



## Form ADV Part II Vision Investment Advisors, LLC

March 15, 2011

This Brochure provides information about the qualifications and business practices of Vision Investment Advisors, LLC ("Vision Advisors"). If you have any questions about the contents of this Brochure, please contact us by e-mail: [info@advicewithvision.com](mailto:info@advicewithvision.com) or by phone: 203-388-2700. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Vision Advisors is a SEC registered investment adviser. Registration of an investment advisor does not imply any level of skill or training. The oral and written communications of an advisor provides you with information you use in determining whether to hire or retain an advisor.

Additional information about Vision Advisors is also available on the SEC's Web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Material Changes**

The following are the material changes to the Vision Advisors' ADV Part II since the previous filing:

1. Two additional non-wrap fee portfolios have been added: the Stock Put Writing Program and Stock Put Spread Writing Program. These portfolios involve the selling of put options and the selling of put spreads on stocks, targeted to more aggressive investors.
2. Investment Advisor Representatives: Vision Advisors now has Investment Advisor Representatives ("IARs"). The IARs are under the supervision of Vision Advisors and they will direct the investment of their clients' accounts.

## Table of Contents

|   |    |
|---|----|
| ADVISORY BUSINESS .....   | 1  |
| FEES AND COMPENSATION .....   | 8  |
| PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....                        | 12 |
| TYPES OF CLIENTS .....  | 12 |
| METHODS OF ANALYSIS; INVESTMENT STRATEGIES AND RISK OF LOSS .....               | 12 |
| DISCIPLINARY INFORMATION .....  | 14 |
| OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....                       | 14 |
| CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING ..... | 16 |
| BROKERAGE PRACTICES.....  | 16 |
| REVIEW OF ACCOUNTS.....   | 17 |
| CLIENT REFERRALS AND OTHER COMPENSATION .....                                   | 17 |
| CUSTODY.....  | 18 |
| INVESTMENT DISCRETION.....  | 18 |
| VOTING CLIENT SECURITIES.....   | 18 |
| FINANCIAL INFORMATION .....   | 19 |

## **Advisory Business**

Vision Advisors provides discretionary investment advisory services based on a client's investment objectives and risk tolerances. Occasionally, if requested by a client, Vision Advisors may provide investment advice on a non-discretionary basis. Vision Advisors also will provide financial planning and portfolio review services based on individual consultations with clients concerning their securities holdings and asset allocation. Vision may recommend a third-party investment adviser to manage all or a portion of a client's account or an independent Commodity Trading Advisor ("CTA") for management of a portion of a client's account in managed futures.

Vision Advisors has been in business since September 2000. Its principal owners are Howard Rothman and Boshnack Family LLC, a Delaware limited liability company. The investment methodologies at Vision Advisors have been developed by Howard Rothman, its Chief Investment Officer. Mr. Rothman makes the ultimate investment selections and recommendations, and personally (though not solely) monitors each client account that receives discretionary investment advice.

### **Investment Portfolios - Non-Wrap Fee Programs**

Vision Advisors provides discretionary advisory services on a non-wrap fee basis in the Equity, Balanced, Stock Put Writing, Stock Put Credit Spread Option Program and Total Portfolios, to individual and institutional investors. A Vision Advisors' client may establish an account in one or more of Vision's investment portfolios, each of which consists of accounts with similar investment objectives, portfolio construction, market exposure and risk tolerance. Each client's portfolio is managed specifically for that client based upon the client's individual goals, objectives, restrictions and current market conditions. A client may request, subject to Vision Advisors' approval, to place limited and reasonable restrictions on the specific securities or types of securities that are purchased for the client's account. Vision Advisors may also provide discretionary advisory services not based on any of the portfolios described below.

### **The Equity Portfolio (The E-Portfolio)**

Vision Advisors' principal objective in its Equity Portfolio is to seek returns from a diversified group of large-cap U.S. traded equities that we believe have the potential to achieve returns greater than Standard and Poor's 500 Composite Stock Price Index ("S&P 500 Index") over time. The Equity Portfolio will be primarily comprised of a diversified portfolio of large-cap stocks which currently exhibit a high degree of financial strength coupled with a track record of solid growth and which we expect have a high potential for continued growth. The total amount of diversification is, to a large degree, a function of the total amount of the individual client's funds invested in the E-Portfolio. An account with a smaller amount invested generally will incorporate fewer stocks and therefore be less diversified.

Vision Advisors' research efforts focus on identifying companies that have sustainable gross revenue (top-line) and earnings or net income (bottom-line) growth, competitive advantages and strong returns on equity. Vision Advisors selects and purchases stocks based upon its research and evaluation of a given company. During this process, we will review a given company's past revenue and earnings growth, current cash flow status, debt factors, financial ratios such as the price-earning ratio ("PE") and additional ratios and factors we deem to be relevant.

Securities in the Equity Portfolio may represent several sectors of the economy, but generally will not be concentrated in any one sector or constitute more than 15% in any one issuer. Securities are sold when we deem the ownership of that company is no longer attractive, or to replace that security with another security that we believe is more attractive. Considerations to sell a security may include deceleration in sales or earnings growth or expected future growth, a high stock price based upon PE Ratio or key management changes, among other related factors.

Vision Advisors also believes that it makes sound economic sense to employ, from time to time, a strategy of writing covered call positions against some or all of the stocks in the Equity Portfolio.

The primary purpose of option writing is to earn additional income through premiums received from the buyers of the call options. By monitoring the volatility, delta and time to expiration, Vision Advisors works to optimize the trade off between receiving option premium income and the possibility of forgoing future price appreciation on the underlying stock above the written strike price of the option, until the option expires. At the same time, the investor receives a small measure of downside protection, to the extent of the net option premium received, should the price of the stock decline. By adding a covered call position to an existing long stock position, Vision Advisors will attempt to enhance the potential overall return in the portfolio.

The goal of a covered call position is for the short option value to decay over time and allow the account holder to realize a gain, up to the total net option premium received, should the option position expire worthless. In order to calculate the gain or loss on the overall covered call position, one must measure the profit or loss realized during the period the covered call option position was open against the profit and loss of the open securities position during the same time periods.

In addition to covered calls, Vision Advisors may, from time to time, purchase out-of-the-money put options to further add to the level of downside protection. The ratio of purchased put options may be less than the number of long shares of stock owned in the account. Please recognize that employing puts to help protect the stocks in an account is likely to temper total returns (due to the premium paid to purchase the put options), but does provide some downside protection against declines in the value of the underlying stocks.

### **The Balanced Portfolio (The B-Portfolio)**

The principal objective of the Balanced Portfolio is to provide income and capital gains from a combination of stocks (common and preferred), bonds, notes and the use of cash, cash equivalents or option premium income. The equity portion of the Balanced Portfolio is managed using the methods employed to manage the Equity Portfolio accounts. Within the fixed income portion, securities are evaluated and selected based upon Vision Advisors' interest rate assumptions, the U.S. Treasury yield curve, credit risk and a number of macro-economic variables that may affect the relative performance of the specific bonds. Fixed income holdings can include preferred stocks, municipal bonds, corporate bonds, U.S. Government Agency debt securities and other debt instruments.

Vision Advisors also believes that it makes sound economic sense to employ, from time to time, a strategy of writing covered call positions against some or all of the stocks in the Balanced Portfolio.

The primary purpose of option writing is to earn additional income through premiums received from the buyers of the call options. By monitoring the volatility, delta and time to expiration, Vision Advisors works to optimize the trade off between receiving option premium income and the possibility of forgoing future price appreciation on the underlying stock above the written strike price of the option, until the option expires. At the same time, the investor receives a small measure of downside protection, to the extent of the net option premium received, should the price of the stock decline. By adding a covered call position to an existing long stock position, Vision Advisors will attempt to enhance the potential overall return in the portfolio.

The goal of a covered call position is for the short option value to decay over time and allow the account holder to realize a gain, up to the total net option premium received, should the option position expire worthless. In order to calculate the gain or loss on the overall covered call position, one must measure the profit or loss realized during the period the covered call option position was open against the profit and loss of the open securities position during the same time periods.

In addition to covered calls, Vision Advisors may, from time to time, purchase out-of-the-money put options to further add to the level of downside protection. The ratio of purchased put options may be less than the number of long shares of stock owned in the account. Please recognize that employing puts to help protect the stocks in an account is likely to temper total returns (due to the premium paid to purchase

the put options), but does provide some downside protection against declines in value of the underlying stocks.

### **Stock Put Writing Program (SPWP) and the Stock Put Credit Spread Option Program (SPCWP)**

Vision Advisors provides its clients with an alternative trading strategy that is designed for those investors seeking aggressive returns and who are suitable for a high degree of risk of loss, active and short-term option trading, including the use of leverage in holding short put option positions and short put option credit spread positions. For these investors, Vision Advisors offers the Stock Put Writing Program (SPWP) and the Stock Put Credit Spread Option Program (SPCWP).

Clients in these portfolios must have "Speculation" or "Capital Appreciation" as their primary objective and their risk tolerance must be "aggressive" or "speculative". A client should allocate no more than 20% of their total investable assets into these portfolios. (Vision Advisors has additional portfolios that could be utilized for the balance of a client's investable assets.) Clients who are age 65 or older should not allocate more than 15% of their investable assets into these portfolios.

Vision Advisors seeks to achieve an aggressive return for investors in the Stock Put Writing Program, by employing a strategy of writing (selling) put options on a group of common stocks. A client enters a typical trade by selling an out-of-the-money put on a given stock and receiving a premium in exchange for agreeing to purchase 100 shares of that stock at the strike price any time before the expiration date of the option. If the underlying stock price does not drop below the strike price of the option, the option will generally lose time value, decaying in value over time and expire worthless on the expiration date. The premium collected for writing the option becomes the short term profit for that trade. If the stock price drops below the exercise price, then the option is subject to being exercised. In that case, the stock would have to be purchased at the strike price which would be higher than the current market price of the stock. A client is not required under applicable margin rules to maintain in his/her account sufficient equity to fund assignments on all the client's short option positions. However, should the client be exercised on a short-put position, the cost of funding the resulting assignment of the stock may exceed the account's free available margin and result in a margin call, which would likely result in liquidating the stock position at a loss. The Stock Put Writing Program is, therefore, a leveraged investment and should only be considered by investors with a high risk tolerance.

Vision Advisors seeks to achieve an aggressive return for investors in the Stock Put Credit Spread Option Program, by employing a strategy of writing (selling) put credit spread options on a group of common stocks. By entering into a spread position, under applicable margin rules, the initial margin that is required will be less than the total maximum potential loss on the spread position. Therefore, the Stock Put Credit Spread Option Program is a leveraged investment and should only be considered by investors with a high risk tolerance.

Clients in both of the above programs will be required to open margin accounts with Vision Financial Markets LLC ("VFM") which can allow for substantial leverage in their accounts and will therefore be responsible for maintaining adequate levels of margin in their accounts. If the market moves unfavorably, clients may be required to deposit additional margin upon short notice to maintain their open positions. Also, clients should be aware that they will have limited ability to withdraw amounts deposited as margin while option positions in their accounts remain open.

## MARGIN DISCLOSURE STATEMENT

Clients who open margin accounts will be provided with the full margin disclosure documents. Margin clients should be aware of the following:

- They may lose more funds than are deposited in the margin account;
- VFM or Vision Brokerage Services, LLC ("VBS") can liquidate any short option position or any other security to cover a margin deficiency;
- VBS or VFM can liquidate positions without first contacting the client;
- Clients are not entitled to choose which securities or other assets in their account(s) are liquidated or sold to meet a margin call;
- The loss on a given short spread is limited to the difference between the two strike prices less the net premium received, after execution charges and any other transaction costs;
- VBS or VFM can increase its "house" maintenance margin requirements at any time and are not required to provide advanced written notice to clients; and
- Clients are not entitled to an extension of time on a margin call.

Clients in both of the above programs will be required to be approved for writing uncovered options. Clients will need to be approved for Level 3 Options trading in order to write puts and for Level 4 Options trading to write uncovered puts. Clients who utilize puts on Indexes must be approved for Level 5 Options trading. Those clients who open option accounts will be provided with a copy of the brochure *Characteristics and Risks of Standardized Options* (and any supplements) prior to being approved to trade options. Clients will also receive margin and uncovered options disclosure forms. ***Please note: Options involve risk and are not suitable for all clients.***

Vision Advisors will first identify companies that we believe have a strong tendency to trade at or above their current market price (these may be the same stocks that Vision Advisors uses in its other portfolios). The Portfolios seek to achieve trading profits by ultimately entering into the short-put options trades at higher prices than when the positions are liquidated (closed) or the option positions expire worthless. Of course, an investor should fully understand that a drop (especially a sudden large drop) in the respective stock price will cause losses on the stock option position and, at times, those losses could be greater than the total potential profit on the option transaction.

Leverage is a significant part of the investment strategy and creates the risk that a declining price of a stock, in the case of writing puts, may result in a loss greater than the amount deposited as margin. Moreover, a stock that is trading below the strike price, in the case of a short-put, can and may incur potentially substantial losses in a short period of time. The price of a stock may fall to zero, and the loss in the client's account will be the cost of purchasing the stock at the strike price (far surpassing the value of the margin deposited in the account and the premium income received). If a client purchases a put, it gives the client the right to sell the underlying stock on or before the expiration date at the strike price. If a client sells a put, the client is obligated to buy the underlying stock at the strike price if the client is assigned. As a writer (seller of a put) the client has no control over if the option will be exercised. Of course, either type of position can be closed out before the expiration date, thereby ending any right or potential obligation.

A credit spread is the simultaneous initiation of a short put option in combination with the purchase of put option at a lower strike price with the same expiration date. One side of the transaction is writing a put on the stock and receiving a premium, in exchange for agreeing to purchase the stock at the strike price at a future date. The other side of the spread is buying a put option. The buyer pays a premium for the right to sell the stock at the strike price at a future date. There are different kinds of spreads that can be used, each having different objectives.

Vision Advisors seeks to maintain a diversified portfolio of short options on various stocks which it believes will be more beneficial than limiting the option positions to just one or a few stocks.

In the Stock Put Writing Program, if a client desires to own shares of stock, but also believes that the ownership of that stock should take place at a price that is lower than the current market price and is willing to wait until a future date, an option strategy can be employed. By writing a put option at a strike price below the current market price, it will offer the opportunity to potentially own the stock at a lower price by the designated expiration date of the option. The put writer receives the premium since he/she has now assumed the risk of loss if the stock moves below the strike price. If the stock price drops and the option is exercised, the net put premium will be used to lower his/her net cost on the stock when it is purchased at the strike price. If the stock does not trade below the strike price by expiration, the option will ultimately expire as worthless and the net put premium will be the profit on the trade. The put writer will be writing uncovered puts and will not own the actual stocks. It is not the intention of this portfolio to hold any stocks. If an option position does get exercised and stock is purchased it would most likely be promptly liquidated.

In the Stock Put Credit Spread Option Program, Vision Advisors will engage in writing put credit spreads. In this spread transaction both the profit and loss are limited. The spread is the difference between the higher and the lower strike price. This strategy is used when one anticipates that the price of the underlying stock is likely to move higher or remain in a sideways trading range, but remaining above the strikes prices of the spread transactions, which will give it the opportunity to decay over time and result in a profitable trade. The reason the transaction is structured as a short credit spread instead of a naked put is to limit the potential of a loss on the transaction. Having a limited loss feature will also restrict the potential profit and add additional transaction costs because there are two option positions being used rather than just one.

The opportunities of the SPWP and SPCWP Programs are:

- The ability to profit from natural time decay of out-of-the-money short put options;
- The ability to profit from an upward stock trend and/or from a sideways stock trend;
- Access to investment methodologies developed by Howard Rothman, Vision Advisors' Chief Investment Officer ("CIO"). Mr. Rothman makes the ultimate investment selections or recommendations and actively manages the portfolios;
- Each client's individual portfolio will be individually managed by the CIO; and
- Portfolios also offer the ability to trade Exchange Traded Funds ("ETFs") and Indexes. If puts are going to be sold on an Index, the client would have to first be approved for Level 5 options trading.

Additional information about each of the Portfolios is below on page 12 under "*Methods of Analysis, Investment Strategies and Risk of Loss.*"

## The Total Portfolio (The T-Portfolio)

Vision Advisors offers the Total Portfolio in which it may employ any of the strategies that it uses in managing the other Portfolios offered such as the Equity, Balanced, Stock Put Writing and Stock Put Credit Spread Option Program Portfolios. In addition, Vision Advisors may engage in various option strategies including writing naked call options, enter into credit call spreads, enter into short stocks positions and/or take other actions in a client's account including the use of margin to leverage the assets in a client's account. This portfolio entails a **HIGH DEGREE OF RISK** and requires Level 5 option trading (the highest level) along with margin access.

In this portfolio, the manager is seeking aggressive market returns. Please note that Vision Advisors will have broad discretion to employ many aggressive market strategies in order to seek profits. We believe that this portfolio has the flexibility to engage in activities that are specifically geared to events (either short-term or long-term) which are taking place in the market. For example, Vision Advisors may wish to employ a "tactical tilt" to exploit a current situation in the market or wish to utilize a complex options strategy due to a severe move in an underlying stock or the market in general.

Vision Advisors may use various strategies, including but not limited to the following:

Selling a short (*i.e.*, uncovered) call position providing an opportunity for profit, but also involving unlimited downside risk of loss as the underlying stock price can rise substantially above the option strike price.

A short straddle is a non-directional options trading strategy that involves simultaneously selling a put and a call of the same underlying security, strike price and expiration date. The profit is limited to the premiums of the put and call, but it has substantial risk of loss if the underlying security either drops substantially below the strike price of the put, or soars above the strike price of the call. This strategy is called non-directional because the short straddle makes a profit when the underlying security only has small changes in price before the expiration of the straddle.

These strategies involve the use of leverage and margin. Please review the following important risk disclosure statement regarding the use of margin in a client's account.

## MARGIN DISCLOSURE STATEMENT

Clients who open margin accounts will be provided with the full margin disclosure documents. Margin clients should be aware of the following:

- They may lose more funds than are deposited in the margin account;
- VFM or Vision Brokerage Services, LLC ("VBS") can liquidate any short option position or any other security to cover a margin deficiency;
- VBS or VFM can liquidate positions without first contacting the client;
- Clients are not entitled to choose which securities or other assets in their account(s) are liquidated or sold to meet a margin call;
- The loss on a given short spread is limited to the difference between the two strike prices less the net premium received, after execution charges and any other transaction costs;
- VBS or VFM can increase its "house" maintenance margin requirements at any time and are not required to provide advanced written notice to clients; and
- Clients are not entitled to an extension of time on a margin call.

Clients in the Total Portfolio will also have to be approved for writing uncovered options. Clients will need to be approved for Level 3 Options trading in order to write puts and for Level 4 Options trading to write uncovered puts. Clients who utilize puts on Indexes must be approved for Level 5 Options trading. Those clients who open option accounts will be provided with a copy of the brochure *Characteristics and Risks of Standardized Options* (and any supplements) prior to being approved to trade options. Clients will also receive margin and uncovered options disclosure forms. **Please note: Options involve risk and are not suitable for all clients**

### Wrap Fee Programs

Vision Advisors also sponsors and offers a wrap fee program: the Vision Advisors' Wrap Fee Program ("VIA Wrap Fee Program"). The Portfolios described in VIA Wrap Fee Program Brochure are offered to individual and institutional clients in the VIA Wrap Fee Program. Vision Advisors acts as the sole portfolio manager for the VIA Wrap Fee Program. Under the VIA Wrap Fee Program, Vision Advisors offers clients discretionary investment advice, along with trade execution, brokerage, custodial and other services for a single asset-based annual fee, paid quarterly, in addition to certain other charges and expenses. More information about the wrap fee program and the portfolios offered are contained in a separate brochure (Appendix 1) and can be found on Vision Advisors' Web site at: [www.advicewithvision.com](http://www.advicewithvision.com) or can be requested by e-mail: [info@advicewithvision.com](mailto:info@advicewithvision.com) or by phone: 203-388-2700.

### Vision Advisors Investment Advisor Representatives Non-Wrap Fee Accounts

Vision Advisors also sponsors and offers non-wrap fee accounts through Vision Advisors' Investment Advisor Representatives ("Vision IARs"). Under the IAR accounts, Vision IARs provide discretionary investment advice to individual and institutional clients not pursuant to the Investment Portfolios listed above, based on a combination of a one time asset-based start-up fee, if any, and an asset-based management fee. Each Vision IAR provides investment advice differently. Clients will pay for advisory

services and brokerage services separately. More information about the IAR accounts is contained in a separate brochure and can be found on Vision Advisors' Web site at: [www.advicewithvision.com](http://www.advicewithvision.com) or can be requested by e-mail: [info@advicewithvision.com](mailto:info@advicewithvision.com) or by phone: 203-388-2700.

### **Assets Under Management**

As of December 31, 2010, Vision Advisors has \$416,270,390 in assets under management, all of which is discretionary.

## **Fees and Compensation**

In the Non-Wrap Fee Program, clients will pay for advisory services and brokerage services separately.

The specific manner in which fees are charged by Vision Advisors is disclosed in the client's Investment Management Agreement with Vision Advisors. Fees are deducted from the client's account on a quarterly basis in arrears. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any unpaid fees will be due to Vision Advisors and payable on a prorated basis.

### **Investment Portfolio Review Fees**

Vision Advisors will analyze a client's investment portfolio and make investment recommendations regarding asset allocation based on a client's stated investment objectives for an hourly fee ranging from \$150-\$250. The rate will depend on the complexity of the client's portfolio. Clients who wish to implement recommendations with Vision Advisors after a portfolio review will receive a commensurate reduction of the start-up fee, which is negotiated when the account is opened.

### **Financial Planning Service Fee**

Vision IARs may offer financial planning services for a negotiated fixed fee or an hourly fee ranging from \$100 to \$2,500 per hour, depending upon the complexity of the situation. These financial planning fees are negotiable and will be disclosed to the client in writing before the plan is prepared.

### **Fees for Investment Advisory Services**

Vision Advisors' compensation is based on a combination of a one time asset-based start-up fee, if any, and an asset-based management fee. The start-up fee, if any, is payable on the date the funds are deposited in the client's account, pursuant to Vision Advisors Investment Advisory Agreement. The management fee is payable (in arrears) at the end of each calendar quarter based on the total value of the account (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest) on the last trading day of the quarter.

If an account starts in the middle of a quarter, the management fee is prorated for the number of days remaining in the quarter. If an account is terminated in the middle of a quarter, the fee will be calculated based on the value of the account on the day of termination and prorated for the number of days in the quarter the account was under management. The management fee is deducted from the account before the account assets are distributed to the client.

Clients should be aware that Vision Advisors' advisory fees may be higher than those normally charged by other investment advisors for comparable advisory services. There may be other investment advisors who can provide comparable types of advisory services at a lower advisory fee rate.

## Start-up Fees for All Accounts

The one time asset-based start-up fee, if any, is listed below but may be negotiated with an individual client prior to the time the account is opened. The fee is deducted from the client's account on the day of the initial deposit. Below is a representative fee schedule, although the actual fee may be higher or lower than what is shown below. Start-up fees may vary based upon factors at Vision Advisors' discretion, including but not limited to, a fee reduction in exchange for a higher management fee, or if the client has additional accounts with Vision Advisors or firms affiliated with Vision Advisors. Clients will be informed of their start-up fee, if any, prior to opening the account. Subsequent deposits in a client's account may, at Vision Advisors' discretion, incur separately charged supplemental start-up fees, which the clients are advised of in advance of depositing additional funds into their account:

### Start-Up Fee (All Portfolios)

| Assets                  | Fees       |
|-------------------------|------------|
| \$0 - \$250,000         | 2.00%      |
| \$250,001 - \$500,000   | 1.50%      |
| \$500,001 - \$1,000,000 | 1.00%      |
| Over \$1,000,000        | Negotiable |

## Annual Asset-Based Management Fee (Non-Wrap Fee Accounts) for Equity, Balanced and Total Portfolios

Annual asset-based management fees are listed below but may be negotiated with an individual client. Fees are paid on a quarterly basis. Below is a representative fee schedule, although the actual fee may be higher or lower than what is shown below. The amount of the fee may vary based upon factors at Vision Advisor's discretion, including but not limited to, the amount of the original investment, if the client has accounts with an affiliated firm and if the client has additional accounts with Vision Advisors. A client will be advised of the management fee prior to opening an account with Vision Advisors.

### Equity: E-Portfolio\*

| Assets                | Fees       |
|-----------------------|------------|
| \$0 - \$250,000       | 2.00%      |
| \$250,001 - \$500,000 | 1.50%      |
| Over \$500,000        | Negotiable |

### Balanced: B-Portfolio\*

| Assets                | Fees       |
|-----------------------|------------|
| \$0 - \$100,000       | 2.00%      |
| \$100,001 - \$250,000 | 1.75%      |
| \$250,001 - \$500,000 | 1.50%      |
| Over \$500,000        | Negotiable |

### Total: T-Portfolio\*

| Assets            | Fees       |
|-------------------|------------|
| \$0 - \$1,000,000 | 2.00%      |
| Over \$1,000,000  | Negotiable |

\*In addition to the fees, a commission will be assessed on each transaction that is placed in the account.

All client accounts will incur a \$2.50 processing charge per transaction payable to VFM or VBS when trades are placed in their accounts.

## Fee Schedule for Stock Put Writing and Stock Put Credit Spread Option Programs

Annual asset-based management fees (paid quarterly), incentive fees and commissions, are listed below but may be negotiated with an individual client. Below is a representative fee/commission charge schedule, although the actual fee may be higher or lower than what is shown. Two alternative fee structures are offered – one with an incentive fee and lower management fee, and the other with no incentive fee and a higher management fee. The amount of the fees may vary based upon factors at Vision Advisor's discretion, including but not limited to, the amount of the original investment, if the client has accounts with an affiliated firm and if they have additional accounts with Vision Advisors. A client will be advised of the fees and execution charges prior to the client opening an account with Vision Advisors.

| Program | Commission  | + | Management Fee | + | Incentive Fee |
|---------|---|---|----------------|---|---------------|
| A       | \$5.00 per option trade<br>\$25.00* per stock trade | + | 2.00%          | + | 20.00%        |
| B       | \$5.00 per option trade<br>\$25.00* per stock trade | + | 4.00%          | + | NONE          |

\*Clients in the Stock Put Writing and Stock Put Credit Spread Option Programs will pay a \$2.50 processing charge on each stock transaction. Option trades will not have a \$2.50 processing fee.

### Performance-Based Fees

Vision Advisors will consider reducing its management fees for the Equity, Balanced, Stock Put Writing, Stock Put Credit Spread Option Program and Total Portfolios, for qualified clients who choose to pay an incentive fee, which is based solely on the performance in the account. Under Rule 205-3 of the Investment Advisers Act, such clients must place a minimum of \$750,000 under Vision Advisors' management or have a net worth (either individually or together with assets held jointly with a spouse) of more than \$1,500,000 at the time of opening an account.

The incentive fee is typically 20% of "new appreciation" in the account over a year's period, measured initially from the date the account is opened to the end of the calendar year and, in subsequent years, over the entire year. The incentive fee is paid only where the cumulative appreciation in the account exceeds a "High Water Mark" or the highest level of appreciation earned on any prior calculation date in the account. Once earned, the incentive fee is not refundable in the event of subsequent losses, but Vision Advisors must recoup such losses and exceed the High Water Mark before it is entitled to another incentive fee. If the client withdraws funds or closes its account before the performance period ends, Vision Advisors will calculate the incentive fee based on the value of the account on the day of termination and will deduct any incentive fee due from the assets in the account before distribution.

### Fee Negotiation

All fees may be subject to negotiation. When negotiating fees, Vision Advisors considers the following factors, including but not limited to: (i) clients with multiple accounts; (ii) size of the account; (iii) a prior or existing relationship with a Vision Advisors' affiliate; and (iv) a client's particular needs or financial characteristics. Due to the fact that fees may vary, clients with existing accounts may be charged fees which do not match precisely the foregoing fee schedules or the fees paid by other clients.

## Brokerage and Other Costs for Non-Wrap Fee Accounts

Vision Advisors requires that clients establish and maintain their accounts at Vision Brokerage Services (“VBS”) or Vision Financial Markets (“VFM”), brokerage firms which are affiliated with Vision Advisors. Clients’ funds and securities are held at VFM, acting as a custodian, which clears transactions on a fully-disclosed basis for VBS and for itself. Vision Advisors’ advisory fees do not include brokerage and custodial expenses incurred by the client and paid to VBS and/or VFM, another broker/dealer or custodian selected by the client. For the Equity, Balanced and Total Portfolios, a commission will be assessed on each transaction that is placed in the account. Clients in all of the portfolios except the Stock Put Writing and Stock Put Credit Spread Option Programs will also incur a \$2.50 processing charge per transaction payable to VFM or VBS when trades are placed in their accounts. Clients in the Stock Put Writing and Stock Put Credit Spread Option Program will be charged a commission of \$5.00 per option trade and \$25.00 plus the \$2.50 processing charge on stock transactions. Clients will also be charged any mark-ups or mark-downs with respect to fixed income securities depending on where and how they are purchased.

Where Vision Advisors recommends or purchases mutual funds in client accounts, it will do so through VBS or VFM. Generally, Vision Advisors purchases no-load mutual funds which do not generate sales charges, but VBS or VFM may receive Rule 12b-1 fees from a mutual fund for the period of time the assets are invested. Clients who purchase load mutual funds will pay a mutual fund sales commission to VBS or VFM, in addition to, the advisory fee to Vision Advisors. Any Rule 12b-1 fees and any sales commission paid to VBS or VFM may create a conflict for Vision Advisors between its fiduciary duties to act in the best interest of its clients and its incentive to generate fees for VFM or VBS, its affiliated brokerage firms. Vision Advisors may put a portion of a client’s assets in money market funds for cash management purposes. These funds may also pay 12b-1 fees to VBS or VFM. Vision Advisors is mindful of its fiduciary duty to its clients and considers a number of factors before recommending or purchasing shares of a mutual fund for a client’s account. These factors include, but are not limited to: (i) Vision Advisors’ experience with the mutual fund; (ii) the mutual fund’s overall expenses; and (iii) the fund’s investment strategies, risks and performance record. Taking into account the applicable factors, Vision Advisors will only recommend or purchase shares of a mutual fund for a client if such investment is suitable for a client in light of the client’s investment objectives, goals, time horizon and risk tolerance.

A client may incur fees and expenses in connection with a managed futures account with an independent CTA recommended by Vision Advisors.

Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund’s Prospectus. Such fees are in addition to the advisory fee charged by Vision Advisors. Neither Vision Advisors nor any of its affiliates receive any portion of such fund management fees.

Clients may also incur: (i) annual custodial fees, brokerage account fees or other administrative fees, such as wire fees, charged by VFM or VBS; (ii) certain odd-lot differentials, transfer taxes, transaction fees mandated by the Securities Act of 1934, postage and handling fees and charges imposed by law with regard to transactions in the client’s account and (iii) advisory fees, expenses or sales charges (loads) of mutual funds (including money market funds), closed-end investment companies or other managed investments, if any held in client’s account.

Howard Rothman, the Chief Executive Officer, Chief Financial Officer and Chief Investment Officer of Vision Advisors, and Robert Boshnack, Principal of Vision Advisors, are also the principal owners of VBS and VFM. As owners of VBS and VFM, Messrs. Rothman and Boshnack have an indirect financial interest in execution charges or other revenues generated by the securities transactions of the clients of Vision Advisors. Although Messrs. Rothman and Boshnack will not earn execution charges directly from the brokerage transactions conducted through VBS and VFM, other associates of Vision Advisors who are Registered Representatives of VBS or VFM may earn such execution charges from these transactions, in addition to receiving a referral fee for referring the client to Vision Advisors. The referral fee consists of a portion of the advisory fees, both annual and start-up, if any, charged by Vision Advisors. See “*Client Referrals and Other Compensation*” on page 17 for more information. Thus, Vision Advisors

may have an incentive to engage in a higher volume of trading than would be the case in the absence of such a relationship. Vision Advisors addresses this conflict by monitoring the brokerage activity in client accounts to identify any unusual trading patterns. Vision Advisors may also recommend the Vision Advisors' Wrap Fee Program to a client, depending on the brokerage activity in the client's account.

See "*Brokerage Practices*" on page 16 for additional information.

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

As noted above, Vision Advisors will consider reducing its quarterly advisory fees for qualified clients who choose to pay an incentive fee. The fact that some client accounts could (but do not currently) pay incentive fees while others do not, has the potential to create a conflict for Vision Advisors. Vision Advisors would have an incentive to favor client accounts paying an incentive fee by placing the more profitable trades in those accounts. Vision Advisors would address this conflict by allocating its trades equally among all client accounts in a given portfolio without regard to whether such account pays any incentive compensation.

## **Types of Clients**

Vision Advisors caters primarily to affluent individuals and their retirement accounts, family offices and family investment vehicles who seek an approach to capital appreciation by investing in established stocks with demonstrable prospects for growth coupled with a strategic covered call writing program. Vision Advisors' investment programs are also suitable for institutional investors such as corporate pension plans, trusts, endowments and charitable organizations with similar investment objectives. In addition, Vision Advisors currently manages a substantial customer segregated funds account for VFM, which is an affiliated Futures Commission Merchant, and the collateral accounts of persons who have entered into secured demand notes with VFM.

In order for its investment program to achieve a greater level of diversification, Vision Advisors recommends that clients deposit at least \$100,000 in their account; however, Vision Advisors will accommodate clients who wish to deposit less, but with a potential loss of diversification in their respective accounts.

## **Methods of Analysis; Investment Strategies and Risk of Loss**

Vision Advisors provides discretionary advisory services in the Equity, Balanced, Stock Put Writing Program, Stock Put Credit Spread Option Program and Total Portfolios as described above under "*Advisory Business*," beginning on page 1. There can be no assurance that the methods described above will be successful or that clients will not suffer losses. Clients should be aware that each investment portfolio involves investing in securities. Investment in securities involves risk of loss that clients should be prepared to bear.

Clients who open margin accounts should be aware that margin involves the use of leverage, and clients may lose more money than they deposit in the margin account. Clients who open margin accounts with VFM or VBS will be provided with the full margin disclosure documents. However, they should be aware of the following:

## **MARGIN DISCLOSURE STATEMENT**

**Clients who open margin accounts will be provided with the full margin disclosure documents. Margin clients should be aware of the following:**

- **They may lose more funds than are deposited in the margin account;**
- **VFM or Vision Brokerage Services, LLC (“VBS”) can liquidate any short option position or any other security to cover a margin deficiency;**
- **VBS or VFM can liquidate positions without first contacting the client;**
- **Clients are not entitled to choose which securities or other assets in their account(s) are liquidated or sold to meet a margin call;**
- **The loss on a given short spread is limited to the difference between the two strike prices less the net premium received, after execution charges and any other transaction costs;**
- **VBS or VFM can increase its "house" maintenance margin requirements at any time and are not required to provide advanced written notice to clients; and**
- **Clients are not entitled to an extension of time on a margin call.**

Vision Advisors' primary investments in the equity portion of its portfolios are concentrated in large-cap stocks with market capitalization generally over \$5 billion. These stocks may be listed on exchanges or on the NASDAQ National Market System and typically are comprised of seasoned companies with a history of earnings displaying particular growth characteristics. Vision Advisors may also purchase mid-cap stocks that exhibit similar characteristics and preferred stocks. If a client's circumstances warrant, Vision Advisors may also recommend an independent CTA or another investment adviser to manage a portion of a client's account in managed futures or securities, as applicable.

Vision Advisors focuses primarily on long-term investing with a growth-oriented approach supported by technical analytical methods to determine target prices in its equity and balanced portfolios. Drawing from traditional and electronic information sources such as financial reports, SEC filings, Bloomberg, various rating services and nationally recognized research services such as Value Line and Standard & Poor's, Vision Advisors conducts primary research. A heavy emphasis is placed on a number of factors such as: (i) revenues and income growth; (ii) dominant-industry position; (iii) large-cap status; (iv) return on equity; and (v) companies which favor stock purchase programs. In addition, enhanced yield and a measure of downside protection is sought through closely monitored covered call option writing.

Vision Advisors may use one or more of these investment strategies: (a) long-term purchases (securities held for at least one year); (b) short-term purchases (securities sold within one year); (c) margin transactions; and (d) option writing, including covered options, uncovered options, or spreading strategies.

### **Special Considerations**

Although the stocks selected in the Equity, Balanced and Total Portfolios are generally established companies in their industries, there are a number of counterbalancing factors in considering an investment in these portfolios:

- Many of the companies selected for purchase are growth companies, or poised for active growth and tend to exhibit higher price-earnings ratios than the market as a whole. Such stocks may be more vulnerable to market declines from earnings disappointments or adverse factors that inhibit a company's ability to carry out the plan on which the growth prospects were anticipated.
- Because the companies in the Equity and Total Portfolios will typically conduct business globally and have significant operations or product distribution in countries outside the U.S., their earnings can be impacted by fluctuations in foreign currency rates.

In the Total Portfolio Vision Advisors may purchase securities on margin. By virtue of the use of borrowed funds and the leverage employed in the portfolio, the returns must exceed interest expenses. Moreover, any losses will be increased in magnitude in direct proportion to the amount of margin debt incurred.

### **Risks of Option Writing Strategies**

There are certain risks associated with the option writing strategies employed in the Equity, Balanced, Stock Put Writing, Stock Put Credit Spread Option Program and Total Portfolios.

In a rising market, a call option written to protect the portfolio, or an individual stock position within the portfolio, may reduce upside potential above the strike price of the option. As options expire or experience increased market volatility, it may be more difficult to manage the covered call positions for maximum economic advantage. Likewise, market volatility may drop around the time of the expiration and result in lower premium income attainable when "rolling over" an options position. Option execution charges have a much greater impact on smaller accounts than they do on larger accounts.

All clients engaging in options transactions, regardless of the portfolio they select, will receive a copy of the brochure *Characteristics and Risks of Standardized Options* (and any supplements) at, or prior to opening an options account. Clients whose accounts are using options strategies, in addition to covered calls, will also receive the margin and uncovered options disclosure forms.

### **Disciplinary Information**

Vision Advisors is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of it or the integrity of its management. Vision Advisors has no information applicable to this section.

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

Vision Advisors is registered as a Commodity Trading Advisor ("CTA") with the Commodity Futures Trading Commission ("CFTC"). Additionally, Vision Advisors is affiliated, through common ownership, with VBS and VFM. VBS and VFM are broker/dealers registered with the Securities and Exchange Commission and members of Financial Industry Regulatory Authority ("FINRA"). VFM is a member of the Chicago Board Options Exchange, Options Clearing Corporation and Depository Trust & Clearing Corporation. VFM also is a Futures Commission Merchant registered with the CFTC and member firm of the Chicago Mercantile Exchange and its other divisions, the New York Mercantile Exchange and the Comex Exchange.

All of the management persons of Vision Advisors are engaged in other endeavors and business ventures. Certain management persons are Registered Representatives of VFM and VBS and/or Associated Persons with VFM, also a Futures Commission Merchant, and Vision Advisors, also a CTA.

More specifically:

Howard Rothman is the Chief Executive Officer, Managing Member and the Chief Investment Officer for Vision Advisors. Mr. Rothman has functioned as President and Chief Financial Officer of Vision Financial

Markets LLC, for many years. From its inception in July 1999, he has been President of Vision Brokerage Services, LLC, of which he acts as a General Securities Principal, Option Principal and Financial Operations Principal. Among his various treasury functions as Chief Financial Officer of Vision Financial Markets LLC, Mr. Rothman has been responsible for the investments of both customer equity and Firm capital. This involves the investment management of approximately \$365 million invested in short-term government securities, U.S. government agency instruments, and short-term investments including money market instruments. Mr. Rothman also sets and monitors all credit, risk and margin policies on behalf of the Firm. He holds the following FINRA qualifications: Registered Commodity Representative (Series 3); Registered Options Principal (Series 4); General Securities Representative (Series 7); Direct Participation Programs Limited Representative (Series 22); General Securities Principal (Series 24); Financial and Operations Principal (Series 27); Direct Participation Programs Limited Principal (Series 39); Uniform Securities Agent State Law (Series 63); and Uniform Investment Adviser (Series 65). Mr. Rothman is also an officer of other firms engaged in the financial services business. Mr. Rothman expects that he will devote the majority of his time to these activities, but will have sufficient time to conduct the investment activities and manage the affairs of Vision Advisors.

Lloyd King has functioned as Senior Vice President, Administration, for Vision Financial Markets LLC (and its predecessor Vision LP) since February 1988. Mr. King is also associated with Vision Brokerage Services, LLC as a Senior Vice President, Administration and a General Securities Principal, Registered Options Principal and Municipal Securities Principal. Mr. King holds the following FINRA qualifications: General Securities Representative (Series 7); Registered Options Principal (Series 4); Municipal Securities Principal (Series 53); General Securities Principal (Series 24); Uniform Investment Adviser (Series 65); and Uniform Securities Agent State Law (Series 63).

Robert Boshnack is a Principal of Vision Advisors, and currently has no administrative responsibilities with Vision Advisors and is not involved in the day-to-day activities of Vision Advisors. He is Chairman, Chief Executive Officer - Futures and Registered Principal of Vision Financial Markets LLC (and its predecessor Vision LP). In addition, Mr. Boshnack has functioned as President of Whitehall Investment Management Inc., a registered Futures Introducing Broker, since November 1984.

Steven M. Silver is the Chief Operating Officer and the Chief Compliance Officer for Vision Advisors. Mr. Silver has been associated with Vision Advisors since May of 2006 and is also the Chief Operating Officer and Chief Compliance Officer-Securities for Vision Financial Markets LLC and the Chief Operating Officer for Vision Brokerage Services, LLC. He is a General Securities Principal, Registered Options Principal and Municipal Securities Principal. Mr. Silver holds the following FINRA qualifications: Registered Commodity Representative (Series 3); Registered Options Principal (Series 4); General Securities Representative (Series 7); General Sales Supervisor (Series 8); General Registered Principal (Series 24); Branch Manager Futures (Series 30); Municipal Securities Principal (Series 53); Uniform Securities Agent State Law (Series 63); and Uniform Investment Adviser (Series 65).

Vision Advisors, through its discretionary authority, will, in the absence of a direction to the contrary by a client, establish brokerage accounts for its advisory clients at VBS or VFM. VBS and VFM are SEC registered broker/dealers and FINRA Member Firms. Vision Advisors will buy and sell orders for its advisory accounts through VBS and VFM. VBS conducts brokerage services for Vision Advisors' accounts on a fully-disclosed basis with VFM. Vision Advisors pays VBS 15% of the quarterly management fees that it receives from its clients on a quarterly basis under the Vision Advisors Wrap Fee Program. This amount is paid out of the fees that the client already pays and is not an additional charge to clients.

Vision Advisors sponsors the Vision Associates Advisory Network (the "Vision Network"). The Vision Network is a network of individuals who solicit advisory clients for Vision Advisors. Through the Vision Network, Vision Advisors solicits prospective clients among accounting and professional firms, correspondent firms and introducing brokers that clear their futures trades through VFM. A percentage of the start-up fees, if any, as well as a percentage of the ongoing quarterly fees that Vision Advisors receives from a client's account may be paid to the individual who referred the client to Vision Advisors.

Vision Advisors may recommend an independent CTA to a client for management of a portion of the client's account in managed futures. VFM, as a Futures Commission Merchant, may act as a clearing firm for such CTA and receive execution charges from the client's futures account. Vision Advisors may receive a fee or generate execution charges on investments that it recommends be placed with CTAs. The costs associated with investing with each CTA are determined on a case-by-case basis and are disclosed to the client in writing prior to the investment being made.

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

Vision Advisors has adopted a Code of Ethics that is designed to detect and prevent conflicts of interest. The Code of Ethics contains various trading restrictions. Access persons under the Code, such as IARs, are required to report any violations of the Code to Vision Advisors' Chief Compliance Officer. On a quarterly and annual basis these access persons must report their personal securities transactions and holdings, and comply with all applicable Federal securities laws. The Chief Compliance Officer or designee is required to review and monitor reports of personal securities transactions. Clients and prospective clients may obtain a copy of Vision Advisors' Code of Ethics at any time upon request. Vision Advisors may recommend and purchase in the various portfolios offered to clients, securities of issuers that are also purchased, sold or held by Vision Advisors and its officers, directors, associates, employees and affiliates and their pension or retirement plans. Certain proprietary accounts and VFM's pension and profit sharing plan may pay lower advisory fees and execution charges than paid by clients. Because the investment objectives and personal circumstances of those persons may differ from those of their clients, the timing of such transactions may not coincide with the timing of the portfolio transactions for clients. In addition, Vision Advisors and its principals, associates, employees, affiliates and their retirement accounts may purchase or sell securities which they do not recommend to or include in client portfolios because such securities do not meet the investment guidelines established for client portfolios. In such instances, Vision Advisors is not obligated to offer clients the opportunity to invest or purchase such securities.

Vision Advisors is, nonetheless, mindful of its fiduciary duties and will not deprive clients of, or appropriate to its own advantage, investment opportunities that are suitable for client accounts. Because of the liquidity of the markets for the type of securities purchased in its Equity, Balanced, Stock Put Writing, Stock Put Credit Spread Writing Programs and Total Portfolios, Vision Advisors does not anticipate the potential for conflicts in the personal securities transactions of its principals or employees. As a precaution, however, Vision Advisors will typically place proprietary orders on the same side of a transaction on the same day for the same security simultaneously with orders placed for client accounts. The orders will usually be allocated using the average pricing method to alleviate any difference in execution prices.

## **Brokerage Practices**

Vision Advisors intends to effect all brokerage transactions through VBS or VFM. However, Vision Advisors may utilize other broker/dealers at its discretion based upon who introduced the account. Vision Advisors has the right to reject an account which directs brokerage to another firm. Clients whose accounts consist of the collateral underlying secured demand notes entered into with VFM will have their transactions executed at VFM. VBS is a FINRA-member firm which clears trades through VFM, which also is a SEC-registered broker/dealer and FINRA member. VFM will clear and settle the transactions and hold custody of client funds and securities. Clients should be aware that not all investment advisers recommend or require clients to use a specified broker/dealer.

Although VBS and VFM provide competitive execution charges, these charges may not be the lowest attainable for similar transactions and have not been negotiated at arms' length due to the relationship between the firms. This may result in clients paying more for brokerage execution than might otherwise be the case. Although VBS and VFM are affiliated with Vision Advisors, Vision Advisors has a duty to its clients, as their investment adviser, to obtain a combination of best price and execution for their advisory accounts. It should be understood, however, that Vision Advisors is not entirely impartial in making this appraisal in view of its affiliation with VBS and VFM. Vision Advisors relies on the best execution policy of VBS and VFM. Both VBS and VFM receive quarterly best execution reports prepared by an independent third party which are posted on their Web sites.

Vision Advisors reserves the right to decline acceptance of an advisory account that insists upon directing brokerage to another broker/dealer. Where Vision Advisors decides to accept such an account, it will place its orders for the directed account after it has placed orders for the same securities through VBS or VFM, instead of batching orders or placing block orders, a procedure which may result in less favorable executions. Directing brokerage may also result in Vision Advisors not being in a position to freely negotiate execution charges or spreads, select such brokers on the basis of best price and execution, or ensure the rates of such firms will be comparable to those of VFM or VBS. As a result, client may pay higher execution charges, additional transaction costs or greater spreads, or may receive less favorable net prices, for the advisory account than would otherwise be the case. Factors which Vision Advisors commonly considers in determining whether to accept directed brokerage accounts are the size of the account, the nature of the client or a previously established relationship with the other brokerage firm, and whether the client was referred by that firm.

Vision Advisors generally conducts in-house research and receives data from a variety of sources. Vision Advisors does not currently have any "soft-dollar arrangements" with VBS, VFM or other brokers nor does it direct transactions to other brokers in recognition of such services or obtain such services from VBS or VFM.

Orders for an advisory account may be placed separately, unless Vision Advisors decides to purchase or sell the same securities for several clients at approximately the same time. In such event, Vision Advisors may (but is not obligated to) aggregate or "batch" such orders to obtain best execution, to negotiate more favorable execution charges or to allocate equitably among accounts, thereby reducing differences in prices and execution charges or other transaction costs that might have occurred had such orders been placed separately. Transactions generally will be averaged as to price and transaction costs and will be allocated among accounts in proportion to the purchase and sale orders placed for each account on any given day. However, any savings in transaction costs will not benefit clients with wrap fee accounts since the client pays a wrap fee for all brokerage services in the Account.

VFM may receive rebates for options orders executed by certain market makers at the Chicago Board Options Exchange. This could create an incentive for VFM to direct client orders to such market makers.

## **Review of Accounts**

Accounts are generally reviewed by Senior Management on at least a weekly basis. When market conditions, economic events or individual issuers prompt immediate review, accounts are reviewed more frequently and may be subject to daily monitoring. This is an ongoing process of analysis to ensure that client objectives are being met and tactical adjustments can be made to respond to changing market conditions.

Accounts for which Vision Advisors only provides investment portfolio review services or financial planning are not reviewed after a report is provided to the client.

Vision Advisors has a Web site related to its advisory services: [www.advicewithvision.com](http://www.advicewithvision.com), which is available to its clients. Clients whose accounts are maintained at VBS may access their brokerage accounts, retrieve statements and confirmations and obtain market information at: [www.visionbrokerageservices.com](http://www.visionbrokerageservices.com). Clients whose accounts are maintained at VFM may access their brokerage accounts, retrieve statements and confirmations, and obtain market information at: [www.visionfinancialmarkets.com](http://www.visionfinancialmarkets.com).

## **Client Referrals and Other Compensation**

Vision Advisors sponsors the Vision Associates Advisory Network (the "Vision Network"). The Vision Network is a network of individuals who solicit advisory clients for Vision Advisors and act as a liaison between those clients and Vision Advisors. Vision Network participants may be employees of affiliates of Vision Advisors or third-party financial planners, accountants or other professionals, including

correspondent brokers who clear transactions through VFM. Vision Network participants are subject to Vision Advisors' control and supervision when conducting these activities as a member of the Vision Network. Referrals will normally be made through written arrangements to compensate the referring party or solicitor for recommending Vision Advisors' investment management services to its clients. In exchange for such referrals and assistance with clients, Vision Advisors will offer to pay the referring party a portion of its advisory fee. Such arrangements will be entered into in accordance with Rule 206(4)-3 of the Investment Advisors Act and applicable state laws, which generally provide for disclosure of the terms of referral arrangements.

If you become a client through a member or agent in Vision Financial Network you should not view any recommendation of such member as being disinterested, as the member will generally be paid for the introduction out of Vision Advisors' fees. Also, you should regard such a member as having an incentive to recommend that you remain a client of Vision Advisors, since the agent will generally be paid a portion of Vision Advisors' fees for all periods during which you remain a client.

### **Custody**

Clients receive account statements directly from the custodian, VFM. The statements will be sent on a monthly basis, whenever there is activity in the account and on a quarterly basis regardless of account activity. In addition, clients receive confirmations directly from the custodian anytime a trade is done in their account. When the account is set up as an IRA account, a custodian such as Sterling Trust Company or other qualified custodian will be the IRA Custodian, but the statements and confirmations will still come from VFM.

### **Investment Discretion**

Unless otherwise negotiated with a client, Vision Advisors is given total discretionary authority in the agreements with its clients to invest their funds without prior consent to each transaction within the framework of the investment objectives expressed by the client. This authority also includes the authority to select brokers or dealers through which transactions will be effected and execution charges paid. In certain cases, Vision Advisors may provide advisory services on a non-discretionary basis, and Vision Advisors will recommend a transaction to a client who is responsible for approving such recommendation before the transaction is effected.

### **Voting Client Securities**

For all client accounts which are not subject to the Employees Retirement Income Security Act ("ERISA"), unless a client directs Vision Advisors in writing to vote proxies pertaining to investments in a client's account, the client should understand that Vision Advisors will not vote any proxies for securities or exercise voting rights pertaining to investments in a client's account (including, without limitation to, matters relating to conversions, exchanges, mergers, stock splits, rights, offerings, recapitalizations and reorganizations). Vision Advisors will also not act for clients in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by a client's account. It is the client's responsibility to vote any proxies for securities, exercise voting rights, or take any legal actions pertaining to investments in his or her account. Ordinarily, the client's broker/dealer or custodian will forward proxies or other communications pertaining to investments in the client's account directly to the client. Clients should contact their broker/dealer or custodian if they do not receive proxies or other mailings pertaining to the investments in the account.

For those accounts which are subject to ERISA, unless a client directs Vision Advisors in writing to the contrary, or the documents of an employee benefit plan reserve the right to vote proxies to the plan's trustees or named fiduciary, Vision Advisors will vote all proxies for securities and exercise voting rights pertaining to investments in a client's account (including, without limitation to, matters relating to conversions, exchanges, mergers, stock splits, rights, offerings, recapitalizations and reorganizations).

Clients may obtain a copy of Vision Advisors' complete proxy voting policies and procedures upon request. Clients may also obtain information from Vision Advisors about how Vision Advisors voted any proxies on behalf of their account(s).

Vision Advisors may retain a third party to advise it in making proxy decisions and to process the return of proxies. Also, clients should understand that Vision Advisors will not be responsible or liable for failing to vote any proxies where it has not received such proxies or related communications on a timely basis from the broker/dealer or custodian. The SEC has adopted Rule 206(4)-6, requiring an investment adviser to adopt written policies and procedures governing its exercise of voting authority for client securities. The rule requires that proxy voting policies be reasonably designed to ensure that the adviser votes proxies in the best interest of clients.

### **Financial Information**

Vision Advisors is required in this section to provide certain financial information or disclosures about its financial condition. Vision Advisors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.



## Form ADV Part II Appendix 1

March 15, 2011

This Wrap Fee Program Brochure provides information about the qualifications and business practices of Vision Investment Advisors, LLC ("Vision Advisors") that should be considered before becoming a client of Vision Advisors' Wrap Fee Program. If you have any questions about the contents of this Brochure, please contact us by e-mail: [info@advicewithvision.com](mailto:info@advicewithvision.com) or by phone: 203-388-2681. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Vision Advisors also offers the Vision Investment Advisor Representative Wrap Fee Program ("IAR Wrap Fee Program"). For a copy of the IAR Wrap Fee Program Brochure, you may contact Vision Advisors at the contact information above.

Vision Advisors is a SEC registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The oral and written communications of an advisor provides you with information you use in determining whether to hire or retain an advisor.

Additional information about Vision Advisors also is also available on the SEC's Web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

4 High Ridge Park, Suite 100  
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Telephone: 203.388.2700  
Fax: 203.321.0071

## Table of Contents

|   |    |
|---|----|
| SERVICES, FEES AND COMPENSATION.....  | 1  |
| The Vision Advisors Wrap Fee Program.....                                     | 1  |
| Advisory Services.....  | 1  |
| Brokerage.....  | 4  |
| Program Fees and Compensation.....  | 5  |
| Start-up Fees for All Accounts.....   | 5  |
| Annual Asset-Based Management Fee.....  | 6  |
| Performance Based Fees.....   | 7  |
| Fee Negotiation.....  | 7  |
| Non-Wrap Fee Option.....  | 7  |
| Conflicts of Interest.....  | 7  |
| ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS.....                                | 8  |
| COLLATERAL ACCOUNTS.....  | 8  |
| PORTFOLIO MANAGER SELECTION AND EVALUATION.....                               | 8  |
| Special Considerations.....   | 9  |
| Risks of Option Writing Strategies.....                                       | 10 |
| Performance Based Fees and Side-By-Side Management.....                       | 10 |
| Proxy Voting.....   | 10 |
| CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS.....                        | 11 |
| CLIENT CONTACT WITH PORTFOLIO MANAGERS.....                                   | 11 |
| ADDITIONAL INFORMATION.....   | 11 |
| Disciplinary Information.....   | 11 |
| Other Financial Industry Activities and Affiliations.....                     | 11 |
| Code of Ethics, Participation in Client Transaction and Personal Trading..... | 12 |
| Review of Accounts.....   | 13 |
| Client Referrals and Other Compensation.....                                  | 13 |
| Financial Information.....  | 14 |

## **Services, Fees and Compensation**

### **The Vision Advisors Wrap Fee Program**

Under the Vision Advisors' Wrap Fee Program (the "Program"), Vision Advisors offers clients discretionary investment advisory services based on a client's individual investment objectives and risk tolerances, along with trade execution, brokerage, custodial and administrative services for a single asset-based annual fee, in addition to certain other charges and expenses. Vision may recommend a third-party investment adviser to manage all or a portion of a client's account or an independent commodity trading advisor for management of a portion of a client's account in managed futures. Occasionally, if requested by a client, Vision Advisors may provide investment advice on a non-discretionary basis.

Vision Advisors serves as the portfolio manager for each of the four portfolios (collectively, the "Portfolios") offered in the Vision Advisors' Wrap Fee Program. In addition to the advisory services provided to clients, the Program also provides execution of securities transactions and custodial and administrative services through Vision Brokerage Services, LLC ("VBS") or Vision Financial Markets LLC ("VFM"), affiliates of Vision Advisors. Both VFM and VBS are broker/dealers registered with the SEC and are members of the Financial Industry Regulatory Authority ("FINRA").

Vision Advisors has been in business since September 2000. Its principal owners are Howard Rothman and Boshnack Family LLC, a Delaware limited liability company. The investment methodologies at Vision Advisors have been developed by Howard Rothman, its Chief Investment Officer. Mr. Rothman makes the ultimate investment selections and recommendations, and personally (though not solely) monitors each client account that receives discretionary investment advice.

### **Advisory Services – Investment Portfolios**

Vision Advisors provides discretionary advisory services in the Equity, Dividend, Balanced, and Fixed Income Portfolios to individual and institutional investors. A Vision Advisors' client may establish an account in one or more of its investment portfolios, each of which consists of accounts with similar investment objectives, portfolio construction, market exposure and risk tolerance. These portfolios offer the investor several choices consistent with a fundamental objective of long-term capital appreciation. Each client's portfolio is managed specifically for that client based upon the client's individual goals, objectives, restrictions, time horizon, risk tolerance and current market conditions. A client will have the opportunity to place reasonable restrictions on the specific securities or types of securities that are purchased for the client's account. Vision Advisors also may provide discretionary advisory services not based on any of the Portfolios.

### **The Equity Portfolio (The E-Portfolio)**

Vision Advisors' principal objective in its Equity Portfolio is to seek returns from a diversified group of large-cap U.S. traded equities that we believe have the potential to achieve returns greater than Standard and Poor's 500 Composite Stock Price Index ("S&P 500 Index") over time. The Equity Portfolio will be primarily comprised of a diversified portfolio of large-cap stocks which currently exhibit a high degree of financial strength coupled with a track record of solid growth and which we expect have a high potential for continued growth. The total amount of diversification is, to a large degree, a function of the total amount of the individual client's funds invested in the E-Portfolio. An account with a smaller amount invested generally will incorporate fewer stocks and therefore be less diversified.

Vision Advisors' internal research efforts focus on identifying companies that have sustainable gross revenue (top-line) and earnings or net income (bottom-line) growth, competitive advantages and strong returns on equity. Vision Advisors selects and purchases stocks based upon its research and evaluation of a given company. During this process, we will review a given company's past revenue and earnings

growth, current cash flow status, debt factors, financial ratios such as the price-earning ratio ("PE") and additional ratios and factors we deem to be relevant.

Securities in the Equity Portfolio may represent several sectors of the economy, but generally will not be concentrated in any one sector or constitute more than 15% in any one issuer. Securities are sold when we deem the ownership of that company is no longer attractive, or to replace that security with another security that we believe is more attractive. Considerations to sell a security may include deceleration in sales or earnings growth or expected future growth, a high stock price based upon PE Ratio or key management changes.

Vision Advisors also believes that it makes sound economic sense to employ, from time to time, a strategy of writing covered call positions against some or all of the stocks in the Equity Portfolio.

The primary purpose of option writing is to earn additional income through premiums received from the buyers of the call options. By monitoring the volatility, delta and time to expiration, Vision Advisors works to optimize the trade off between receiving option premium income and the possibility of forgoing future price appreciation on the underlying stock above the written strike price of the option, until the option expires. At the same time, the investor receives a small measure of downside protection, to the extent of the net option premium received, should the price of the stock decline. By adding a covered call position to an existing long stock position, Vision Advisors will attempt to enhance the potential overall return in the portfolio.

The goal of a covered call position is for the short option value to decay over time and allow the account holder to realize a gain, up to the total net option premium received, should the option position expire worthless. In order to calculate the gain or loss on the overall covered call position, one must measure the profit or loss realized during the period the covered call option position was open against the profit and loss of the open securities position during the same time periods.

In addition to covered calls, Vision Advisors may, from time to time, purchase out-of-the-money put options to further add to the level of downside protection. The ratio of purchased put options may be less than the number of long shares of stock owned in the account. Please recognize that employing puts to help protect the stocks in an account is likely to temper total returns (due to the premium paid to purchase the put options), but does provide some downside protection against declines in the underlying stocks.

### **The Dividend Portfolio (The D-Portfolio)**

Visions Advisors' principal objective in its equity-based Dividend Portfolio is to provide returns from a diversified group of companies that have an attractive dividend rate, but still maintain many growth characteristics. Accordingly, the Dividend Portfolio will be comprised of an appropriate number of mid-cap and/or large-cap stocks that maintain a targeted minimum dividend yield of at least 2.00% for each stock and exhibit a high level of financial strength coupled with a historical above average return on equity. Mid-cap stocks represent companies that have a total market capitalization of between \$1 billion and \$5 billion. Mid-cap stocks tend to have a higher risk/reward ratio than large cap stocks. Large-cap stocks represent companies that have a total market capitalization of over \$5 billion. Based upon market conditions, this portfolio may have less diversification at times and may be more exposed to sector trends than a more diversified portfolio.

Vision Advisors employs technical analytical screening methods to predict expected revenue and earnings over the next one to two years. Upon identifying a number of issuers, the selection is further narrowed by applying other investment rules and financial ratios such as the PE ratios to predict and evaluate future price prospects. In addition to financial strength, dividend yield and return on equity, Vision Advisors also examines the dividend payout, the debt equity ratio and forward looking PE ratios. Finally, we look at companies that also have an established history of buying back their stock and raising their dividend payments. Although certain industries tend to offer higher yielding stocks, the additional factors that we employ tend to screen out many less desirable stocks in certain industries.

Vision Advisors also believes that it makes sound economic sense to employ, from time to time, a strategy of writing covered call positions against some or all of the stocks in the Dividend Portfolio.

The primary purpose of option writing is to earn additional income through premiums received from the buyers of the call options. By monitoring the volatility, delta and time to expiration, Vision Advisors works to optimize the trade off between receiving option premium income and the possibility of forgoing future price appreciation on the underlying stock above the written strike price of the option, until the option expires. At the same time, the investor receives a small measure of downside protection, to the extent of the net option premium received, should the price of the stock decline. By adding a covered call position to an existing long stock position, Vision Advisors will attempt to enhance the potential overall return in the portfolio.

The goal of a covered call position is for the short option value to decay over time and allow the account holder to realize a gain, up to the total net option premium received, should the option position expire worthless. In order to calculate the gain or loss on the overall covered call position, one must measure the profit or loss realized during the period the covered call option position was open against the profit and loss of the open securities position during the same time periods.

In addition to covered calls, Vision Advisors may, from time to time, purchase out-of-the-money put options to further add to the level of downside protection. The ratio of purchased put options may be less than the number of long shares of stock owned in the account. Please recognize that employing puts to help protect the stocks in an account is likely to temper total returns (due to the premium paid to purchase the put options), but does provide some downside protection against declines in the underlying stocks.

### **The Balanced Portfolio (The B-Portfolio)**

The principal objective of the Balanced Portfolio is to provide income and capital gains from a combination of stocks (common and preferred), bonds, notes and the use of cash, cash equivalents or option premium income. The equity portion of the Balanced Portfolio is managed using the methods employed to manage the Equity Portfolio accounts. Within the fixed income portion, securities are evaluated and selected based upon Vision Advisors' interest rate assumptions, the U.S. Treasury yield curve, credit risk and a number of macro-economic variables that may affect the relative performance of the specific bonds. Fixed income holdings can include preferred stocks, municipal bonds, corporate bonds, U.S. Government Agency debt securities and other debt instruments.

Vision Advisors also believes that it makes sound economic sense to employ, from time to time, a strategy of writing covered call positions against some or all of the stocks in the Balanced Portfolio.

The primary purpose of option writing is to earn additional income through premiums received from the buyers of the call options. By monitoring the volatility, delta and time to expiration, Vision Advisors works to optimize the trade off between receiving option premium income and the possibility of forgoing future price appreciation on the underlying stock above the written strike price of the option, until the option expires. At the same time, the investor receives a small measure of downside protection, to the extent of the net option premium received, should the price of the stock decline. By adding a covered call position to an existing long stock position, Vision Advisors will attempt to enhance the potential overall return in the portfolio.

The goal of a covered call position is for the short option value to decay over time and allow the account holder to realize a gain, up to the total net option premium received, should the option position expire worthless. In order to calculate the gain or loss on the overall covered call position, one must measure the profit or loss realized during the period the covered call option position was open against the profit and loss of the open securities position during the same time periods.

In addition to covered calls, Vision Advisors may, from time to time, purchase out-of-the-money put options to further add to the level of downside protection. The ratio of purchased put options may be less

than the number of long shares of stock owned in the account. Please recognize that employing puts to help protect the stocks in an account is likely to temper total returns (due to the premium paid to purchase the put options), but does provide some downside protection against declines in the underlying stocks.

### **The Fixed Income Portfolio (The I-Portfolio)**

On the more conservative end of the spectrum is the Fixed Income Portfolio. A client can choose a taxable Fixed Income Portfolio which seeks to provide returns from U.S. government agency securities, corporate debt and/or preferred stocks, or a non-taxable Portfolio which seeks to provide returns from municipal bonds. Fixed income securities are selected using the same methodology as the fixed income segment in the Balanced Portfolio. The fixed income program seeks to produce total returns over complete market circles that exceed returns that may be expected from random trading and passive management strategies. At the discretion of the manager, the taxable and/or non-taxable fixed income portfolios may consist entirely of one type of security, such as, for example, government agency securities.

Additional information about each of the Portfolios is below on page 8 under *“Portfolio Manager Selection and Evaluation.”*

### **Brokerage**

In addition to the advisory services provided to clients, the Program's wrap fee also includes execution of securities transactions through VFM or VBS. Vision Advisors requires that clients establish and maintain their accounts at VBS or VFM. Clients' funds and securities are held at VFM, as custodian, which clears transactions on a fully-disclosed basis for VBS and for itself. Where the account is an IRA, Sterling Trust Company or other qualified custodian will act as custodian.

A client may transfer securities into a wrap fee account on which the client previously has paid a brokerage commission or similar fee for the purchase of those securities. The Program wrap fee will be applied to such securities even though a commission or fee previously has been paid by the client. In some cases, a client may have paid VBS or VFM compensation for the purchase of the securities. Prior to effecting such a transfer, the client should consider whether it is appropriate and cost effective to make such a transfer and should consult Vision Advisors prior to doing so.

The Program wrap fee does not include: (i) annual account fees or other administrative fees, such as wire fees, charged by VFM or VBS (ii) certain odd-lot differentials, transfer taxes, transaction fees mandated by the Securities Act of 1934, postage and handling fees, and charges imposed by law with regard to transactions in the client's account; and (iii) advisory fees, expenses or sales charges (loads) of mutual funds (including money market funds), closed-end investment companies or other managed investments, if any, held in client's account.

The client should be aware that the Program wrap fee does not cover certain costs associated with securities transactions in the over-the-counter market, for example, in fixed income securities, where VFM or VBS must approach a dealer or market maker to purchase or sell the security. Such costs include a mark-up, mark-down or spread and odd lot differentials or transfer taxes imposed by law. These charges and expenses are in addition to the Program wrap fee payable by client and may be payable to VFM or VBS.

Clients will incur a \$2.50 charge per transaction when trades are placed in their accounts.

Where Vision Advisors decides to purchase mutual funds in client accounts, it will do so through VBS or VFM. Generally, Vision Advisors purchases no-load mutual funds which do not generate sales charges, but VBS or VFM may receive Rule 12b-1 fees from a mutual fund for the period of time the assets are invested. However, if VFM or VBS receives any such compensation from a mutual fund or other issuer related to a security or other asset that is included in calculating the client's Program wrap fee, the

Program wrap fee otherwise payable by the client will be reduced by the amount of that compensation. Such reductions normally appear in the account in the calendar quarter after VFM or VBS actually receives the compensation from the issuer. Shareholder servicing or Rule 12b-1 fees or the equivalent received by VFM or VBS on assets not held in the wrap fee account will be retained by VFM or VBS.

Clients also should be aware that Vision Advisors' use of VFM or VBS may result in the client receiving less favorable execution on some transactions.

In determining whether to establish a Program account, a client should be aware that the overall cost to the client of the Program may be higher or lower than the client might incur by purchasing separately the types of securities available in the Program, as well as advisory and brokerage services. To meaningfully compare the cost of the Program with unbundled services, the client should consider the turnover rate in Vision Advisors' investment strategies (described above), trading activity in the account and standard advisory fees and brokerage commissions that would be charged at VFM or VBS, or at other broker/dealers and investment advisers. Accordingly, the Program may not be suitable for clients whose accounts have less than a certain number of transactions per year or for clients who simply want to purchase individual securities.

### **Program Fees and Compensation**

The specific manner in which fees are charged by Vision Advisors is disclosed in a client's written Investment Management Agreement with Vision Advisors. Fees are deducted from the client's account on a quarterly basis in arrears. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any unpaid fees will be due to Vision Advisors and payable on a prorated basis. The management fee is deducted from the account before distribution of account assets to the client.

Vision Advisors' compensation is based on a combination of a one time asset-based start-up fee, if any, and an asset-based management fee. There is no separate charge for brokerage commissions; however, clients normally will be charged any mark-ups or mark-downs with respect to fixed income securities and other fees described above under "*Brokerage*". Clients will also incur a \$2.50 charge per transaction when trades are placed in their accounts. The start-up fee, if any, is payable on the date the funds are deposited in the client's account pursuant to Vision Advisors' Investment Management Agreement. The management fee is payable (in arrears) at the end of each calendar quarter based on the total value of the account (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest) on the last trading day of the quarter.

Clients should be aware that Vision Advisors' advisory fees may be higher than those normally charged by other investment advisers for comparable advisory services. There may be other investment advisers who can provide comparable types of advisory services at a lower advisory fee rate.

### **Start-up Fees for All Accounts**

The one time asset-based start-up fee, if any, is listed below but may be negotiated with an individual client prior to the time the account is opened. The fee is deducted from the client's account on the day of the initial deposit. Below is a representative fee schedule, although the actual fee may be higher or lower than what is shown below. Start-up fees may vary based upon factors in Vision Advisors' discretion, including but not limited to, a fee reduction in exchange for a higher management fee, or if the client has additional accounts with Vision Advisors or firms affiliated with Vision Advisors. Clients will be informed of their start-up fee, if any, prior to opening the account. Subsequent deposits in a client's account may, at Vision Advisors' discretion, incur separately charged supplemental start-up fees, which the clients are advised of in advance of depositing additional funds into their account:

**Start-Up Fee (All Portfolios)**

| <b>Assets</b>           | <b>Fees</b> |
|-------------------------|-------------|
| Up to \$500,000         | 2.00%       |
| \$500,001 - \$1,000,000 | 1.00%       |
| Over \$1,000,000        | Negotiable  |

**Annual Asset-Based Management Fee**

Annual asset-based management fees (paid quarterly) are listed below but may be negotiated with an individual client. Below is a representative fee schedule, although the actual fee may be higher or lower than what is shown below. The amount of the fee may vary based upon factors at Vision Advisor's discretion, including but not limited to, the amount of the original investment, if the client has accounts with an affiliated firm and if the client has additional accounts with Vision Advisors. A client will be advised of the management fee prior to opening an account with Vision Advisors. A client will be advised of the management fee prior to the client opening an account with Vision Advisors.

**Equity: E-Portfolio**

| <b>Assets</b>         | <b>Fees</b> |
|-----------------------|-------------|
| Up to \$250,000       | 2.50%       |
| \$250,001 - \$500,000 | 2.00%       |
| Over \$500,000        | Negotiable  |

**Balanced: B-Portfolio**

| <b>Assets</b>             | <b>Fees</b> |
|---------------------------|-------------|
| Up to \$100,000           | 2.50%       |
| \$100,001 - \$250,000     | 2.25%       |
| \$250,001 - \$500,000     | 2.00%       |
| \$500,001 - \$750,000     | 1.75%       |
| \$750,001 - \$1,000,000   | 1.50%       |
| \$1,000,001 - \$3,000,000 | 1.25%       |
| Over \$3,000,000          | Negotiable  |

**Dividend: D-Portfolio**

| <b>Assets</b>     | <b>Fees</b> |
|-------------------|-------------|
| Up to \$1,000,000 | 1.00%       |
| Over \$1,000,000  | Negotiable  |

### Fixed Income: I-Portfolio

| Assets                    | Fees       |
|---------------------------|------------|
| Up to \$100,000           | 1.50%      |
| \$100,001 - \$750,000     | 1.00%      |
| \$750,001 - \$1,000,000   | 0.90%      |
| \$1,000,001 - \$3,000,000 | 0.80%      |
| Over \$3,000,000          | Negotiable |

### Performance-Based Fees

Vision Advisors will consider reducing its asset-based management fees for qualified clients who choose to pay an incentive fee, which is based solely on the performance in the account. Under Rule 205-3 of the Investment Advisers Act, such clients must place a minimum of \$750,000 under Vision Advisors' management or have a net worth (either individually or together with assets held jointly with a spouse) of more than \$1,500,000 at the time of opening an account.

The incentive fee is typically 20% of "new appreciation" in the account over a year's period, measured initially from the date the account is opened to the end of the calendar year and, in subsequent years, over the entire year. The incentive fee is paid only where the cumulative appreciation in the account exceeds a "High Water Mark" or the highest level of appreciation earned on any prior calculation date in the account. Once earned, the incentive fee is not refundable in the event of subsequent losses, but Vision Advisors must recoup such losses and exceed the High Water Mark before it is entitled to another incentive fee. If the client withdraws funds or closes its account before the performance period ends, Vision Advisors will calculate the incentive fee based on the value of the account on the day of termination and will deduct any incentive fee due from the assets in the account before distribution.

### Fee Negotiation

All fees may be subject to negotiation. When negotiating fees, Vision Advisors considers the following factors, including but not limited to: (i) clients with multiple accounts; (ii) size of the account; (iii) a prior or existing relationship with a Vision Advisors' affiliate; and (iv) a client's particular needs or financial characteristics. Due to the fact that fees may vary, clients with existing accounts may be charged fees which do not match precisely the foregoing fee schedules or the fees paid by other clients.

### Non-Wrap Fee Option

Vision Advisors also offers discretionary advisory services in the Equity, Balanced, Stock Put Writing, Stock Put Credit Spread Option Program and Total Portfolios, where clients will pay for advisory services and brokerage services separately. Please refer to Vision Advisors' Form ADV Part II for information regarding the fees for the non-wrap program.

### Conflicts of Interest

Because Vision Advisors may receive more compensation from a client from the client's participation in the Program than if the client received advisory services and brokerage services separately, Vision Advisors may have a financial incentive to recommend the Program to clients over other types of advisory services.

Because of the single fee charged to a Program account, Vision Advisors may be regarded as having a conflict of interest in that it may realize a greater profit on a Program account with a relatively low rate of portfolio turnover compared to other types of accounts, assuming the same level of fees.

Vision Advisors may give advice to others that may be different from the advice given to Program clients.

### **Account Requirements and Types of Clients**

Vision Advisors caters primarily to affluent individuals and their retirement accounts, family offices and family investment vehicles who seek an approach to capital appreciation by investing in established stocks with demonstrable prospects for growth coupled with a strategic covered call writing program. Vision Advisors' investment programs are also suitable for institutional investors such as corporate pension plans, trusts, endowments and charitable organizations with similar investment objectives. In addition, Vision Advisors currently manages a substantial customer segregated funds account for VFM, also an affiliated futures commission merchant and the collateral accounts of persons who have entered into secured demand notes with VFM.

In order for its investment program to achieve a greater level of diversification, Vision Advisors recommends that clients deposit at least \$100,000 in their account; however, Vision Advisors will accommodate clients who wish to deposit less, but with a potential loss of diversification in their respective accounts.

### **Collateral Accounts**

Vision Advisors currently manages the collateral accounts of persons who have entered into secured demand notes with VFM pursuant to secured demand note agreements between those persons and VFM. VFM has the right to sell the collateral in the collateral accounts under certain circumstances set forth in the secured demand note agreements with VFM. As noted above, Vision Advisors is affiliated through common ownership with VFM. Mr. Rothman, an owner and President of VFM, may have an incentive to establish such accounts for Vision Advisors and/or manage such accounts for VFM's benefit. There is a potential conflict of interest between VFM's interest as the pledgee of the collateral underlying the secured demand notes, including VFM's right to sell the collateral under certain circumstances, and Vision Advisor's interest as adviser to the collateral accounts. However, all secured demand note agreements are executed pursuant to discussions with VFM, and Vision Advisors does not recommend or solicit clients to enter into secured demand note arrangements or related collateral accounts. If a client enters into a secured demand note agreement with VFM after discussions with VFM, Vision Advisors will manage the resulting collateral account. All collateral accounts are managed by Vision Advisors under a standard advisory agreement, implementing the same investment strategies used for other client accounts.

### **Portfolio Manager Selection and Evaluation**

Vision Advisors serves as the portfolio manager for each Portfolio in the Vision Advisors' Wrap Fee Program. Vision Advisors provides discretionary advisory services in the Equity, Balanced, Dividend and Fixed Income Portfolios, as described above under "*Advisory Services*", beginning on page 1. There can be no assurance that the methods described above will be successful or that clients will not suffer losses. Clients should be aware that each investment portfolio involves investing in securities. Investment in securities involves risk of loss that clients should be prepared to bear.

Clients who open margin accounts should be aware that margin involves the use of leverage, and clients may lose more money than they deposit in the margin account. Clients who open margin accounts with VFM or VBS will be provided with the full margin disclosure documents. However, they should be aware of the following:

## **MARGIN DISCLOSURE STATEMENT**

- **They may lose more funds than are deposited in the margin account;**
- **VBS or VFM can force the sale of securities or other assets in a client's account(s);**
- **VBS or VFM can sell securities or other assets without contacting the client;**
- **Clients are not entitled to choose which securities or other assets in their account(s) are liquidated or sold to meet a margin call;**
- **VBS or VFM can increase its "house" maintenance margin requirements at any time and are not required to provide advanced written notice to clients; and**
- **Clients are not entitled to an extension of time on a margin call.**

Vision Advisors' primary investments in the equity portion of its portfolios are concentrated in large-cap stocks with market capitalization generally over \$5 billion. These stocks may be listed on exchanges or on the NASDAQ National Market System and typically are comprised of seasoned companies with a history of earnings displaying particular growth characteristics. Vision Advisors may also purchase mid-cap stocks that exhibit similar characteristics and preferred stocks. If a client's circumstances warrant, Vision Advisors may also recommend an independent CTA or another investment adviser to manage a portion of a client's account in managed futures or securities, as applicable.

Vision Advisors offers advice on equity securities (exchange-listed, over-the-counter and foreign issuers), corporate debt securities, commercial paper, municipal securities, mutual funds, U.S. government securities and option contracts on securities.

Vision Advisors focuses primarily on long-term investing with a growth-oriented approach supported by technical analytical methods to determine target prices in its Equity and Balanced Portfolios. Drawing from traditional and electronic information sources such as financial reports, SEC filings, Bloomberg, various rating services and nationally recognized research services such as Value Line and Standard & Poor's, Vision Advisors conducts primary research. A heavy emphasis is placed on a number of factors such as (i) revenues and income growth, (ii) dominant-industry position, (iii) large-cap status, (iv) return on equity and (v) companies which favor stock repurchase programs. In addition, enhanced yield and a measure of downside protection is sought through closely monitored covered call option writing.

Vision Advisors may use one or more of these investment strategies: (a) long term purchases (securities held at least a year); (b) short term purchases (securities sold within a year); (c) margin transactions; and (d) option writing, including covered options, uncovered options, or spreading strategies.

### **Special Considerations**

Although the stocks selected in the Equity, Dividend and Balanced Portfolios are generally established companies in their industries, there are a number of counterbalancing factors in considering an investment in these portfolios:

- Many of the companies selected for purchase are growth companies or are poised for active growth and tend to exhibit higher price earnings ratios than the market as a whole. Such stocks may be

more vulnerable to market declines from earnings disappointments or adverse factors that inhibit a company's ability to carry out the plan on which the growth prospects were anticipated.

- Because the companies in the Equity Portfolio will typically conduct business globally and have significant operations or product distribution in countries outside the U.S., their earnings can be impacted by fluctuations in foreign currency rates.

### **Risks of Option Writing Strategies**

There are certain risks associated with the option writing strategies employed in the Equity, Dividend and Balanced Portfolios:

In a rising market, a call option written to protect the portfolio, or an individual stock position within the portfolio, may reduce upside potential above the strike price of the option. As options expire or experience increased market volatility, it may be more difficult to manage the covered call positions for maximum economic advantage. Likewise, market volatility may drop around the time of the expiration and result in lower premium income attainable when "rolling over" an options position. Option commissions have a much greater impact on smaller accounts than they do on larger accounts.

All clients engaging in options transactions, regardless of the portfolio they select, will receive a copy of the brochure *Characteristics and Risks of Standardized Options* (and any supplements) at or prior to opening an options account. Clients whose accounts are using options strategies, in addition to covered calls, will also receive the margin and uncovered options disclosure forms.

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

As noted above, Vision Advisors will consider reducing its advisory fees for qualified clients who choose to pay an incentive fee. The fact that some client accounts could (but do not currently) pay incentive fees while others do not, could create a conflict for Vision Advisors. Vision Advisors would have an incentive to favor client accounts paying an incentive fee by placing more profitable trades in those accounts. Vision Advisors would address this conflict by allocating its trades equally among all client accounts in a given portfolio without regard to whether such account pays any incentive compensation.

### **Proxy Voting**

For all client accounts which are not subject to the Employees Retirement Income Security Act ("ERISA"), unless a client directs Vision Advisors in writing to vote proxies pertaining to investments in a client's account, the client should understand that Vision Advisors will not vote any proxies for securities or exercise voting rights pertaining to investments in a client's account (including without limitation matters relating to conversions, exchanges, mergers, stock splits, rights offerings, recapitalizations and reorganizations). Vision Advisors also will not act for clients in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by a client's account. It is the client's responsibility to vote any proxies for securities, exercise voting rights, or take any legal actions pertaining to investments in his or her account. Ordinarily, client's broker/dealer or custodian will forward proxies or other communications pertaining to investments in the client's account directly to the client. Clients should contact their broker/dealer or custodian if they do not receive proxies or other mailings pertaining to the investments in the account.

For those accounts which are subject to ERISA, unless a client directs Vision Advisors in writing to the contrary, or the documents of an employee benefit plan reserve the right to vote proxies to the plan's trustees or named fiduciary, Vision Advisors will vote all proxies for securities and exercise voting rights pertaining to investments in a client's account (including without limitation matters relating to conversions, exchanges, mergers, stock splits, rights offerings, recapitalizations and reorganizations). Clients may obtain a copy of Vision Advisors' complete proxy voting policies and procedures upon request. Clients

may also obtain information from Vision Advisors about how Vision Advisors voted any proxies on behalf of their account(s).

Vision Advisors may retain a third party to advise it in making proxy decisions and to process the return of proxies. Clients also should understand that Vision Advisors will not be responsible or liable for failing to vote any proxies where it has not received such proxies or related communications on a timely basis from the broker/dealer or custodian. The SEC has adopted Rule 206(4)-6 that requires an investment adviser to adopt written policies and procedures governing its exercise of voting authority for client securities.

The rule requires that proxy voting policies be reasonably designed to ensure that the adviser votes proxies in the best interest of clients.

## **Client Information Provided to Portfolio Managers**

Vision Advisors acts as both the sponsor of the Vision Advisors' Wrap Fee Program and the portfolio manager for the Portfolios offered in the Program.

## **Client Contact with Portfolio Managers**

There are no restrictions on client ability to contact Vision Advisors in its capacity as the portfolio manager for the Portfolios offered in the Program.

## **Additional Information**

**Disciplinary Information:** Vision Advisors is required to disclose all material facts regarding any legal or disciplinary events that would be material to client's evaluation of it or the integrity of its management. Vision Advisors has no information applicable to this section.

**Other Financial Industry Activities and Affiliations:** Vision Advisors also is a registered as a Commodity Trading Advisor with the Commodities Futures Trading Commission ("CFTC"). Additionally, Vision Advisors is affiliated, through common ownership, with VBS and VFM. VBS and VFM are broker/dealers registered with the Securities and Exchange Commission and members of Financial Industry Regulatory Authority ("FINRA"). VFM is a member of the Chicago Board Options Exchange, Options Clearing Corporation and Depository Trust & Clearing Corporation. VFM also is a futures commission merchant registered with the CFTC and member firm of the Chicago Mercantile Exchange and Chicago Board of Trade and its other divisions, New York Mercantile Exchange and the Comex Exchange.

All of the management persons of Vision Advisors are engaged in other endeavors and business ventures. Certain management persons are Registered Representatives of VFM and VBS and/or Associated Persons with VFM, also a Futures Commission Merchant, and Vision Advisors, also a CTA. Howard Rothman is the Chief Executive Officer, Managing Member and the Chief Investment Officer for Vision Advisors. Mr. Rothman has functioned as President and Chief Financial Officer of Vision Financial Markets LLC, for many years. From its inception in July 1999, he has been President of Vision Brokerage Services, LLC, of which he acts as a General Securities Principal, Option Principal and Financial Operations Principal. Among his various treasury functions as Chief Financial Officer of Vision Financial Markets LLC, Mr. Rothman has been responsible for the investments of both customer equity and Firm capital. This involves the investment management of approximately \$365 million invested in short-term government securities, U.S. government agency instruments, and short-term investments including money market instruments. Mr. Rothman also sets and monitors all credit, risk and margin policies on behalf of the Firm. He holds the following FINRA qualifications: Registered Commodity Representative (Series 3); Registered Options Principal (Series 4); General Securities Representative (Series 7); Direct Participation Programs Limited Representative (Series 22); General Securities Principal (Series 24); Financial and Operations Principal (Series 27); Direct Participation Programs Limited Principal

(Series 39); Uniform Securities Agent State Law (Series 63); and Uniform Investment Adviser (Series 65). Mr. Rothman is also an officer of other firms engaged in the financial services business. Mr. Rothman expects that he will devote the majority of his time to these activities, but will have sufficient time to conduct the investment activities and manage the affairs of Vision Advisors.

Lloyd King is Senior Vice President, Administration for Vision Advisors. Mr. King has functioned as Senior Vice President, Administration, for Vision Financial Markets LLC (and its predecessor Vision LP) since February 1988. Mr. King is also associated with Vision Brokerage Services LLC as a Senior Vice President, Administration and a general securities principal, registered options principal and municipal securities principal. Mr. King holds the following FINRA qualifications: General Securities Representative (Series 7); Registered Options Principal (Series 4); Municipal Securities Principal (Series 53); General Securities Principal (Series 24); Uniform Investment Adviser (Series 65); and Uniform Securities Agent State Law (Series 63).

Robert Boshnack is a Principal of Vision Advisors, and currently has no administrative responsibilities with Vision Advisors and is not involved in the day-to-day activities of Vision Advisors. He is Chairman, Chief Executive Officer - Futures and registered principal of Vision Financial Markets LLC (and its predecessor Vision LP). In addition, Mr. Boshnack has functioned as President of Whitehall Investment Management Inc., a registered futures Introducing Broker, since November 1984.

Steven Silver is the Chief Operating Officer and the Chief Compliance Officer for Vision Advisors. Mr. Silver has been associated with Vision Advisors since May of 2006 and is also the Chief Operating Officer and Chief Compliance Officer-Securities for Vision Financial Markets LLC and the Chief Operating Officer for Vision Brokerage Services, LLC. He is a General Securities Principal, Registered Options Principal and Municipal Securities Principal. Mr. Silver holds the following FINRA qualifications: Registered Commodity Representative (Series 3); Registered Options Principal (Series 4); General Securities Representative (Series 7); General Sales Supervisor (Series 8); General Registered Principal (Series 24); Branch Manager Futures (Series 30); Municipal Securities Principal (Series 53); Uniform Securities Agent State Law (Series 63); and Uniform Investment Adviser (Series 65).

Vision Advisors requires that clients establish and maintain their brokerage accounts at VBS or VFM. Vision Advisors will buy and sell orders for its advisory accounts through VBS and VFM. VBS conducts brokerage services for Vision Advisors' accounts on a fully-disclosed basis with VFM. Vision Advisors pays VBS 15% of the annual management fees that it receives from its clients on a quarterly basis. This amount is paid out of the fees that the client already pays and is not an additional charge to clients.

Vision Advisors sponsors the Vision Associates Advisory Network (the "Vision Network"). The Vision Network is a network of individuals who solicit advisory clients for Vision Advisors. Through the Vision Network, Vision Advisors solicits prospective clients among accounting and professional firms, correspondent firms and introducing brokers that clear their futures trades through VFM. A percentage of the start-up fees, if any, as well as a percentage of the ongoing annual fees that Vision Advisors receives from a client's account may be paid to the individual who referred the client to Vision Advisors.

Vision Advisors may recommend an independent commodity trading adviser to a client for management of a portion of the client's account in managed futures. VFM, as a Futures Commission Merchant, may act as a clearing firm for such CTA and receive execution charges from the client's futures account. Vision Advisors may receive a fee or generate execution charges on investments that it recommends be placed with CTAs. The costs associated with investing with each CTA are determined on a case-by-case basis and are disclosed to the client in writing prior to the investment being made.

**Code of Ethics, Participation in Client Transactions and Personal Trading:** Vision Advisors has adopted a Code of Ethics that is designed to detect and prevent conflicts of interest. The Code of Ethics contains various trading restrictions. Access persons under the Code also are required to report any violations of the Code to Vision Advisors' Chief Compliance Officer, report on a quarterly and annual basis their personal securities transactions and holdings, and comply with all applicable Federal securities laws. The Chief Compliance Officer or designee is required to review and monitor reports of personal

securities transactions. Clients and prospective clients may obtain a copy of Vision Advisors' Code of Ethics at any time upon request.

Vision Advisors may recommend and purchase in the various portfolios offered to clients, securities of issuers that are also purchased, sold or held by Vision Advisors and its officers, directors, associates, employees and affiliates and their pension or retirement plans. Certain proprietary accounts and VFM's pension and profit sharing plan may pay lower advisory fees and commissions than paid by clients. Because the investment objectives and personal circumstances of those persons may differ from those of their clients, the timing of such transactions may not coincide with the timing of the portfolio transactions for clients. In addition, Vision Advisors and its principals, associates, employees, affiliates and their retirement accounts may purchase or sell securities which they do not recommend to or include in client portfolios because such securities do not meet the investment guidelines established for client portfolios. In such instances, Vision Advisors is not obligated to offer clients the opportunity to invest or purchase such securities.

Vision Advisors is nonetheless mindful of its fiduciary duties and will not deprive clients of, or appropriate to its own advantage, investment opportunities that are suitable for client accounts. Because of the liquidity of the markets for the type of securities purchased in its Equity, Balanced, Dividend and Fixed Income Portfolios, Vision Advisors does not anticipate the potential for conflicts in the personal securities transactions of its principals or employees. As a precaution, however, Vision Advisors will place proprietary orders on the same side of a transaction on the same day for the same security simultaneously with orders placed for client accounts. Where there is a difference in execution prices, Vision Advisors will give its clients the better prices or fill all orders on the average pricing method.

**Review of Accounts:** Accounts are generally reviewed by senior management on at least a weekly basis. When market conditions, economic events or individual issuers prompt immediate review, accounts are reviewed more frequently and may be subject to daily monitoring. This is an ongoing process of analysis to ensure that client objectives are being met and tactical adjustments can be made to respond to changing market conditions.

Clients receive statements directly from the custodian, VFM, an affiliate of Vision Advisors, which carries the accounts as a registered broker/dealer. Program clients receive monthly reports from the custodian whenever there is activity in the account, and quarterly regardless of account activity, reflecting cash and securities positions market value at the end of the month and the change in value from the previous period. In addition, clients receive confirmations directly from the custodian anytime a trade is done in their account. When the account is set up as an IRA account, then a custodian such as Sterling Trust Company or other qualified custodian will be the IRA Custodian, but the statements will still come from VFM.

Vision Advisors has a Web site related to its advisory services, [www.advicewithvision.com](http://www.advicewithvision.com), which is available to its clients. Clients whose accounts are maintained at Vision Brokerage Services, LLC may access their brokerage accounts and obtain market information at [www.visionbrokerageservices.com](http://www.visionbrokerageservices.com). Clients whose accounts are maintained at Vision Financial Markets LLC may access their brokerage accounts and obtain market information at [www.visionfinancialmarkets.com](http://www.visionfinancialmarkets.com).

**Client Referrals and Other Compensation:** Vision Advisors sponsors the Vision Associates Advisory Network (the "Vision Network"). The Vision Network is a network of individuals who solicit advisory clients for Vision Advisors and act as a liaison between those clients and Vision Advisors. Vision Network participants may be employees of affiliates of Vision Advisors or third-party financial planners, accountants or other professionals, including correspondent brokers who clear transactions through VFM. Vision Network participants are subject to Vision Advisors' control and supervision when conducting these activities as a member of the Vision Network. Referrals will normally be made through written arrangements to compensate the referring party or solicitor for recommending Vision Advisors' investment management services to its clients. In exchange for such referrals and assistance with clients, Vision Advisors will offer to pay the referring party a portion of its advisory fee. Such arrangements will be

entered into in accordance with Rule 206(4)-3 of the Investment Advisors Act and applicable state laws, which generally provide for disclosure of the terms of referral arrangements.

If you become a client through a member or agent in Vision Financial Network you should not view any recommendation of such member as being disinterested, as the member will generally be paid for the introduction out of Vision Advisors' fees. Also, you should regard such a member as having an incentive to recommend that you remain a client of Vision Advisors, since the agent will generally be paid a portion of Vision Advisors' fees for all periods during which you remain a client.

**Financial Information:** Vision Advisors is required in this section to provide you with certain financial information or disclosures about its financial condition. Vision Advisors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.



## Form ADV Part II Appendix 2

March 15, 2011

This Brochure provides information about the qualifications and business practices of Vision Investment Advisors, LLC ("Vision Advisors") that should be considered before opening a non-wrap fee account ("Account") with Vision Advisors through an Investment Advisor Representative ("IAR"). If you have any questions about the contents of this Brochure, please contact us by e-mail: [info@advicewithvision.com](mailto:info@advicewithvision.com) or by phone: 800-317-1994. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Vision Advisors is a SEC-registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Vision Advisors also is also available on the SEC's Web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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Telephone: 203.388.2700  
Fax: 203.321.0071

## Table of Contents

|   |    |
|---|----|
| ADVISORY BUSINESS .....   | 1  |
| FEES AND COMPENSATION.....  | 1  |
| Fees for Investment Advisory Services.....                                      | 1  |
| Start-up Fees for All Accounts .....  | 2  |
| Start-Up Fee.....   | 2  |
| Annual Asset-Based Management Fee .....   | 2  |
| Sample Fee Schedule .....   | 2  |
| Fee Negotiation.....  | 2  |
| Brokerage and Other Costs for Non-Wrap Fee Accounts .....                       | 3  |
| Financial Planning Service Fee .....  | 3  |
| Mutual Fund Fees and Expenses .....   | 4  |
| Conflicts of Interests.....   | 4  |
| ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS .....                                 | 5  |
| PORTFOLIO MANAGER SELECTION AND EVALUATION.....                                 | 5  |
| CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS.....                          | 7  |
| CLIENT CONTACT WITH PORTFOLIO MANAGERS .....                                    | 7  |
| ADDITIONAL INFORMATION .....  | 7  |
| Disciplinary Information.....   | 7  |
| Other Financial Industry Activities and Affiliations .....                      | 7  |
| Code of Ethics, Participation in Client Transactions and Personal Trading ..... | 9  |
| Review of Accounts.....   | 9  |
| Client Referrals and Other Compensation.....                                    | 10 |
| Financial Information.....  | 10 |
| VOTING CLIENT SECURITIES.....   | 10 |

## **Advisory Business**

Under each Account, Vision Advisors' IARs provide clients discretionary investment advice, based on a client's individual goals, investment objectives, risk tolerances, restrictions and market conditions. The advisory services are provided based on a combination of a one time asset-based start-up fee, if any, and an asset-based management fee. IARs may also offer financial planning and portfolio review services based on individual consultations with clients concerning their securities holdings and asset allocation. An IAR may recommend a third-party investment adviser to manage all or a portion of a client's Account or an independent Commodity Trading Advisor ("CTA") for management of a portion of a client's Account in managed futures.

A client's IAR will continuously manage the client's portfolio(s) based upon the individual needs of the client or recommend another investment adviser to manage all or a portion of client's Account. Certain IARs, who are also registered as Introducing Brokers ("IBs") or associated persons of IBs registered with the National Futures Association, may allocate a portion of a client's Account to managed futures. The Accounts will be managed using strategies based on the following investment objectives: (1) Preservation of Capital; (2) Income; (3) Capital Appreciation; and (4) Speculation. Each IAR provides investment advice differently. A client will have the opportunity to place reasonable restrictions on the specific securities or types of securities that are purchased for a client's Account.

Vision Advisors has been in business since September 2000. Its principal owners are Howard Rothman and Boshnack Family LLC, a Delaware limited liability company.

## **Fees and Compensation**

IAR managed accounts are non-wrap fee Accounts. Clients will pay for advisory services and brokerage services separately. The specific manner in which fees are charged by Vision Advisors is disclosed in the client's Investment Advisory Agreement with the IAR and Vision Advisors.

### **Fees for Investment Advisory Services**

Vision Advisors' compensation is based on a combination of a one time asset-based start-up fee, if any, and an asset-based management fee (collectively, the "Fees"). The start-up fee, if any, is payable on the date the funds are deposited with the client's broker pursuant to Vision Advisors Investment Advisory Agreement. The management fee is payable (in arrears) at the end of each calendar quarter based on the total value of the Account (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest) on the last trading day of the quarter. Fees may be negotiated and may differ between clients' Accounts. The specific manner in which Fees are charged by Vision Advisors is disclosed in a client's written agreement with Vision Advisors and the IAR. Clients should carefully review their investment advisory agreement with Vision Advisors and the IAR prior to establishing an Account.

If the Account starts in the middle of a quarter, the management fee is prorated for the number of days remaining in the quarter. If an Account is terminated in the middle of a quarter, the fee will be calculated based on the value of the Account on the day of termination, prorated for the number of days in the quarter the Account was under management. The management fee is deducted from the Account before distribution of Account assets to the client.

Clients should be aware that the IAR managing an Account will receive a portion of the Fees paid by the client. The amount received by a particular IAR is agreed upon prior to the IAR's association with Vision Advisors, and will differ among IARs. Clients should also be aware that Vision Advisors' Fees may be higher or lower than those normally charged by other investment advisors for comparable advisory services. There may be other investment advisors who can provide comparable types of advisory services at a lower advisory fee rate. Clients should be aware that each advisor has different experience, and may offer different products and levels of service.

### Start-up Fees for All Accounts

The one time asset-based start-up fee, if any, is listed below but may be negotiated with an individual client prior to the time the Account is opened. The fee is deducted from the client's Account on the day of the initial deposit. Below is a representative fee schedule, although the actual fee may be higher or lower than what is shown below. Start-up fees may vary based upon factors in the IAR's discretion, as described in "*Fee Negotiation*" below. Clients will be informed of their start-up fee, if any, prior to opening the Account. Subsequent significant deposits in a client's Account may, at the IAR's discretion, incur separately charged supplemental start-up fees, which the clients are advised of in advance of depositing additional funds into their Account:

| <b>Assets</b>           | <b>Fees</b> |
|-------------------------|-------------|
| \$10,000 - \$250,000    | 2.00%       |
| \$250,001 - \$500,000   | 1.50%       |
| \$500,001 - \$1,000,000 | 1.00%       |
| Over \$1,000,000        | Negotiable  |

### Annual Asset-Based Management Fee

The annual asset-based management fees (paid quarterly) are listed below, but may be negotiated with an individual client. Below is a representative fee schedule, although the actual fee may be higher or lower than what is shown below. The amount of the fee may vary based upon factors in IAR's discretion, as described in "*Fee Negotiation*" below. A client will be advised of the management fee prior to the client opening an Account with Vision Advisors.

| <b>Assets</b>             | <b>Fees</b> |
|---------------------------|-------------|
| \$10,000 - \$250,000      | 3.00%       |
| \$250,001 - \$500,000     | 2.50%       |
| \$500,001 - \$1,000,000   | 2.00%       |
| \$1,000,001 - \$5,000,000 | 1.25%       |
| Over \$5,000,000          | Negotiable  |

All client Accounts will incur a \$2.50 charge per transaction payable to VFM or VBS when trades are placed in their Accounts. Accounts are also charged a commission on each transaction.

### Fee Negotiation

All Fees may be subject to negotiation between the client and an IAR, subject to approval by Vision Advisors. As such, Fees may differ among clients. When negotiating Fees, IARs may consider various factors, including but not limited to: clients with multiple Accounts; size of the Account; a prior or existing relationship with the IAR; and a client's particular needs or financial characteristics. Because Fees may vary, clients with existing Accounts may be charged Fees which do not match precisely the foregoing Fee schedules or the Fees paid by other clients.

## **Brokerage and Other Costs for Non-Wrap Fee Accounts**

Vision Advisors requires that clients establish and maintain their Accounts at Vision Brokerage Services, LLC (“VBS”) or Vision Financial Markets LLC (“VFM”), brokerage firms which are affiliated with Vision Advisors. If a client’s IAR is a Registered Representative of VBS, then the client must establish his or her Account at VBS. If a client’s IAR is not a Registered Representative of VBS, but is a Series 65 licensed Investment Adviser Representative with Vision Advisors, the client must open his or her Account with VFM.

Clients’ funds and securities are held at VFM, as custodian, which clears transactions on a fully-disclosed basis for VBS and for itself. Vision Advisors’ advisory fees do not include brokerage transaction fees and custodial expenses incurred by the client and paid to VBS and/or VFM. Clients will also incur a \$2.50 processing charge per transaction payable to VFM or VBS when trades are placed in their Accounts. Clients will also pay certain costs associated with securities transactions in the over-the-counter market, for example, in fixed income securities, where VFM or VBS must approach a dealer or market maker to purchase or sell the security. Such costs include a mark-up, mark-down or spread and odd lot differentials or transfer taxes imposed by law.

Where mutual funds are recommended or purchased for client Accounts, such transactions will be conducted through VBS or VFM. Generally, no-load mutual funds which do not generate sales charges will be purchased but VBS or VFM may receive shareholder servicing or Rule 12b-1 fees from a mutual fund for the period of time the assets are invested. Occasionally, where circumstances warrant, load funds which generate sales charges may be purchased; clients will be notified when this occurs. Any shareholder servicing, Rule 12b-1 fees, or sales commission paid to VBS or VFM may create a conflict for Vision Advisors and the IAR managing a client’s Account between their fiduciary duties to act in a client’s best interest and their incentive to generate fees for VFM or VBS. Clients should be aware that the IAR managing the client’s Account, in his or her capacity as a Registered Representative affiliated VBS, may receive a portion of the shareholder servicing or Rule 12b-1 fees paid to VBS. The receipt of such compensation may create a conflict for the IAR between his/her fiduciary duty to act in the best interests of his/her client and the incentive to generate fees for VBS to obtain potential additional compensation for themselves. Vision Advisors addresses this conflict by monitoring mutual fund purchases for client Accounts, and educating and supervising IARs regarding the suitability requirements for clients. Clients also should be aware that Vision Advisors’ use of VFM or VBS to execute transactions may result in the client receiving less favorable execution on some transactions.

A client may incur additional fees and expenses in connection with a managed futures account with an independent CTA recommended by Vision Advisors.

Clients may also incur: (i) annual custodial or brokerage Account fees or other administrative fees, such as wire fees, charged by VFM or VBS; (ii) certain odd-lot differentials, transfer taxes, transaction fees mandated by the Securities Act of 1934, postage and handling fees and charges imposed by law with regard to transactions in the client’s Account and (iii) advisory fees, expenses or sales charges of closed-end investment companies or other managed investments, if any held in client’s Account.

## **Financial Planning Service Fee**

Vision IARs may offer financial planning services for a negotiated fixed fee or an hourly fee ranging from \$100 to \$2,500 per hour, depending upon the complexity of the situation. These financial planning fees are negotiable and will be provided in writing prior to the service being provided. The IAR may also charge the client for the administrative costs associated with preparing the financial plan and/or the account documents that are associated with the plan. In addition, to a financial plan, the IAR may charge a fee for giving financial advice to a client regarding items such as managing finances, budgets, mortgages, debt repayment, second opinions, investment evaluations and allocations, and other capital expenditures. All of the costs will be fully disclosed to the client in writing before any of these services are provided.

## **Mutual Fund Fees and Expenses**

Mutual funds may be purchased for client Accounts. Generally no-load funds will be used, but occasionally where circumstances warrant, load funds will be purchased. Clients will be notified when load funds are used. All Fees paid to Vision Advisors are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. Neither Vision Advisors nor the IARs receive any portion of such fund management fees or expenses. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of an IAR. In that case, the client would not receive the services provided by the IAR, which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to the client's financial condition and objectives. Accordingly, the client should review both the fees charged by a fund and the Fees charged by Vision Advisors to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services provided.

## **Conflicts of Interest**

An IAR's primary responsibility is their fiduciary duty to always do what is in the best interest of their clients. However, industry regulations require that all potential conflicts of interest are fully disclosed to in writing to all potential clients.

As discussed above, the payment of compensation to VBS, VFM and the IAR (when acting as a Registered Representative of VBS) for the purchase of mutual funds (or any other purchase) may create a conflict of interest for Vision Advisors and the IAR managing a client's Account between their fiduciary duties to act in a client's best interest and their incentive to generate fees for VFM, VBS or the IAR. Vision Advisors addresses this potential conflict of interest by monitoring mutual fund purchases for client Accounts, and educating and supervising IARs regarding the suitability requirements for clients.

As discussed below, an IAR may recommend a third party CTA to a client for management of a portion of the client's Account. Where an investment into a CTA program is made through an Introducing Broker firm and the IAR is an Associated Person of the Introducing Broker, then the IAR may share in a portion of the commissions generated with the futures account. As this may present a potential conflict of interest, the IAR is required to disclose such affiliation to the client and obtain the client's affirmative consent to function as the Introducing Broker of the futures account in addition to their role allocating assets as an IAR.

As discussed below, when the IAR acts in another capacity (e.g., as a Registered Representative, IB or insurance agent), or the IAR has other income producing activities, he/she may recommend that a client purchase or sell securities, futures, insurance or non-financial products. In this situation, the IAR may be regarded as having a potential conflict of interest because the IAR could have a financial incentive to recommend such products having a greater profit over products with a lower profit which the IAR would recommend as part of the advisory services.

As discussed below, IARs may engage third-party money managers to manage a portion of a client's Account or may allocate a portion of a client's Account to one or more portfolios offered by Vision Advisors. This could create two types of conflicts. The first is the selection of the money manager. Investment of client funds with third party money managers will result in IARs sharing in a part of the compensation paid by the money manager for such investments. Since different money managers pay different compensation, the IAR may be regarded as having a potential conflict of interest because the IAR could have a financial incentive to select a money manager which pays higher compensation over one paying lower compensation. The second is the selection of a money manager versus a VIA portfolio. The compensation received by the IAR for using third-party money managers could be more or less than the compensation the IAR would receive for investing the clients funds in a Vision Advisors' portfolio. Therefore, the IAR may be regarded as having a potential conflict of interest because the IAR could have

a financial incentive to select either a money manager or Vision Advisors portfolio, which pays higher compensation, over the other paying lower compensation.

An IAR may give different advice to different clients based upon their specific goals and objectives. An IAR may purchase securities for one client while at the same time selling the same securities for another client, based upon their specific goals and objectives. What is right for one specific client is not always right for another.

## **Account Requirements and Types of Clients**

In order for Accounts to achieve a greater level of diversification, Vision Advisors recommends that clients deposit at least \$100,000 in their Account; however, Vision Advisors IARs will accommodate clients who wish to deposit less, but with a potential loss of diversification.

The Accounts cater to various types of investors; each IAR will have specific types of investors which he/she caters to. IARs may give different advice to different clients based upon each client's specific goals and objectives.

## **Portfolio Manager Selection and Evaluation**

Vision Advisors' IARs manage each client's Account. Each IAR has his/her own methods of providing investment advice. Vision Advisors does not select or recommend an IAR for a client, and does not select client investments for the IARs. Each IAR will act independently and make his/her own investment recommendations and is responsible for those recommendations, although Vision Advisors will monitor the Accounts of all clients.

The IAR managing a client's Account will create a portfolio consisting of one or more of the following: individual equity securities, including exchange-traded funds (ETFs), preferred stocks, mutual funds, fixed income securities (such as corporate bonds, government securities, and municipal securities), unit investment trusts, real estate investment trusts and option on securities. Clients will generally be invested in publicly-traded securities. Qualified clients may invest in private placement offering that have been approved by Vision Advisors' Senior Management. IARs may also invest in portfolios offered by Vision Advisors. IARs may not invest client assets in penny stocks or securities which do not have a readily available price.

IARs will allocate the client's assets among various investments taking into consideration the objectives, risk tolerance and time horizon of each individual client. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments that will be made on the client's behalf, if they provide the restrictions in writing.

IARs may also engage third-party money managers, with whom VFM has a selling agreement, to manage a portion of client's Account. Fees for such management will vary from manager to manager and will be in addition to the fees paid to Vision Advisors.

An IAR may recommend a third party CTA to a client for management of an appropriate portion of the client's Account. Any such allocation to managed futures must be based on the suitability of the respective client and the details of the proposed investment (including size of the allocation, etc.). As a Futures Commission Merchant, VFM may act as the carrying firm (providing execution and clearing) for any such investment with a CTA and would receive compensation from the client for acting in such capacity. The IAR may include such allocated assets in the total amount on which they are advising the client and on which the investment management fee is charged. It must be noted that there are costs involved in a managed futures investment including commissions, exchange/clearing fees and regulatory fees. These costs are separate from any Fees charged by Vision Advisors for allocating and supervising the assets. In addition, there may be instances when an IAR is also registered as an Associated Person

with an Introducing Broker firm that is a member of the National Futures Association. In such instance, it is possible that an investment into a CTA program can be made through the Introducing Broker firm and that the IAR may then share in a portion of the commissions generated with the futures account. As this may present a potential conflict of interest, the IAR is required to disclose such affiliation to the client and obtain the client's affirmative consent to function as the Introducing Broker of the futures account in addition to their role allocating assets as an IAR.

IARs may utilize various data sources in gathering historical information, as well as annual and quarterly reports. IARs may use various investment disciplines such as technical, fundamental, cyclical and charting analysis. However, IARs will continuously monitor and evaluate securities relative to market and industry conditions.

IARs may use money market funds to "sweep" unused cash balances.

Clients who open margin accounts should be aware that margin involves the use of leverage, and clients may lose more money than they deposit in the margin account. Clients who open margin accounts with VFM or VBS will be provided with the full margin disclosure documents. However, they should be aware of the following:

### **MARGIN DISCLOSURE STATEMENT**

**Clients who open margin accounts will be provided with the full margin disclosure documents. Margin clients should be aware of the following:**

- **They may lose more funds than are deposited in the margin account;**
- **VFM or Vision Brokerage Services, LLC ("VBS")VBS can liquidate any short option position or any other security to cover a margin deficiency;**
- **VBS or VFM can liquidate positions without first contacting the client;**
- **Clients are not entitled to choose which securities or other assets in their account(s) are liquidated or sold to meet a margin call;**
- **The loss on a given short spread is limited to the difference between the two strike prices less the net premium received, after execution charges and any other transaction costs;**
- **VBS or VFM can increase its "house" maintenance margin requirements at any time and are not required to provide advanced written notice to clients; and**
- **Clients are not entitled to an extension of time on a margin call.**

IARs may use certain strategies that are viewed as more risky: short-term trading (securities sold within 30 days), short sales and/or naked option writing. Because these investment strategies involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated objectives and tolerance for risk. There are certain risks associated with option strategies.

In a rising market, a call option written to protect the portfolio, or an individual stock position within the portfolio, may reduce upside potential above the strike price of the option. As options expire or experience increased market volatility, it may be more difficult to manage the covered call positions for maximum economic advantage. Likewise, market volatility may drop around the time of the expiration and result in lower premium income attainable when "rolling over" an options position. Option execution charges have a much greater impact on smaller accounts than they do on larger accounts. All clients

engaging in options transactions, regardless of the portfolio they select, will receive a copy of the brochure Characteristics and Risks of Standardized Options (and any supplements) at, or prior to opening an options account. Clients whose accounts are using options strategies, in addition to covered calls, will also receive the margin and uncovered options disclosure forms.

## **Client Information Provided to Portfolio Managers**

Vision Advisors is both the sponsor of the Accounts and the investment adviser who's IARs manage client Accounts. Nevertheless, Vision Advisors will seek to ensure that client information is only provided to the IAR managing a client's Account, and not shared with other IARs.

## **Client Contact with Portfolio Managers**

There are no restrictions on a client's ability to contact Vision Advisors, in its capacity as the investment adviser, or the IAR managing a client's Account. Clients, who have any questions, should contact Vision Advisors.

## **Additional Information**

### **Disciplinary Information**

Vision Advisors is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of it or the integrity of its management. Vision Advisors has no information applicable to this section.

### **Other Financial Industry Activities and Affiliation**

Vision Advisors is registered as a Commodity Trading Advisor ("CTA") with the Commodity Futures Trading Commission ("CFTC"). Additionally, Vision Advisors is affiliated, through common ownership, with VBS and VFM. VBS and VFM are broker/dealers registered with the Securities and Exchange Commission and members of Financial Industry Regulatory Authority ("FINRA"). VFM is a member of the Chicago Board Options Exchange, Options Clearing Corporation and Depository Trust & Clearing Corporation. VFM also is a Futures Commission Merchant registered with the CFTC and member firm of the Chicago Mercantile Exchange and its other divisions, New York Mercantile Exchange and the Comex Exchange.

All of the management persons of Vision Advisors are engaged in other endeavors and business ventures. Certain management persons are Registered Representatives of VFM and VBS and/or Associated Persons with VFM, also a Futures Commission Merchant, and Vision Advisors, also a CTA.

Howard Rothman is the Chief Executive Officer, Managing Member and the Chief Investment Officer for Vision Advisors. Mr. Rothman has functioned as President and Chief Financial Officer of Vision Financial Markets LLC, for many years. From its inception in July 1999, he has been President of Vision Brokerage Services, LLC, of which he acts as a General Securities Principal, Option Principal and Financial Operations Principal. Among his various treasury functions as Chief Financial Officer of Vision Financial Markets LLC, Mr. Rothman has been responsible for the investments of both customer equity and Firm capital. This involves the investment management of approximately \$365 million invested in short-term government securities, U.S. government agency instruments, and short-term investments including money market instruments. Mr. Rothman also sets and monitors all credit, risk and margin policies on behalf of the Firm. He holds the following FINRA qualifications: Registered Commodity Representative (Series 3); Registered Options Principal (Series 4); General Securities Representative (Series 7); Direct Participation Programs Limited Representative (Series 22); General Securities Principal (Series 24); Financial and Operations Principal (Series 27); Direct Participation Programs Limited Principal (Series 39); Uniform Securities Agent State Law (Series 63); and Uniform Investment Adviser (Series 65). Mr. Rothman is also an officer of other firms engaged in the financial services business. Mr. Rothman

expects that he will devote the majority of his time to these activities, but will have sufficient time to conduct the investment activities and manage the affairs of Vision Advisors.

Lloyd King has functioned as Senior Vice President, Administration, for Vision Financial Markets LLC (and its predecessor Vision LP) since February 1988. Mr. King is also associated with Vision Brokerage Services, LLC as a Senior Vice President, Administration and a General Securities Principal, Registered Options Principal and Municipal Securities Principal. Mr. King holds the following FINRA qualifications: General Securities Representative (Series 7); Registered Options Principal (Series 4); Municipal Securities Principal (Series 53); General Securities Principal (Series 24); Uniform Investment Adviser (Series 65); and Uniform Securities Agent State Law (Series 63).

Robert Boshnack is a Principal of Vision Advisors, and currently has no administrative responsibilities with Vision Advisors and is not involved in the day-to-day activities of Vision Advisors. He is Chairman, Chief Executive Officer-Futures and Registered Principal of Vision Financial Markets LLC (and its predecessor Vision LP). In addition, Mr. Boshnack has functioned as President of Whitehall Investment Management Inc., a registered futures Introducing Broker, since November 1984.

Steven M. Silver is the Chief Operating Officer and the Chief Compliance Officer for Vision Advisors. Mr. Silver has been associated with Vision Advisors since May of 2006 and is also the Chief Operating Officer and Chief Compliance Officer-Securities for Vision Financial Markets LLC and the Chief Operating Officer for Vision Brokerage Services, LLC. He is a General Securities Principal, Registered Options Principal and Municipal Securities Principal. Mr. Silver holds the following FINRA qualifications: Registered Commodity Representative (Series 3); Registered Options Principal (Series 4); General Securities Representative (Series 7); General Sales Supervisor (Series 8); General Registered Principal (Series 24); Branch Manager Futures (Series 30); Municipal Securities Principal (Series 53); Uniform Securities Agent State Law (Series 63); and Uniform Investment Adviser (Series 65).

All IAR-managed Accounts at Vision Advisors will be brokerage accounts established and maintained at VBS or VFM. VFM and VBS are SEC-registered broker/dealers and FINRA member firms. Vision Advisors will buy and sell orders for its advisory Accounts through VBS and/or VFM. VBS conducts brokerage services for Vision Advisors' accounts on a fully-disclosed basis with VFM.

Vision Advisors also sponsors the Vision Associates Advisory Network (the "Vision Network"). The Vision Network is a network of individuals who solicit advisory clients for Vision Advisors. Through the Vision Network, Vision Advisors solicits prospective clients among accounting and professional firms, correspondent firms and introducing brokers that clear their futures trades through VFM. A percentage of the start-up fees, if any, as well as a percentage of the ongoing quarterly fees that Vision Advisors receives from a client's Account may be paid to the individual who referred the client to Vision Advisors. No IARs managing client Accounts are Vision Network members and do not receive any referral fees from Vision Advisors.

Some of the IARs may be Registered Representatives affiliated with VBS or IBs associated with VFM or another Futures Commission Merchant. When acting in a capacity other than an IAR, he/she may recommend to clients, or take an order from a client to sell or purchase securities, futures products or insurance products, which may produce additional compensation for the IAR. These investments, accounts and services are separate and distinctly different from the investment advisory services provided to a client for his/her Account, even though the values of the securities investments may be shown on a client's monthly account statement. Some of the IARs may have other income producing activities, including but not limited to, acting as a Registered Representative or IB, selling insurance products or other non-financial related products. In some cases, IARs may provide these or advisory services at a discount, based upon the advisory relationship.

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

Vision Advisors has adopted a Code of Ethics that is designed to detect and prevent conflicts of interest. The Code of Ethics contains various trading restrictions. Access persons under the Code, such as IARs, also are required to report any violations of the Code to Vision Advisors' Chief Compliance Officer, report on a quarterly and annual basis their personal securities transactions and holdings, and comply with all applicable Federal securities laws. The Chief Compliance Officer or designee is required to review and monitor reports of personal securities transactions. Clients and prospective clients may obtain a copy of Vision Advisors' Code of Ethics at any time upon request.

IARs may recommend and purchase in client Accounts, securities of issuers that are also purchased, sold or held by Vision Advisors and its officers, directors, associates, employees, IARs, and affiliates and their pension or retirement plans. Certain proprietary accounts and Vision Financial Market's pension and profit sharing plan may pay lower advisory fees and commissions than paid by clients. Because the investment objectives and personal circumstances of those persons may differ from those of their clients, the timing of such transactions may not coincide with the timing of the transactions for clients. In addition, Vision Advisors and its officers, directors, associates, employees, IARs, affiliates and their retirement accounts may purchase or sell securities which the IARs do not recommend to or include in client Accounts because such securities do not meet the investment guidelines established for client Accounts. In such instances, Vision Advisors and its IARs are not obligated to offer clients the opportunity to invest or purchase such securities.

Vision Advisors is nonetheless mindful of its fiduciary duties and will not deprive clients of, or appropriate to its own advantage, investment opportunities that are suitable for client Accounts. If a block trading account is used to fill an order on behalf of numerous clients, then the resulting trade will be fairly allocated to the individual client Accounts. Trades may also be placed separately in multiple client Accounts (executed on a client-by-client basis) in which case the specific price received will be dependent on the market conditions when the respective trade was placed. Unlike a block order that will provide uniformity in pricing, executing trades client-by-client can result in different clients receiving different prices.

Vision Advisors does not anticipate potential conflicts of interest between the execution of client orders and any trades on behalf of its principals, IARs or employees. As a precaution, Vision Advisors typically places trades for its principals, IARs and employees simultaneously with those of clients by means of a block trade as described above. Orders are allocated accordingly, but preferential pricing is given to client Accounts over those of Vision Advisors, its principals, IARs or employees. For example, if a block trade received a multiple fill with different prices, clients would always be entitled to receive the better price before any Vision Advisors' principal, IAR or employee. However, multiple executions are usually average priced and then allocated to all accounts at the same price.

VFM may receive rebates for options orders executed by certain market makers at the Chicago Board Options Exchange. This could create an incentive for VFM to direct client orders to such market makers, but Vision Advisors and VFM have a responsibility to attempt to obtain best execution for all of their clients.

### **Review of Accounts**

Client Accounts are generally reviewed by the IAR managing the Account on at least a weekly basis. When market conditions, economic events or individual issuers prompt immediate review, Accounts are reviewed more frequently and may be subject to daily monitoring. This is an ongoing process of analysis to ensure that client objectives are being met and tactical adjustments can be made to respond to changing market conditions. Client Accounts and IARs' individual accounts are also monitored by Vision Advisors on a daily basis.

Clients receive statements directly from the custodian, VFM, an affiliate of Vision Advisors, which carries the Accounts as a registered broker/dealer. Clients receive monthly reports from the custodian whenever

there is activity in the Account, and on a quarterly basis regardless of any Account activity, reflecting cash and securities positions market value at the end of the month and the change in value from the previous period. In addition, clients receive confirmations directly from the custodian every time a trade is done in their Account. When the Account is set up as an IRA, then a custodian such as Sterling Trust Company or other qualified custodian will be the IRA Custodian, but the statements and confirmation will still be received from VFM.

Vision Advisors has a Web site related to its advisory services, [www.advicewithvision.com](http://www.advicewithvision.com), which is available to its clients. All client Accounts are carried by VFM. Clients whose Accounts are maintained at VBS may access their statements and confirmations, and obtain market information at [www.visionbrokerageservices.com](http://www.visionbrokerageservices.com). Clients whose Accounts are maintained at VFM may access their statements and confirmations, and obtain market information at [www.visionfinancialmarkets.com](http://www.visionfinancialmarkets.com).

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

Although Vision Advisors sponsors the Vision Network, no IARs are members of the Network.

### **Financial Information**

Vision Advisors is required in this section to provide certain financial information or disclosures about its financial condition. Vision Advisors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

### **Voting Client Securities**

For all client Accounts which are not subject to the Employees Retirement Income Security Act ("ERISA"), unless a client directs Vision Advisors in writing to vote proxies pertaining to investments in a client's Account, the client should understand that Vision Advisors will not vote any proxies for securities or exercise voting rights pertaining to investments in a client's Account (including without limitation matters relating to conversions, exchanges, mergers, stock splits, rights offerings, recapitalizations and reorganizations). Vision Advisors also will not act for clients in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by a client's Account. It is the client's responsibility to vote any proxies for securities, exercise voting rights, or take any legal actions pertaining to investments in his or her Account. Ordinarily, client's broker/dealer or custodian will forward proxies or other communications pertaining to investments in the client's Account directly to the client. Clients should contact their broker/dealer or custodian if they do not receive proxies or other mailings pertaining to the investments in the Account.

For those Accounts which are subject to ERISA, unless a client directs Vision Advisors in writing to the contrary, or the documents of an employee benefit plan reserve the right to vote proxies to the plan's trustees or named fiduciary, Vision Advisors will vote all proxies for securities and exercise voting rights pertaining to investments in a client's Account (including without limitation matters relating to conversions, exchanges, mergers, stock splits, rights offerings, recapitalizations and reorganizations). Clients may obtain a copy of Vision Advisors' complete proxy voting policies and procedures upon request. Clients may also obtain information from Vision Advisors about how Vision Advisors voted any proxies on behalf of their Account(s).

Vision Advisors may retain a third party to advise it in making proxy decisions and to process the return of proxies. Clients also should understand that Vision Advisors will not be responsible or liable for failing to vote any proxies where it has not received such proxies or related communications on a timely basis from the broker/dealer or custodian. The SEC has adopted Rule 206(4)-6 that requires an investment adviser to adopt written policies and procedures governing its exercise of voting authority for client securities.

The rule requires that proxy voting policies be reasonably designed to ensure that the adviser votes proxies in the best interest of clients.