

**Form ADV Part 2A: *Firm Brochure***

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This brochure provides information about the qualifications and business practices of CBOE Vest Financial LLC (hereinafter "*Firm*", "*CBOE Vest*", "*we*", "*our*", or "*us*"). If you have any questions about the contents of this brochure, please contact us at (855) 979-6060. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("*SEC*") or by any state securities authority.

## **ITEM 2 MATERIAL CHANGES**

The material changes in this brochure from the last annual updating amendment of the firm on April 7, 2016 are described below.

- The name of the Firm has changed from Vest Financial LLC to CBOE Vest Financial LLC. The Firm is now a majority owned subsidiary of CBOE Holdings, Inc. which owns the Chicago Board Options Exchange.

**ITEM 3 TABLE OF CONTENTS**

<b><u>Item</u></b>	<b><u>Section</u></b>	<b><u>Page</u></b>
ITEM 2	MATERIAL CHANGES.....	2
ITEM 3	TABLE OF CONTENTS.....	3
ITEM 4	ADVISORY BUSINESS .....	4
ITEM 5	FEES AND COMPENSATION.....	6
ITEM 6	PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	7
ITEM 7	TYPES OF CLIENTS .....	8
ITEM 8	METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	10
ITEM 9	DISCIPLINARY INFORMATION.....	14
ITEM 10	OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	14
ITEM 11	CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	15
ITEM 12	BROKERAGE PRACTICES .....	16
ITEM 13	REVIEW OF ACCOUNTS.....	19
ITEM 14	CLIENT REFERRALS AND OTHER COMPENSATION.....	20
ITEM 15	CUSTODY .....	20
ITEM 16	INVESTMENT DISCRETION.....	21
ITEM 17	VOTING CLIENT SECURITIES.....	22
ITEM 18	FINANCIAL INFORMATION .....	23

#### ITEM 4 ADVISORY BUSINESS

Our Firm is a SEC-registered investment adviser with its principal place of business in Virginia. The Firm began conducting business in 2012.

Principal shareholders owning more than 25% of our firm include:

CBOE Vest Group Inc.

The Firm will provide four types of services: (1) software based advisory services for self-directed clients (“*Clients*”) and financial advisors that invest on behalf of investors (“*Advisors*”) through the website <http://www.vestfin.com> (“*Website*”), (2) unit investment trust (“*UIT*”) supervision and valuation services (3) UIT model portfolio investment recommendations, and (4) advisory services to open-end mutual funds and closed-end funds (collectively, “*Funds*”).

##### Software based Advisory Services

The Firm offers a unique software based financial advisory service. The service aims to deliver pre-defined investment strategies linked to reference assets recommended by the Firm or self-selected by the Clients or selected by Advisors. The Firm advises the Client or Advisors on which securities are most appropriate for the recommended or self-selected investment strategy by seeking to identify and recommend: 1) the optimal asset classes in which to invest, 2) the efficient reference Exchange Traded Funds (“*ETFs*”), stocks or other investments to represent those asset classes 3) the ideal level of losses the investor should be able to withstand in their investments based on Client’s specific risk tolerance as disclosed to the Firm or as determined by Advisor and 4) optimal mix of securities (options, bonds, money market funds and cash) that deliver the goals of the strategies.

We tailor our software financial advice to the individual needs of each of its Clients as disclosed to us or as determined by Advisor. Based on Client’s disclosure to us or Advisor, the Firm or Advisor determine Client’s specific risk tolerance and outlines a universe of investment strategies that are suitable for the Client. Clients do have the flexibility to select different investment strategies. However, there are limits to which they can exercise such discretion through the Website or through their Advisors.

Services for Clients in brokerage accounts (“*Client Accounts*” or “*Accounts*”) are delivered and maintained according to a Client Account Agreement (“*Account Agreement*”) which describes the discretionary authority that a Client grants to us.

Services for Advisors in their client’s brokerage accounts (“*Advisor’s Client’s Account*”) are delivered and maintained according to a Sub-Advisory Agreement (“*Sub-Advisory Agreement*”) which describes the discretionary authority that the Advisor’s client grants to us.

##### Unit Investment Trust Supervision and Valuation Services

We will offer select services to the sponsors of a series of Unit Investment Trusts (“UITs”) registered under the Investment Company Act of 1940, as amended. We will provide supervision and valuation services to the trustees and/or sponsors of these UITs. A UIT is an SEC-registered investment company that is composed of an unmanaged portfolio in which the investor has an undivided ownership of underlying securities. The terms and conditions, along with the risks, of each UIT will be set forth in their offering and governing documents.

***Supervision:***

Our Firm will act as a supervisor to the UITs and will continuously monitor each UIT’s portfolio to ensure the portfolio maintains its sound investment character. Once a portfolio is selected, it remains mostly fixed until the termination of the UIT. However, the offering and governing documents of the UIT will set forth a limited number of circumstances in which the trust may buy or sell securities, such as a security having significant credit issues. We will monitor the UIT portfolio for financial viability of an issuer or the security’s creditworthiness.

***Portfolio Valuation:***

As the evaluator to the UITs, we will also determine the valuation of each security in each UIT’s portfolio daily, which allows the trustee to calculate the UIT’s daily net asset value. The Firm may use certain independent pricing services while providing evaluation services to the UITs.

Unit Investment Trust Model Portfolio Investment Recommendations

In addition to providing services to UITs, the Firm will also act as a portfolio consultant and engage in a small number of wholesale arrangements where it provides model portfolio investment recommendations without brokerage execution or additional services. The fees for these services will be negotiated on a case-by-case basis. This type of client account will not be managed by us and the client may be notified of changes to model portfolio after the discretionary client accounts have traded. The client may or may not use the information received from us in making investment decisions.

UIT Services in General

Our investment recommendations are not limited to any specific product or service and will primarily include advice regarding the following instruments:

- Exchange listed, NASDAQ and DTC equity securities;
- Fixed-income securities;
- Exchange listed and OTC option contracts;
- Commodities; and
- Open-end and closed-end management investment companies.

Our investment recommendations will be tailored to the individual needs of each UIT and will be based on information gathered through the prospectus for the particular UIT and communications with the sponsor and the trustee. Information will be gathered by telephone, e-mail and in-person discussions with the trustee and/or sponsor.

## Fund Advisory Services

The Firm will provide investment advisory services to Funds. The Firm will manage each Fund according to the investment strategy and restrictions described in each Fund's prospectus.

## Assets Under Management

As of October 24, 2016, we have \$7,476,337 in assets under management. These assets are managed on a discretionary basis.

## **ITEM 5 FEES AND COMPENSATION**

### Software based Advisory Services Fee

CBOE Vest charges for Software based Advisory Service based on assets invested in our investment strategies. The fee for each calendar quarter is calculated as the ratio of the number of days in the quarter to the number of days in the year times the annual fee times the total market value of the assets invested in all strategies implemented by us. The assets include all securities that are part of the strategy on the last day of the previous calendar quarter. To clarify, if the strategy is a new investment that references a stock or ETF, the assets included in the calculation of the fee will include the market value of the cash, money market, and other fixed income instruments that are part of the CBOE Vest strategy. Also if the strategy is an overlay on an existing stock or ETF position, the calculation of fees will include the market value of the existing stock or ETF position.

The fee for any period that does not constitute a full calendar quarter will be prorated based on the number of days for which Services have been provided by us. The advisory fee for a calendar quarter is deducted from Client Accounts or Advisor's Client's Account or invoiced to the Advisor no later than the tenth business day after the end of the previous quarter. We do not charge any fee in advance.

The annualized fee rate is negotiated on a case-by-case basis with each Client and Advisor and is disclosed in the applicable advisory/sub-advisory agreement. CBOE Vest will charge an annualized fee of not more than 0.75% (75 bps) nor less than 0.25% (25 bps) on a Client's or Advisor's assets under management invested in strategies implemented by Vest.

### Other Account Fees

We are a "fee only" investment advisor, and other than our advisory fee described above, neither the Firm nor its employees receive or accept any direct or indirect compensation related to investments that are purchased or sold for Client Accounts or Advisor's Client's Account. This means that Clients or Advisors will not be sold products or services that create additional fees or compensation to benefit CBOE Vest or its employees or its affiliates other than those described in this Brochure and on the Website. However, in addition to advisory fees, Clients or Advisor's Clients or Advisors may also pay other fees

or expenses to third-parties. Such fees and expenses could include brokerage commissions, account opening fees, transaction fees, custodian fees and other related costs and expenses that will be incurred directly by the Clients or Advisor's Clients and billed according to standard rates charged by those third-parties. Although CBOE Vest option strategies seek close to net zero-cost premiums (i.e. the premium paid for options purchased is almost offset by the premium received from options written), strategies may have a net option premium cost that is incurred directly by the Clients or Advisor's Clients. It should be noted that Clients or Advisors may access Vest's services and receive recommendations without any condition or obligation, directly or indirectly, to act on the recommendations of Vest. Clients or Advisors are not obligated to utilize brokers recommended by Vest.

#### Unit Investment Trust Fees in General

The amount and method of payment of such fees will be specified in the offering and governing documents of each corresponding UIT and will generally not be negotiable. Advisory fees will be invoiced quarterly, semi-annually, or annually, in advance or in arrears, as specifically stated in each UIT's offering and governing documents.

#### Supervisory and Evaluation Fees

Our fees for portfolio supervisory and evaluation services to UITs sponsored by its affiliates will be generally assessed as a fixed amount per unit.

#### Portfolio Consultant and Licensing Fees

For providing model portfolio investment recommendations to UITs not sponsored by the Firm's affiliates, we will be paid a fee based upon a percentage of the average net assets of the UIT.

#### Fund Advisory Fees

As the investment adviser to a Fund, CBOE Vest receives a management fee for its services as described in the Fund's prospectus. This fee will be paid to us in accordance with our investment advisory agreement with the Fund. In addition, a Fund investor will indirectly bear its pro rata share of the fees, expenses or charges described in the Fund's prospectus. Such fees, expenses and charges include, but are not limited to, fees incurred for legal, audit and custodial services provided to the Fund and transactions effected for the Fund such as brokerage and execution charges, markups and commissions.

### **ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Our firm does not charge performance based fees or engage in Side-By-Side Management.

## ITEM 7 TYPES OF CLIENTS

### Software based Advisory Services for Clients

The minimum amount required to open and maintain an Account through the Website is \$5,000.

At any time, a Client may terminate an Account, or withdraw all or part of an Account, or update their investment profile, which may initiate an adjustment in what strategies are available to the client in the future. CBOE Vest will not automatically sell already invested securities in the Client Account to reflect the updated investment profile.

Investors evaluating the Firm's software based financial advisor service should be aware that our relationship with Clients is likely to be different from the "traditional" investment advisor relationship in several aspects:

1. CBOE Vest is a software based financial advisor which means each Client must acknowledge their ability and willingness to conduct their relationship with us on an electronic basis. Under the terms of the Account Agreement, each Client agrees to receive all Account information and Account documents (including this Brochure), and any updates or changes to same, through their access to the Website and our electronic communications. Unless noted otherwise on the Website or within this Brochure, our advisory service, the signature for the Account Agreement, and all documentation related to the advisory services are managed electronically. The Firm may not make individual representatives available to discuss servicing matters with Clients.
2. To provide its advisory services and tailor its available investment strategies to each Client's specific needs, we collect information from each Client, including specific information about their investing profile such as financial situation, investment experience, and investment objectives. CBOE Vest maintains this information in strict confidence subject to its Privacy Policy, which is provided on the Website. When customizing our investment solutions, we rely upon the information received from a Client. Although we contacts our Clients periodically, a Client must promptly notify CBOE Vest of any change in their financial situation or investment objectives that might require a review or revision of their portfolio.
3. The software based financial advisor service includes preselected investment strategies recommended to a Client. CBOE Vest also allows Clients to select their own investment strategies that are appropriate for their financial situation and investment objective. Investors with specific restrictions are not permitted to become Clients.

### Software based Advisory Services for Advisors

As discussed, CBOE Vest offers its Software based Advisory services to financial advisors that invest on behalf of investors. The minimum amount per Advisor's Client required to open and maintain a service through the Website is \$5,000.

At any time, the Advisor may terminate the services to the Advisor's Client Account, or terminate all or part of an Advisor's Client Account, or may initiate an adjustment in what strategies are available to the client based an update to their investment profile with the Advisor. CBOE Vest will not automatically sell already invested securities in the Advisor's Client Account to reflect the updated investment profile.

Advisor's evaluating Vest's software based financial advisor service should be aware that Vest's relationship with Advisors is likely to be different from the "traditional" sub-advisory relationship in several aspects:

1. CBOE Vest is a software based financial advisor which means Advisor must acknowledge their ability and willingness to conduct their relationship with CBOE Vest on an electronic basis. Under the terms of the Sub-Advisory Agreement, each Advisor agrees to receive all Account information and Account documents (including this Brochure), and any updates or changes to same, through their access to the Website and Vest's electronic communications. Unless noted otherwise on the Website or within this Brochure, Vest's advisory service, the signature for the Account Agreement, and all documentation related to the advisory services are managed electronically. CBOE Vest may not make individual representatives available to discuss servicing matters with Advisors.

2. To provide its advisory services to Advisor's Client, CBOE Vest does not tailor its available investment strategies to each Advisor's Client's specific needs. CBOE Vest does not collect information from the Advisor's Client, including specific information about their investing profile such as financial situation, investment experience, and investment objectives. Prior to allocating any Client Account to Vest, Advisor shall determine that such Advisor's Client Account shall be suitable for investment in accordance with the Advisor's investment management strategy based on the Client's financial circumstances, investment objectives, risk tolerance, liquidity needs, and any other factors that may be appropriate to such determination.

3. The software based financial advisor service includes impersonal preselected investment strategies recommended to an Advisor for their clients. CBOE Vest also allows Advisors to select their own investment strategies that are appropriate for their clients' financial situation and investment objective. Advisors with specific restrictions are not permitted to use Vest's advisory services.

#### UIT Services

As discussed in Item 4, we will provide advisory services to UITs and/or their sponsors. We do not currently impose any account minimums for UIT services.

#### Fund Services

As discussed in Item 4, we will provide advisory services to Funds. We do not currently impose any account minimum for Fund advisory services.

## **ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

We will utilize an investment strategy that involves investing in (i) exchange traded option contracts and/or (ii) U.S. Treasury obligations (the “*Treasury Obligations*”) and/or (iii) cash instruments (“*cash*”) and/or (iv) exchange listed equity securities. The investment strategy is designed to meet the client’s investment objective, which is to deliver a non-linear economic outcome linked to a reference asset that could be an index of equity securities, an index of commodity securities, an index of fixed income securities, exchange traded funds, exchange listed equity securities, or fixed income securities.

The analysis will include determining the right combination of exchange traded option contracts, Treasury Obligations and/or Cash that will result in the targeted non-linear economic outcome.

### Software based Advisory Services

The Firm provides Clients or Advisors or Advisors’ Clients with financial advice regarding customized investment strategies that seek to provide some principal protection, growth opportunities or periodic payments derived from the recommended or Client or Advisor selected reference Exchange Traded Fund (“*ETFs*”), stock, index of equity securities, index of commodity securities, index of fixed income securities, fixed income securities or other investment.

The analysis will include determining the right combination of exchange traded option contracts and/or Treasury Obligations and/or Cash and/or listed stocks that will result in the targeted growth, periodic payment or protected outcome of the investment strategy.

The Firm will also electronically monitor the Client’s account and investment strategies after execution and if required place trades to ensure the investment objectives of the strategies are met.

### Unit Investment Trust Supervision and Valuation Services

For affiliate sponsored UITs, we will not select the portfolio and, therefore, will not use a method of analysis or investment strategy for providing investment advice or managing assets. However, as the supervisor of these UITs, we will provide some monitoring services. CBOE Vest may determine that a condition may exist in which it is necessary for the UIT to sell some of its holdings in order to maintain the sound investment character of the UIT, even though UITs are not managed and generally do not change their portfolios. Such limited conditions to protect the UIT will be specified in the UIT’s governing documents and generally include, but are not limited to, situations when: there has been a default in the payment of dividends, the price of a security has declined to such an extent or other such credit factors exist so that the retention of such securities would be detrimental to the UIT and to the interest of the unitholders, a sale is required

to fund redemptions, a sale would maintain the UIT's tax status, and the UIT must comply with federal and/or state securities laws, regulations and/or regulatory actions and interpretations.

### Unit Investment Trust Model Portfolio Investment Recommendations

#### Method of Analysis and Investment Strategies:

When we are engaged as a portfolio consultant to a UIT not sponsored by an affiliate, we will employ the following types of analysis to select UIT securities:

We will utilize an investment strategy that involves investing in (i) exchange traded option contracts and/or (ii) U.S. Treasury obligations (the "*Treasury Obligations*") and/or (iii) cash instruments ("*cash*") and/or (iv) exchange listed equity securities. The investment strategy is designed to meet the UIT's investment objective, which is to deliver a non-linear economic outcome linked to a reference asset that could be an index of equity securities, an index of commodity securities, an index of fixed income securities, exchange traded funds, exchange listed equity securities, or fixed income securities.

The analysis will include determining the right combination of exchange traded option contracts and Treasury Obligations that will result in the targeted non-linear economic outcome.

### Fund Portfolio Investment Recommendations

Investors in a Fund are requested to refer to the governing documents of the Fund for more complete information on investment strategies employed and the corresponding risks associated with such investment strategies. While CBOE Vest intends to manage each Fund pursuant to the investment strategy described in the offering documents of the Fund, CBOE Vest may have wide latitude to act upon any investment strategy or to change any investment strategy to achieve the investment objective of the Fund, all without obtaining the consent of investors. Prospective investors should carefully read the offering documents of the Fund and consult with their own counsel and advisers as to all matters concerning an investment in the Fund.

#### ***Risk of Loss:***

Investing in securities involves a risk of loss that the client should be prepared to bear. Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. There are no assurances that the model portfolios for clients will succeed. We cannot give any guarantee that a client's investment objectives will be achieved or that a client will receive a return on their investment. Other potentially material risks may include:

***Exchange-Traded Options Risk.*** The value of options also may be adversely affected if the market for options is reduced or becomes illiquid. No assurance can be given that a liquid market will exist when CBOE Vest seeks to close out an option position. Reasons

for the absence of a liquid secondary market on an exchange include the following: (i) there may be insufficient trading interest in certain options; (ii) restrictions may be imposed by an exchange on opening transactions or closing transactions or both; (iii) trading halts, suspensions or other restrictions may be imposed with respect to particular classes or series of options; (iv) unusual or unforeseen circumstances may interrupt normal operations on an exchange; (v) the facilities of an exchange or the Options Clearing Corporation may not at all times be adequate to handle the then-current trading volume; or (vi) one or more exchanges could, for economic or other reasons, decide or be compelled at some future date to discontinue the trading of options (or a particular class or series of options). If trading were discontinued, the secondary market on that exchange (or in that class or series of options) would cease to exist. However, outstanding options on that exchange that had been issued by the Options Clearing Corporation because of trades on that exchange would continue to be exercisable in accordance with their terms.

In addition, transactions in exchange-traded options will be subject to limitations established by each of the exchanges, boards of trade or other trading facilities on which the options are traded. These limitations govern the maximum number of options in each class which may be written by a single investor or group of investors acting in concert, regardless of whether the options are written on the same or different exchanges, boards of trade or other trading facilities or are written in one or more accounts or through one or more brokers. An exchange, board of trade or other trading facility may order the liquidation of positions found to be more than these limits, and it may impose other sanctions.

In addition, the options returns are related to the price return of the reference asset. The options do not deliver any returns due to any dividends paid from the reference asset.

***U.S. Treasury Obligations Risk.*** A security backed by the U.S. Treasury or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity, but the market prices for such securities are not guaranteed and will fluctuate. Treasury Obligations may differ from other securities in their interest rates, maturities, times of issuance and other characteristics. U.S. government securities generally do not involve the credit risks associated with investments in other types of debt securities, although, as a result, the yields available from U.S. government securities are generally lower than the yields available from corporate fixed-income securities. Like other debt securities, however, the values of U.S. government securities change as interest rates fluctuate. Changes to the financial condition or credit rating of the U.S. government may cause the value of Treasury Obligations to decline.

***Electronic Advice and Execution Risk.*** Online advice and electronic trading poses unique risk to investors. System response, execution price, speed, liquidity, market data and account access times are affected by many factors, including market volatility, size and type of order, market conditions, system performance and other factors.

**Other important risk factors.** Investing always involves some measure of risk. There are several factors you should consider when investing in investment strategies through CBOE Vest (“*CBOE Vest Investment Strategies*”). Following are select risk factors.

- CBOE Vest makes a best effort attempt to deliver on your investment objective. CBOE Vest takes utmost care and diligence in selecting securities in the CBOE Vest Investment Strategies that seek to meet your investment objectives of protection and potential gains. There is no assurance that the strategies will achieve your investment objective.
- The CBOE Vest Investment Strategy is designed to achieve its investment objective at the end of the investment period. The investment strategy has not been designed to deliver on its objective if strategy is liquidized prior to end of the investment period. Prior to end of the investment period, the value of the securities in the strategy could vary because of related factors other than the price of shares of the Reference Asset. Certain related factors are interest rates, implied volatility levels of the Reference Asset and implied dividend levels of the Reference Asset. Except in limited circumstances, we will not alter the security holdings in your account before the end of the period of your CBOE Vest Investment Strategy. You will continue to hold the same securities till the end of the period even if their market value declines.
- The CBOE Vest Investment Strategy return may be subject to a capped upside and only partial downside protection. The target return for CBOE Vest Investment Strategy held to the end of the investment period is based on the price performance of the Reference Asset, subject to a Capped Return. If the price of shares of the Reference Asset increases more than a certain pre-determined level, the return will be capped and may be less than the performance of the Reference Asset. Because the partial protection is designed to protect only against Reference Asset share price up to pre-determined levels, investors may experience significant losses on their investment, potentially near a total loss of investment, if the price of shares of the Reference Asset declines by more than these pre-determined levels.
- You may lose all or a portion of your investment. The CBOE Vest Investment Strategies do not always provide full principal protection and you may not receive a return of the capital you invest.
- The value of CBOE Vest Investment Strategies may not appreciate due to dividend payments: The strategies seeks to provide target returns on the price performance of the Reference Assets. The price performance of the Reference Asset does not include returns from dividends. The lack of dividends being received by the CBOE Vest Investment Strategies may mean that the strategies may underperform your expectations, if you your expectations are based on the performance of the Reference Assets that includes dividends.

- Owning the CBOE Vest Investment Strategy is not the same as owning the Reference Asset: As an investor in the CBOE Vest Investment Strategies investors will not have voting rights or rights to receive dividends or other distributions or other rights that holders of the Reference Asset may have.
- Credit risk is the risk an issuer, guarantor or counterparty of a security in your account is unable or unwilling to meet its obligation on the security. The Options Clearing Corporation (OCC) acts as guarantor and central counterparty with respect to the exchange-traded-options. Thus, the ability of a CBOE Vest Investment Strategy to meet your objective depends on the OCC being able to meet its obligations.
- Modelling risk: The CBOE Vest Investment Strategies holds various options that determine the payoff profile in relation to the reference asset over the term of the options. Failure by CBOE Vest to fully comprehend and accurately model the embedded optionalities may cause the performance of the CBOE Vest Investment Strategies to vary from what is anticipated for a given level of performance of the reference asset over the term of the CBOE Vest Investment Strategies. The strategies may experience more loss or less gain than anticipated for a given level of Reference Assets performance.
- Consider the tax and legal implications: Investors wishing to implement CBOE Vest Investment Strategies on existing stock or ETF positions should consider carefully the tax implications. There are also legal consequences of trading options if you are an insider or have access to non-public information about the reference security.

## **ITEM 9 DISCIPLINARY INFORMATION**

We are required to disclose any legal or disciplinary events that are material to your evaluation of our advisory business or the integrity of our management personnel.

Our firm and our management personnel have no reportable disciplinary events to disclose.

## **ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Our Firm has financial industry activity relationships and arrangements which are material to its advisory business. We are a subsidiary of CBOE, the Chicago Board of Options Exchange.

Additionally, as noted in Item 4 above, we may provide advisory services and may have material business arrangements with affiliates and non-affiliates that sponsor UITs and Funds.

## **ITEM 11 CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

We have adopted a Code of Ethics which sets forth the ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Our Code of Ethics provides for oversight, enforcement and recordkeeping provisions. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon written request to 8300 Greensboro Drive, Suite 800, McLean VA 22102, at the firm's principal office address.

Our firm or individuals associated with our firm may buy or sell securities identical to those recommended to or purchased for clients for their personal accounts. In addition, any related person may have an interest or position in a certain security, which may also be recommended to a client. This practice results in a potential conflict of interest, as we may have an incentive to manipulate the timing of such purchases to obtain a better price or more favorable allocation in rare cases of limited availability.

To mitigate these potential conflicts of interest and ensure the fulfillment of our fiduciary responsibilities, we have, among other things, established the following restrictions:

1. No access person of the Firm may purchase, directly or indirectly for any account in which he or she has beneficial ownership, any security in an initial public offering. This requirement also does apply to transactions in an initial public offering in an account over which an employee has granted full discretionary authority to a third party.
2. No access person of the Firm may purchase, directly or indirectly for any account in which he or she has beneficial ownership, or outside such an account, any security in a limited offering (i.e., private placement) without prior written approval.
3. No access person of the Firm may purchase or sell, directly or indirectly for any account in which he or she has beneficial ownership, any security without first pre-clearing such transaction by the Chief Compliance Officer.
4. No access person of the Firm may purchase or sell, directly or indirectly for any account in which he or she has beneficial ownership, any security that to his or her actual knowledge is being purchased or sold, or is actively being considered for purchase or sale, by a client of the Firm. This restriction, however, does not apply when the purchase or sale by the client account is a maintenance trade or an unsupervised trade.
5. Except with prior written approval, no investment person of the Firm may purchase or sell, directly or indirectly for any account in which he or she has beneficial ownership, any security eligible for purchase or sale by a client account for which

such investment person has responsibility. Investment persons of the Firm include portfolios managers, portfolio assistants, securities analysts and traders employed by the Firm, or any other persons designated as such by the Firm.

6. If a client account purchases or sells a security within seven days preceding or following the purchase, or purchases or sells a security within seven days preceding or following the sale, of the same security by an investment person who has responsibility for the client account, the investment person may be required to dispose of the security and/or disgorge any profits associated with his or her transaction. Such disposal and/or disgorgement may be required notwithstanding any prior written approval, unless the purchase or sale by the client account is a maintenance trade or unsupervised trade.
7. No access person of the Firm may purchase or sell, directly or indirectly for any account in which he or she has beneficial ownership, any common or preferred shares of a closed-end fund or exchange-listed investment product advised or sub-advised by Firm without prior written approval.
8. All our principals and employees must act in accordance with all applicable Federal and state regulations governing registered investment advisory practices.

Any individual not in observance of the above may be subject to disciplinary action, including suspension or termination.

## **ITEM 12 BROKERAGE PRACTICES**

CBOE Vest seeks to establish custodial and brokerage arrangements with broker-dealers that are “qualified custodians” (as that term is defined by the SEC) to meet the custodial and brokerage needs of the Clients or Advisor’s Clients. When determining which broker-dealers to choose, we first determine which broker-dealers have an investment management platform that allows us to execute trades on behalf of our and Advisor’s Clients and then assess such broker-dealers using the following factors:

- Financial strength and reputation of the broker-dealer;
- Whether the broker-dealer has a trading platform that supports the administrative requirements for trading and record keeping;
- Whether the broker-dealer can execute trades in select securities;
- The amount of experience the broker-dealer has in handling the transaction, brokerage, custodial and record-keeping needs of an internet based investment adviser;
- Whether the broker-dealer has a trading platform that provides the ability to execute trades electronically and to use software to execute trades.

### ***Research and Soft-Dollar Benefits***

Our firm does not maintain any soft dollar arrangements or agreements with any broker-dealer. However, we may receive research and services from some broker-dealers that while not covered in a soft dollar agreement, nonetheless, may be a benefit to our firm.

As a result of receiving these services for no additional cost, we may have an incentive to continue to use or expand the use of these services. We examine these potential conflicts of interest when we choose to enter a relationship with a specific broker-dealer and have determined that the relationship is in the best interests of our clients and satisfies our client obligations, including our duty to seek best execution.

You may pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness.

### ***Brokerage for Client Referrals***

Our firm does not receive or participate in any program whereby we receive client referrals in exchange for using any broker-dealer.

### ***Directed Brokerage***

You are under no obligation to use any broker-dealer. We are regularly asked if we would recommend a broker-dealer. Because we have an established relationship with certain broker-dealers who we believe provide our clients with best execution, and because we may receive research services as outlined in the section titled "Research and Soft Dollar Benefits", we oftentimes suggest them. However, you are free to use any broker-dealer that you may choose provided that broker-dealer has the capabilities to execute transactions in a manner we deem essential to implement our strategies.

If you allow us to choose the broker-dealer for your account, your investment management agreement with us will reflect that you are providing us with full discretionary authority which includes the ability to determine the broker-dealer to use. In addition, you will also be allowing us to choose the commission costs that will be charged to you for these transactions.

You may change your broker-dealer at any time, as well as amend or revoke discretionary authority at any time by providing us with written notice.

If you should request that we utilize a specific broker-dealer that is someone we do not utilize on a regular basis you should be aware that your choice may interfere with our ability to “batch” or combine your trades with other client trades. This may impact the price at which your security is bought or sold and may impact the commission cost you pay for your order.

### ***Aggregating (Block) Trading for Multiple Client Accounts***

Transactions for each Client account generally will be effected independently unless the Firm decides to purchase or sell the same securities for multiple Firm clients at approximately the same time **and** from the same brokerage firm.

At that point our firm may, **but is not obligated to**, combine or “batch” your orders with orders of other clients. In the event an employee of the advisor is seeking to sell the same security at the same time as that which is being contemplated for your account, if allowed and in keeping with our Code of Ethics, then where possible, we are obligated to combine or “batch” your order with the employee’s order. In no event will an employee receive any preferential treatment over any account of yours or of other clients.

The process of combining these orders oftentimes allows us to negotiate more favorable commission rates. We also can allocate equitably among you, other clients, and employees, the differences between prices, commissions, and other transaction costs that we and you may not have received had each order been placed independently. This allows you to receive the average price paid or received as well as to share in the purchase or sale pro-rata if an order is only partially completed. Our firm will not receive any additional compensation because of aggregating these orders.

We also may choose not to aggregate orders except in the instance of an employee entering an order at the same time as your account. Reasons that we may not aggregate an order may include:

- Only a small percentage of an order is completed and thus the shares may be assigned to the account with the smallest order or position, or that is out of line with respect to a security or sector weightings.
- Allocations may be given to one account when that account has investment limitations which restrict it from purchasing other securities which are expected to produce similar investment results.
- If an account reaches an investment guideline limit and cannot participate in an allocation which may occur due to unforeseen changes in account assets after an order is placed.
- Sale allocations may be given to accounts that are low in cash.
- When a pro rata allocation would result in a de minimis allocation in one or more accounts.

Transactions for each Client account generally will be effected independently unless the Firm decides to purchase or sell the same securities for multiple Firm clients at

approximately the same time **and** from the same brokerage firm.

At that point our firm may, **but is not obligated to**, combine or “batch” your orders with orders of other clients. In the event an employee of the advisor is seeking to sell the same security at the same time as that which is being contemplated for your account, if allowed and in keeping with our Code of Ethics, then where possible, we are obligated to combine or “batch” your order with the employees’ order. In no event will an employee receive any preferential treatment over any account of yours or of other clients.

The process of combining these orders oftentimes allows us to negotiate more favorable commission rates. We also can allocate equitably among you, other clients, and employees the differences between prices, commissions, and other transaction costs that we and you may not have received had each order been placed independently. This allows you to receive the average price paid or received as well as to share in the purchase or sale pro-rata if an order is only partially completed. Our firm will not receive any additional compensation because of aggregating these orders.

We also may choose not to aggregate orders except in the instance of an employee entering an order at the same time as your account. Reasons that we may not aggregate an order may include:

- Only a small percentage of an order is completed and thus the shares may be assigned to the account with the smallest order or position, or that is out of line with respect to a security or sector weightings.
- Allocations may be given to one account when that account has investment limitations which restrict it from purchasing other securities which are expected to produce similar investment results.
- If an account reaches an investment guideline limit and cannot participate in an allocation which may occur due to unforeseen changes in account assets after an order is placed.
- Sale allocations may be given to accounts that are low in cash.
- When a pro rata allocation would result in a de minimis allocation in one or more accounts.
- In the case where a proportion of an order is filled in all accounts, shares may be allocated to one or more accounts on a random basis.

## **ITEM 13 REVIEW OF ACCOUNTS**

### Software based Advisory Services

The Firm reviews the accounts of its Clients and Advisor’s Clients. Triggering factors may include but are not limited to option assignment, a significant change to one or more of the securities owned by a client, overall market movement, or changes in the client’s circumstances if those changes are communicated to us.

## UIT Services

Although UIT portfolios are intended to be fixed and not actively managed or traded, we will monitor underlying portfolio investments and periodically review portfolios as required by the related prospectus and indenture of each UIT for matters that may be cause for concern, such as a ratings downgrade, an issue being placed on credit watch by a rating agency, significant negative financial news, etc.

Each UIT trustee or sponsor will receive monthly/quarterly statements from the respective custodian. Investors in an affiliate-sponsored UIT will receive the Trustee's Annual Report which includes a listing of holdings in each trust and a summary of transaction activity in the trust during the year. We may provide additional reports as specifically required in each UIT prospectus.

## Fund Services

We will periodically review Fund accounts as required by the prospectus of each Fund.

Each Fund sponsor or administrator will receive account statements directly from the respective custodian. CBOE Vest may provide additional reports as specifically required in each Fund prospectus.

## **ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION**

Our firm does not currently engage solicitors or pay any related or non-related persons for referring potential clients to our firm.

It is our policy not to accept or allow our employees and related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we may provide to you

## **ITEM 15 CUSTODY**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that we request that you direct your custodian to allow our firm to directly debit your management fees from your account(s). Again, the approval of the direct debit of fees is solely your choice. You have no obligation to allow us to do so.

Technically, SEC rules consider the action of direct debiting of fees to be considered maintaining custody. However, if this is the only way we are considered to have custody and certain conditions are met, then we will not be subject to the requirements established for true custody of your assets.

If you agree to allow us to direct debit fees from your account(s) we will require authorization in writing from you. Each billing period we will notify your custodian of the amount of the fee to be deducted from your account(s). On at least a quarterly basis, the custodian is required to send to you and us a statement showing all transactions,

including management fees disbursed from your account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted from your account, it is important for you to carefully review the custodial statements to verify the accuracy of the calculation, among other things. You should contact us directly if you believe there may be an error in your statement.

In addition to the periodic statements that you receive directly from your custodians, we also send or provide via electronic format, account statements directly to you on a quarterly basis.

**We urge you to carefully compare the information provided on these statements to the statements you receive from the custodian to ensure that all account transactions, including the debit of management fees, holdings and values are correct and current.**

**Our firm does not have actual or constructive custody of any client account.**

#### **ITEM 16 INVESTMENT DISCRETION**

Generally, all of the accounts we manage are discretionary in nature. We will request that we be given discretionary authority from the outset of our advisory relationship so that we may provide discretionary asset management services for your accounts. You may deny such authority. If that authority is denied or revoked in the future we may, at our sole discretion, choose not to enter, or to terminate, any advisory relationship with you.

When you agree to give us discretionary authority we can place trades in your account without contacting you prior to each trade to obtain your permission.

Our discretionary authority includes the ability to do the following without contacting you:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

In all cases this discretion is to be used in a manner consistent with the stated investment objectives for your account.

When we select securities and determine the amounts of those securities to buy or sell, we will observe the policies, limitations, or restrictions which you may have given us to follow.

You give us discretionary authority when you sign a discretionary investment management agreement with our firm, and you may limit this authority by giving us written instructions in advance of entering an agreement. You may also limit this authority at any time after entering an agreement while that agreement remains in effect by once again providing us with written instructions. These limitations and other instructions will become a part of your permanent file.

## ITEM 17 VOTING CLIENT SECURITIES

### **We do not generally vote proxies for our clients.**

If we do not vote proxies for your account(s), our firm may provide investment advisory services relative to the investment assets, however, you will maintain exclusive responsibility for:

- Directing the way proxies solicited by issuers of securities beneficially owned by you shall be voted, and
- Making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other events pertaining to your investment assets.
- Instructing each custodian to forward to you the copies of all proxies and shareholder communications relating to your investment assets.

In some limited circumstances, we may, if contractually agreed upon, vote proxies for your account.

If we vote proxies for your account, we will do so in a manner that we believe is in the best interests of your account and that is done so in accordance with our established policies and procedures. We will retain all proxy voting records electronically or in some other acceptable fashion for the required period. We will keep or have ready access to a copy of the following:

- Each proxy statement received;
- A record of each vote cast;
- A copy of any document created that was material in making our decision on how to vote the proxy; and

If we have proxy voting responsibility for your account(s) you can instruct us to generally vote all proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing.

We generally will not advise you or act on your behalf in legal proceedings involving companies whose securities are held in your account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, you may direct us to transmit copies of class action notices to you or to a third party. Upon receiving that direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

If we have a conflict of interest in voting a proxy or corporate action, we will notify you of the conflict and either retain an independent third-party to cast a vote or with your approval allow you to cast the vote.

You may obtain a copy of our complete proxy voting policies and procedures by

contacting Kyle Bubeck by telephone at 913-239-0100, email at [krbubeck@beaconcompliance.com](mailto:krbubeck@beaconcompliance.com), or in writing at PO Box 11550, Overland Park, KS 66207. You may also contact CBOE Vest directly at (855) 979-6060

You may request, in writing, information on how proxies for your shares were voted. If you request a copy of our complete proxy policies and procedures or how we voted proxies for your account(s), we will promptly provide such information to you.

#### **ITEM 18 FINANCIAL INFORMATION**

Under no circumstances do we require or solicit payment of fees more than \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

If we maintain discretionary authority for your account or are deemed to have actual or constructive custody of your assets or collect fees as described in the preceding paragraph we are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations.

Our firm has no financial circumstances to report. Additionally, our firm has not been the subject of a bankruptcy proceeding at any time during the past ten years.