust: \$100
- Property Deeds: \$250 (per deed)

EXAMPLE: If Vault's fee were \$800 and the client chooses a Trust-Based Estate Plan and then wants to transfer their house into the new trust, the client would pay:

Vault Estate Planning Services	\$800
HIP Trust-Based Plan	\$450
Transfer of one Property Deed	<u>\$250</u>
Total Fee collected by Vault	\$1,500

It is customary for clients to pay one half of the total fee upon signing this agreement and the remaining fee upon delivery of the estate planning documents. Your specific fees will be detailed in the Estate Planning Agreement.



## Retirement Plan Consulting

Our Retirement Plan Consulting services are billed on a flat fee basis or based on the percentage of Plan assets under management. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. Fees based on a percentage of managed Plan assets will not exceed 1.00%. Flat fees will not exceed \$50,000. Fees are negotiable and our firm reserves the right to offer these services at a mutually agreed upon fee schedule.

Our standard Investment Management fees for Retirement Plans (i.e 401k plans) are calculated as a percentage of the total plan assets, calculated as follows:

<b>Plan Balance</b>	<b>Annual %</b>
\$0 to \$3,000,000	0.75%
\$3,000,001 to \$5,000,000	0.65%
\$5,000,001 to \$10,000,000	0.55%
\$10,000,001 and above	0.45%

Fees will be deducted from plan assets quarterly in arrears, unless covered by the plan sponsor.

Vault's fees cover for the services described in Section 1 above. Vault's fees do not include the expense ratio or other expenses of the investment products offered by the Plan, nor does Vault's fee include the fees of other services providers such as Third Administrators, Record Keepers, or Investment Managers.

## Allocation of Fees

Certain fees associated with the plan must be paid by the Plan Sponsor. This includes the setup fee as well as the base monthly fee, if applicable. Other fees, such as the monthly per participant fee or AUM fee, may be charged to plan participants. By default, all fees, except for AUM fees will be charged to the Plan Sponsor, leaving only the AUM fees to be paid by participants on proportional basis (i.e. the participant with a higher plan balance will pay a higher fee, albeit the same percentage as a participant with a lower plan balance).

## Advisory Consulting Services

Our firm charges on a flat fee basis for Advisory Consulting Services. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. The maximum fee to be charged will not exceed \$24,000, and may be assessed as a one-time project fee and/or an annual fee. The fee-paying arrangement will be determined on a case-by-case basis and will be detailed in the signed consulting agreement. Fees are negotiable and our firm reserves the right to offer these services at a mutually agreed upon fee schedule. Comparable services could be found elsewhere for less. Our firm will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 months. Ongoing advisory consulting fees may range from \$100-\$2,000 per month. A client's specific fee arrangement will be outlined in their signed client advisory consulting agreement.

The one-time implementation fee can be paid via check or electronic payment processing. Ongoing fees may be deducted from advisory accounts that Vault manages or by direct invoicing via an electronic payment processor. Generally, Ongoing Financial Planning fees are paid by direct invoicing via an electronic payment processor while Investment Management fees are deducted directly from the investment accounts themselves.

The one-time implementation fee is fully refundable within 30 days of the signing of the Advisory Agreement. Ongoing Financial Planning & Investment Management fees are to remain in effect until either party terminates services in writing to



billing@vaultwealthstrategies.com (for client use) or the client's email address on record (for Vault use). Ongoing Financial Planning fees will cease on the month following receipt of the termination notice. For example, if we receive notice on the 7th of the month, fees for that month are still due that same month but not the next month. Investment Management fees will be adjusted for deposits and withdrawals during the billing period.

## **Item 6. Performance Based Fees & Side By Side Management**

Our firm does not charge performance-based fees.

## **Item 7. Types of Clients and Account Requirements**

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 8. Methods of Analysis, Investment Strategies and Risk of Loss**

### **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.

## **Item 9. Disciplinary Information**

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

## **Item 10. 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.

## **Item 11. 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.

## **Item 12. Brokerage Practices**

Our firm does not maintain custody of client assets. Client assets must be maintained by a qualified custodian. Our firm seeks to recommend a custodian who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services.

Our firm has established custodial relationships with the following institutions:

- Interactive Brokers
- APEX Clearing
- Shareholders Service Group

We require that clients open accounts at one of the above mentioned custodians so that we can manage the accounts for them.

We are independently owned and operated and are not affiliated with any of the custodians mentioned. The custodian will hold your assets in a brokerage account and buy and sell securities when we and/or you instruct them to. While we recommend that you use one of these custodians, you will decide whether to do so and will open your account by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with one of the listed custodians, then we cannot manage your account.

Vault considers several factors when recommending a custodial broker-dealer for client transactions and determining the reasonableness of such custodial broker-dealer's compensation. Such factors include the custodial broker-dealer's industry reputation and financial stability, service quality and responsiveness, execution price, speed and accuracy, reporting abilities, and general expertise. Assessing these factors as a whole allows us to fulfil our duty to seek best execution for our clients' securities transactions. However, we do not guarantee that the custodial broker-dealer recommended for client transactions will necessarily provide the best possible price, as price is not the sole factor considered when seeking best execution.

*Soft Dollars* - Soft dollars are revenue programs offered by broker/dealers/custodians whereby an advisor enters into an agreement to place security trades a broker/dealer/custodian in exchange for research and other services. Vault does not participate in soft dollar programs sponsored or offered by any broker dealer/custodian. However, we may receive certain economic benefits from the Custodian[s]. Please see Item 14 below.

*Brokerage Referrals* - Vault does not receive any compensation from any third party in connection with the recommendation for establishing an account.



*Directed Brokerage* - All Clients are serviced on a “directed brokerage basis”, where Vault will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s]. The Adviser will not engage in any principal transactions (i.e., trade of any security from or to the Adviser’s own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client’s account[s]). Vault will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

Vault will execute its transactions through the Custodian as authorized by the Client. We may aggregate orders in a block trade or trades when securities are purchased or sold through the same Custodian for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation. This must be done in a way that does not consistently advantage or disadvantage any particular Clients’ accounts.

### **Item 13. 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.

### **Item 14. Client Referrals and Other Compensation**

Except for the arrangements outlined in Item 12 of Form ADV Part 2A, our firm has no additional arrangements to disclose.

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

### **Item 15. Custody**

Vault, with client written authority, has limited custody of client’s assets through direct fee deduction of Vault’s advisory fees, and those fees only. If the client chooses to be billed directly by the Custodian, Vault would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.



## **Item 16. Investment Discretion**

Vault has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of our client advisory agreement containing all applicable limitations to such authority. All discretionary trades made by Vault will be in accordance with each Client's investment objectives and goals or any limitations previously set forth by the Client and agreed to by Vault.

## **Item 17. 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 18. 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 19. 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 10 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 11 of this Brochure. Clients may obtain a copy of our Code of Ethics by contacting our Chief Compliance Officer.

