Vestor Capital, LLC
Firm Brochure
Form ADV Part 2A

10 South Riverside Plaza, Suite 1400
Chicago, Illinois 60606

Telephone: (312) 641-2400 Fax: (312) 641-3646

Email: vestor@vestorcapital.com Website: www.vestorcapital.com

Updated: March 27, 2024

This ADV Part 2A brochure ("Brochure") provides information about the qualifications and business practices of Vestor Capital, LLC ("Vestor Capital"). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, Carolyn Barr, at (312) 641-2400 or by email at vestor@vestorcapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC"), or by any state securities authority.

Additional information about Vestor Capital, LLC is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by firm name or by a unique identifying number, known as a Central Registration Depository ("CRD") number. The CRD number for Vestor Capital is 165855. The SEC's website also provides information about any associated persons affiliated with Vestor Capital, LLC who are registered, or are required to be registered, as investment advisor representatives of Vestor Capital, LLC.

Item 2: Material Changes

Annual Brochure Offer

We are required to provide our clients with a summary of any material changes to our brochure since the time of our last annual updating amendment, within 120 days of the close of our fiscal year end, together with an offer to provide our current Brochure without charge. Our fiscal year ends on December 31, so we will provide you a summary of the material changes no later than April 30, 2023.

Material Changes

Our last annual update was on March 30, 2023. The following material changes occurred since that update.

- Our affiliate, Focus Treasury & Credit Solutions, LLC ("FTCS") was acquired by UPTIQ, Inc. and has been renamed UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, "UPTIQ"). We have revised the information concerning FTCS to describe our new arrangement with UPTIQ. Further information on this conflict of interest is available in Items 4, 5, and 10 of this Brochure.

- On August 31, 2023, funds affiliated with Clayton, Dubilier & Rice, LLC ("CD&R") and Stone Point Capital LLC ("Stone Point") completed an acquisition of Focus Financial Partners Inc. ("Focus Inc."). This transaction resulted in funds affiliated with CD&R collectively becoming majority owners of Focus Inc. and funds affiliated with Stone Point collectively becoming owners of Focus Inc. Because Vestor Capital is an indirect, wholly-owned subsidiary of Focus Inc., the CD&R and Stone Point funds are indirect owners of Vestor Capital. Items 4 and 10 have been revised to reflect this new ownership structure.

- We help our clients obtain certain insurance solutions from unaffiliated, third-party insurance brokers by introducing clients to our affiliate, Focus Risk Solutions, LLC ("FRS"). FRS is compensated by sharing in the upfront and/or ongoing commissions earned by such third-party insurance brokers. The amount of insurance commission revenue earned by FRS is considered for the purpose of determining the amount of additional compensation that certain of our financial professionals are entitled to receive. Further information on this conflict of interest is available in Items 4, 5, and 10 of this Brochure.

Full Brochure Available

If you would like to receive a complete copy of our Brochure, without charge, please contact our Chief Compliance Officer, Carolyn Barr, by telephone at: (312) 641-2400 or by email at: vestor@vestorcapital.com. You may find our brochure online on the SEC's website at www.adviserinfo.sec.gov. You can search for Vestor Capital using our name or CRD number, which is 165855.

Item 3: Table of Contents

Item 4: Advisory Business

Firm Description

Vestor Capital is an investment advisory firm registered with the Securities and Exchange Commission pursuant to Section 203 of the Investment Advisers Act of 1940, as amended (the Act). Vestor Capital has operated as an investment adviser since 1984 and is incorporated under the laws of the State of Delaware.

Vestor Capital is part of the Focus Financial Partners, LLC ("Focus LLC") partnership. Specifically, Vestor Capital is a wholly-owned indirect subsidiary of Focus LLC. Ferdinand FFP Acquisition, LLC is the sole managing member of Focus LLC. Ultimate governance of Focus LLC is conducted through the board of directors at Ferdinand FFP Ultimate Holdings, LP. Focus LLC is majority-owned, indirectly and collectively, by investment vehicles affiliated with Clayton, Dubilier & Rice, LLC ("CD&R"). Investment vehicles affiliated with Stone Point Capital LLC ("Stone Point") are indirect owners of Focus LLC. Because Vestor Capital is an indirect, wholly-owned subsidiary of Focus LLC, CD&R and Stone Point investment vehicles are indirect owners of Vestor Capital.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, business managers and other firms (the "Focus Partners"), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.

Vestor Capital is managed by Brian C. Baker Jr., Martin Buehler, Peter J. Mullins, Dennis J. Slott and Scott A. Stuth ("Vestor Capital Principals"), pursuant to a perpetual management agreement between V C Management, LLC and Vestor Capital. The Vestor Capital Principals serve as officers of Vestor Capital and are responsible for the management, supervision, and oversight of Vestor Capital.

Vestor Capital is an investment and wealth management firm which serves the investment needs of individuals and families who seek thoughtful strategies to grow, protect and transfer their wealth.

Since 1984, we have successfully assisted our individual, corporate and institutional Clients in their efforts to grow and preserve their wealth by providing investment advice and responsive asset management. We take great pride in the trusted relationships we have built with our clients along the way.

We implement investment advice on behalf of certain clients in held-away accounts that are maintained at independent third-party custodians. These held-away accounts are often 401(k) accounts, 529 plans and other assets that are not held at our primary custodian(s).

Please take a few minutes to explore our website at www.vestorcapital.com. If you would like to learn more about Vestor Capital and our investment services, please feel free to contact us either by email or telephone.

Conditions for Managing Portfolios

We typically require prospective clients to have a minimum of $500,000 to invest, and an in-depth meeting to determine that a client's goals and our services are compatible prior to opening any Client account. Present financial status, risk tolerance, investment restrictions, living style and wealth accumulation goals will be discussed to determine realistic investment expectations. The minimum asset value may be waived or adjusted for related persons and certain other specific Clients and organizations.

Client Analysis and Planning Advice

A comprehensive investment solution starts with a discussion of your savings and investment status, potential risks, liquidity, financial attitudes, and asset allocation. We will analyze all these components to help you determine your tolerance for market volatility and select an asset allocation and investment strategy which considers your financial circumstances and risk tolerance and is structured to help meet your goals.

Where we and the client mutually deem appropriate, we will assist our clients with financial and goals-based planning that will inform our portfolio management recommendations. This may include one or more of the following exercises:

General Planning

Considering the following aspects of your financial well-being: Cash Flow, Net Worth, Liability Management and Liquidity Analysis.

Investments

Reviewing your savings and investment status, potential risks, liquidity, financial objectives, and asset allocation.

Retirement Solutions

Reviewing your retirement goals and objectives, assets available to use in retirement and an estimate of how long your funds might last, based on various assumptions. Monte Carlo simulations may be included where appropriate.

Employee Benefits

Reviewing your employee benefits and advising you on how to integrate them into your financial planning decisions.

Education Funding

Reviewing the benefits of both a lump sum and monthly deposit method and helping you plan for education expenses.

Income Tax

Performing an analysis of your income sources, exemptions, deductions, and Federal and State taxes due.

Wealth Transfer/Estate Planning

Working with your attorney, accountant and/or other professionals, to guide you through the estate planning process so that your wealth transfer goals are woven into your overall financial strategy.

Risk Management and Insurance

Where appropriate, we will work together with your insurance professional(s) to guide you through the insurance process. An important consideration for your financial security is the need for funds in the event of premature death, disability, or estate liquidity.

Financial Planning and Consulting Services

Vestor Capital will offer Financial Planning and Consulting services on a standalone basis upon request. Financial Planning and Consulting services include assisting Clients in the development of a long-term financial plan, investment advice, income tax planning, education funding, estate planning advice and recommendations, cash flow and debt management, insurance and risk management, net worth analysis, retirement planning and wealth transfer planning.

UPTIQ

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, "UPTIQ"). Please see Items 5 and 10 for a fuller discussion of these services and other important information.

Focus Risk Solutions

We help our clients obtain certain insurance solutions from unaffiliated, third-party insurance brokers by introducing clients to our affiliate, Focus Risk Solutions, LLC ("FRS"), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. Please see Items 5 and 10 for a fuller discussion of these services and other important information.

Professional Service Providers

Vestor Capital may introduce Clients to other investment and non-investment related professionals, such as accountants, attorneys, insurance providers, and other wealth planning consultants. The Client is under no obligation to engage the services of any such introduced professional. The Client retains absolute discretion over all such implementation decisions and is free to accept or reject any introduction or recommendation made by Vestor Capital. Vestor Capital cannot replace the services provided by licensed CPAs or attorneys. Vestor Capital will work closely with Clients to help utilize independent tax consultants or legal advisors for additional information.

Co-Investment Adviser Programs

Vestor Capital will share in the fees and account investment management responsibilities for Program Clients engaged by the following independent Advisers:

- Vestor Capital and Cambridge Investment Research Advisors, Inc. ("CIRA") (See Item 5 for fees) offer this program through which Vestor Capital provides investment management and reporting services, custodial services are provided through Charles Schwab and CIRA, acting through its Investment Advisory Representatives at Wealth Planners, LLC ("Wealth Planners"), is responsible for direct client contact including but not limited to conducting and documenting an assessment of Client's financial circumstances, investment objectives, investment experience and risk tolerance, and for recommending investment management services suitable for the Client.

- Ausdal Financial Partners ("Ausdal") and Vestor Capital offer this program through which Vestor Capital provides investment management and Ausdal provides a variety of client-facing services. Participating clients are typically required to allocate a minimum of $250,000 to portfolio management by Vestor Capital. See Item 5 for information regarding fees.

ERISA

Vestor Capital is a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") with respect to investment management services and investment advice provided to ERISA plan clients, including plan participants. Vestor Capital is also a fiduciary under section 4975 of the Internal Revenue Code (the "IRC") with respect to investment management services and investment advice provided to individual retirement accounts ("IRAs"), ERISA plans, and ERISA plan participants. As such, Vestor Capital is subject to specific duties and obligations under ERISA and the IRC that including, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption (a "PTE"). Vestor Capital provides advisory services to ERISA plan clients on a discretionary basis, meaning Vestor makes the investment decisions in its sole discretion without the client's prior approval.

As a fiduciary, we have duties of care and of loyalty to you and are subject to obligations imposed on us by the federal and state securities laws. As a result, you have certain rights that you cannot waive or limit by contract. Nothing in our agreement with you should be interpreted as a limitation of our obligations under the federal and state securities laws or as a waiver of any unwaivable rights you possess.

Assets under Management ("AUM")

As of December 31, 2023, Vestor Capital managed and advised on Assets of $1,849,784,449 as follows:

Discretionary Advisory AUM:	$1,765,226,947
Non-Discretionary Advisory AUM:	$928,829
TOTAL Advisory AUM	**$1,766,155,777**
Participant Directed Retirement Plan Assets	$23,449,605
Other Advised Assets*	$83,628,672
TOTAL Assets Under Advisement	**$1,849,784,449**

*Advisory Fees are not charged on Other Advised Assets.

Item 5: Fees and Compensation

Fee Compensation

Our Investment and Wealth Management Advisory Fee ("Fee") is calculated as a percentage of Client's assets under our management. The Fee rate for some Client accounts is calculated on tiered asset values because of the size or number of related accounts that are invested in a like-kind strategy. The amount of the Fee is specified in the Client's agreement with us. Fees are negotiable and vary from client to client based on a variety of factors, including, but not limited to, our historical relationship with the clients, the client's total assets, assets invested with us and anticipated future assets, complexity of the engagement or the number of related accounts. Fees will differ for charitable and non-profit organizations, accounts containing securities restrictions and accounts charged on a fixed-fee or adjusted basis. Vestor Capital will waive its Fee at any time when it deems it appropriate and/or necessary. Fees also will be adjusted for related persons of Vestor Capital or for specific Clients. Generally, fees are assessed on cash, cash equivalents, accrued but unpaid interest, and margin balances in Client accounts.

Payment of Fees

The specific way Fees are charged by Vestor Capital is established in the Client's agreement with Vestor Capital. In general:

- Fees for Clients who are subject to our Basic Fee Schedule, determined as a percentage of assets under our management, are payable in advance from Client accounts each calendar quarter or part thereof.
- Fees for some specific Clients who are subject to our Basic Fee Schedule, and certain legacy Clients, determined as a percentage of assets under our management, are payable in arrears from Client accounts for each calendar quarter or part thereof.
- Fees are assessed on cash and cash equivalents, on accrued but unpaid interest and on margined securities.
- Co-Investment Adviser Program Fees, determined as a percentage of assets under our management, are payable in advance each calendar quarter or part thereof.

Most of the time, we deduct our Fees directly from Clients' custodial accounts. We invoice some clients directly for our Fees.

Vestor Capital provides a pro-rata refund of any unearned fees within 30 calendar days of the effective date of a termination notice from the Client. Earned add-on charges or administrative fees are not subject to a refund.

Vestor Capital will not offset its Fee against management fees of other investment managers, managed funds, mutual funds and/or separately managed accounts in which a client's assets may be invested.

Fee Schedules

Basic Fee Schedule

Annual Fee Schedule for Equity and Balanced Accounts

	Asset Fee Tier	Maximum Fee
On the First	$1,000,000	1.35%
On the next	$2,000,000	1.25%
On the next	$2,000,000	1.20%
On the next	$1,000,000	1.10%
On assets over	$6,000,000	1.00%

Annual Fee Schedule for Fixed Income Only Relationships

0.50% subject to a minimum fee of $2,500

Fees differ for certain charitable and non-profit organizations, accounts containing non-supervised securities, accounts charged on a fixed-fee or negotiated basis, and accounts that joined us from Oak.

Vestor Capital and CIRA Co-Advisory Program Fees

Annual Fee Schedule for U.S. Large Cap Core Equity Strategy

	Asset Fee Tier	Maximum Fee
On the First	$ 500,000	1.95%
On the next	$ 500,000	1.65%
On assets over	$1,000,000	1.50%

Ausdal and Vestor Capital Co-Advisory Program Fees

Annual Fee Schedule for U.S. Large Cap Core Equity Strategy

	Asset Fee Tier	Maximum Fee
On the First	$ 500,000	1.75%

On the next	$ 500,000	1.70%
On assets over	$1,000,000	1.65%

Financial Planning and Consulting Service Fees

Our services for standalone financial planning and consulting services vary widely from client to client and so our fees for these services are determined on a case-by-case basis. Our fees, which are specified in the agreement with the Client, may be ongoing fixed fees, determined on an hourly basis, a percentage of assets under consultation or a one-time flat fee.

Focus Risk Solutions

We help our clients obtain certain insurance solutions from unaffiliated, third-party insurance brokers by introducing clients to our affiliate, Focus Risk Solutions, LLC ("FRS"), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. FRS has arrangements with certain third-party insurance brokers (the "Brokers") under which the Brokers assist our clients with regulated insurance sales activity. If FRS refers one of our clients to a Broker and there is a subsequent purchase of insurance through the Broker, then FRS will receive a portion of the upfront and/or ongoing commissions paid to the Broker by the insurance carrier with which the policy was placed. The amount of revenue earned by FRS for the sale of these insurance products will vary over time in response to market conditions. The amount of insurance commission revenue earned by FRS is considered for the purpose of determining the amount of additional compensation that certain of our financial professionals are entitled to receive. The amount of revenue earned by FRS for a particular insurance product will also differ from the amount of revenue earned by FRS for the other types of insurance products. Further information on this conflict of interest is available in Item 10 of this Brochure.

Other Fees and Expenses

In addition to our Fees, Clients are responsible for the fees and expenses associated with the investment of their assets, such as transaction fees, account fees and other fees charged by broker-dealers, custodian fees, exchange fees, taxes, fees charged by external managers of separately managed accounts, fees and expenses of mutual funds, private investment funds and exchange-traded funds and any other transaction, processing, or administrative costs.

The Ausdal Co-Advisory Program fee covers investment advisory fees for us and for Ausdal, and execution costs for transactions executed through the program broker-dealer.

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, "UPTIQ"). Focus Financial Partners, LLC ("Focus") is a minority investor in UPTIQ, Inc. UPTIQ is compensated by sharing in the revenue earned by such third-party financial institutions for serving our clients. The revenue paid to UPTIQ also benefits UPTIQ Inc.'s investors, including Focus, our parent company. When legally permissible, UPTIQ also shares a portion of this earned revenue with our affiliate, Focus Solutions Holdings, LLC ("FSH"). For non-residential mortgage loans made to our clients, UPTIQ will share with FSH up to 25% of all revenue it receives from such third-party financial institutions. For securities-backed lines of credit ("SBLOCs") made to our clients, UPTIQ will share with FSH up to 75% of all revenue it receives from such third-party financial institutions. For cash management products and services provided to our clients, UPTIQ will share with FSH up to 33% of all revenue it receives from the third-party financial institutions and other intermediaries that provide administrative and settlement services in connection with this program. This earned revenue is indirectly paid by our clients through an increased interest rate charged by the third-party financial institutions or, for cash balances, a lowered yield. FSH distributes this revenue to us when we are licensed to receive such revenue (or when no such license is required) and the distribution is not otherwise legally prohibited. Further information on this conflict of interest is available in Item 10 of this Brochure.

Item 6: Performance-Based Fees and Side-by-Side Management

Performance-Based Fees
Neither Vestor Capital nor any person Vestor Capital supervises charges a performance-based fee.

Side-by-Side Management
Neither Vestor Capital nor any person Vestor Capital supervises manages Client portfolios Side-by-Side with clients that pay performance-based fees.

Item 7: Types of Clients

Vestor Capital provides investment advice to individuals, not-for-profit organizations, foundations and other institutions, and qualified retirement plans. We typically require new clients to have a minimum of $500,000 to invest.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Investment Committee
Vestor Capital utilizes internal research professionals to conduct fundamental analysis on a wide range of sectors, industries, and companies. Investment opportunities drawn from this research are presented at Investment Committee Meetings attended by Senior Management and Wealth Management Advisors. Investment strategy decisions are centralized and rest with the Investment Committee. As with any method utilized to analyze investment opportunities, our fundamental approach is based on the use of assumptions and projections that may or may not be realized. As with any investment, past performance is not necessarily indicative of future results.

Individual Equity Securities
We conduct fundamental analysis of equity securities of individual companies. The main sources of data and information include Bloomberg, Value Line, Morningstar, Wall Street research reports, annual reports, media newspapers and magazines, SEC filings, company conference calls, industry conferences and on- and off-site visits with company executives.

Mutual Funds and Exchange Traded Funds (“ETF”)
Mutual fund selection is based on funds that have a fundamental-based investment philosophy with sufficient individual security and sector diversification. Fund selection is also based on tax efficiency, low portfolio turnover, competitive expense ratio, style consistency and investment staff stability. The funds we select typically demonstrate attractive long-term investment performance compared to the applicable market benchmark and peer group, with similar or below-market benchmark and peer group volatility.

ETF selection is typically based on the market sector in which we desire to invest, composition of the ETF, expense ratio, tracking error and liquidity.

Investment Strategies

<u>Individual U.S. Large-Cap Stocks and ETFs</u>

We invest in companies we consider to be of high quality, with comprehensible and consistent business models, typically including companies with above-average returns on capital and equity. We seek out companies whose fundamentals are improving or are expected to improve in the near future. For exposures that cannot easily be implemented with individual stocks, we select ETFs. To maximize the potential benefit of our security selection skills, we create equity portfolios that are concentrated and generally hold 35 to 50 companies, diversified by sector and industry. With our long-term perspective, the annual portfolio turnover tends to be low. This increases the potential long-term after-tax returns. The objective of this strategy is to provide diversification and participation in large multi-national companies.

<u>Individual U.S. Large-Cap Stocks and ETFs with Higher Dividend Yields</u>

We invest in individual companies with higher dividend yields, utilizing a valuation and fundamental selection process similar to the strategy used for our Individual U.S. Large-Cap Stocks. For exposures that cannot easily be implemented with individual stocks we select ETFs. In addition, we seek securities that typically pay a minimum 2% dividend yield and have a demonstrated history of uninterrupted dividend payments. Further, we prefer those companies that have a recent history of raising dividends. In order to maximize the potential benefit of our stock selection skills, we generally limit our portfolio holdings to approximately 25 to 30 companies, diversified by sector and industry. With our long-term perspective, the annual portfolio turnover tends to be low. Low turnover increases the potential long-term after-tax returns. The strategy objective is to provide a total return solution for our clients by diversification and participation in large multi-national companies offering income and appreciation potential.

<u>U.S. Mid Cap</u>

Investing in the U.S. Mid Cap universe is conducted with a combination of active mutual funds and passive, low-cost, tax-efficient ETFs to establish an equity position invested in U.S. businesses with market capitalizations from $2 to $10 billion. The objective of this strategy is to provide diversification and participation in the traditionally faster growing U.S. mid-sized business sector.

<u>U.S. Small Cap</u>

Investing in the U.S. Small Cap universe is conducted with a combination of active mutual funds and passive, low-cost, tax-efficient ETFs to establish an equity position invested in U.S. businesses with market capitalizations up to $2.5 billion. The objective of this strategy is to provide diversification and participation in the traditionally faster growing U.S. small business sector.

<u>International Developed Large Cap</u>

Investing in the International Developed Large Cap universe is conducted with a combination of active mutual funds and passive low cost and tax-efficient ETFs to establish an equity position invested in mid-to-large size businesses operating in Latin America, Europe, Australia, Asia and Far Eastern markets. The objective of this strategy is to provide diversification and participation in companies operating in more established international economies.

<u>International Developed Small Cap</u>

Investing in the International Developed Small Cap universe is conducted with a combination of active mutual funds and passive, low-cost and tax-efficient ETFs to establish an equity position invested in small business operating in Latin America, Europe, Australia, Asia and Far Eastern markets. The objective of this strategy is to provide diversification and participation in the traditionally faster growing small business sector of the more established international economies.

Emerging Markets

Investing in the Emerging Markets universe is conducted with active mutual funds to establish an equity position in emerging market economies located in Asia, Latin America, Eastern Europe, Africa and the Middle East. The objective of this strategy is to provide diversification and participation in the significant growth of the businesses operating in the economies of emerging market countries.

U.S. Taxable Fixed Income

Investing in the U.S. Taxable Bond universe is conducted with mutual funds invested in taxable fixed income securities. For account allocations greater than $500,000, Vestor Capital offers a U.S. Taxable Bond Strategy through a sub-advisory relationship with an experienced fixed income advisor managing over $30 billion. Our Taxable Bond Strategy offers portfolios to Clients who seek an allocation to high quality bonds but do not require tax-exempt income. All taxable municipals must meet the same criteria as the municipals purchased for tax-free portfolios, including primarily investment grade general obligation or essential service revenue bonds. The strategy objective is to outperform in bear bond markets and keep pace in bull bond markets.

U.S. Tax-Exempt Municipal Bond

Investing in the U.S. Tax Exempt Municipal Bond universe is conducted with mutual funds invested in tax-exempt fixed income securities. For account allocations greater than $500,000, Vestor Capital offers a U.S. Tax Exempt Municipal Bond Strategy through a sub-advisory relationship with an experienced fixed income advisor managing over $30 billion. Our Tax-Exempt Bond Strategy offers portfolios to Clients who require tax-exempt income and seek an allocation to high-quality municipal bonds. Securities include primarily investment-grade general obligation or essential service revenue bonds. The objective of this strategy is to outperform in bear bond markets and keep pace in bull bond markets.

Alternatives

Investing in the Alternative universe is conducted with a combination of mutual funds, ETFs, sub-advisors and private placements to provide long/short, absolute return, commodities, managed futures and opportunistic hybrid investment strategies. The objective of this strategy is to identify non-traditional investment strategies that may have low or negative correlation to the price movements of the Standard & Poor's 500 Composite Index yet are expected to provide long-term investment returns greater than the Vestor Capital fixed income strategies.

Vestor Capital, on a non-discretionary basis, may recommend that qualified clients consider allocating a portion of their investment assets to private placements held in custody with Millennium Trust Company. The terms and conditions for participation in any private placement, including management fees, conflicts of interest, and risk factors are detailed in each fund's offering documents.

Vestor Capital's Clients are under no obligation to consider an investment in these or any other private placement. Every prospective investor is required to complete a private placement suitability questionnaire to establish that he or she is qualified for this type of investment and acknowledges and accepts the various risk factors that are associated with such an investment.

The purchase price of Membership Interests in Private Placement investment is determined by the Sponsor of the investment ("Sponsor Company") and may have no relationship to its book value assets, earning of the Sponsor Company or other Sponsor Company investments or any other established criteria or quantifiable information for valuing a business or investment. The purchase price of the Membership Interests should not be considered an indication of the actual value of the Membership Interests. The actual value at any point in time may be greater than or less than the initial purchase price.

Private Placement investment valuations are reported by the custodian at cost and remain at cost until an annual valuation is received from the Sponsor Company. The annual valuation is expected from the Sponsor Company within a reasonable amount of time (generally within six months). Real estate development project valuations generally remain at cost until the project is completed. If market conditions were projected downward, the Firm would discuss a lower of cost or market value with the Sponsor Company.

Vestor Capital's investment management fees on Membership Interest are billed at cost, which may be higher or lower than the actual value of the investment, until an actual market valuation is made available by the Sponsor Company, at which time the investment management fees would be adjusted up or down accordingly. No representation is made by the Sponsor Company or its Manager that the Membership Interests have or will have a market value equal to their original purchase price or could be resold (if at all) at their original purchase price.

Vestor Capital's Partners and select employees may also participate in private placement investments alongside Vestor clients.

Investment Risks

Investing in securities involves the risk of loss that clients should be prepared to bear. Investment risks include, but are not limited to, the following:

Loss of Principal Risk

All investment involves risks including loss of principal which is defined as a decline in value below the amount invested. The risk is generally higher for equity investments and to a lesser extent, fixed income investments.

Interest Rate Risk

Interest rates can change suddenly and unpredictably. Factors influencing interest rates include but are not limited to; government policy, monetary policy, inflation expectations and supply and demand related to bonds. Debt securities generally lose value when interest rates rise and increase when rates fall. In addition, sudden changes in interest rates can adversely affect liquidity, which may negatively impact bond prices.

Market Risk

The price of securities may rise or fall because of changes in the broad market or due to changes in a company's financial condition. Changes to sector or industry fundamentals along with general economic or political conditions can also impact security prices.

Inflation Risk

Inflation erodes purchasing power, causing each dollar to buy fewer goods and services. Rapid or unexpected increases in inflation can negatively impact bond prices which tend to fall in response to higher inflation. Equity prices also tend to decline due to an increase in the discount rate of future cash flows.

Currency Risk

Foreign securities may be issued and traded in their local currency, resulting in their market values being affected by changes in exchange rates between the local currency and the U.S. dollar. This will affect the value of the investment when the local currency strengthens or weakens relative to the U.S. dollar.

Reinvestment Risk

Risk that an investor will be unable to reinvest cash flows from dividends or interest payments at a rate comparable to the current investment's rate of return.

Business Risk

Corporate profitability is influenced by several factors including sales volume, margin changes, competition, and general economic conditions. If a company reports below-expected profitability or guides to future declines in profitability, stock prices can react negatively to such events.

Reputation Risk

Reputation risk is a risk of loss resulting from damages to a firm's reputation, in lost revenue; increased operating, capital or regulatory costs; or destruction of shareholder value, consequent to an adverse or potentially criminal event or security breach.

Liquidity Risk

Liquidity risk exists when the market for a particular security becomes relatively illiquid and trading volumes are low, which can make it difficult to sell a security. Reduced liquidity may have an adverse impact on the market price of the security and the ability to sell the particular security.

Private Placement Investment Risk

Private placement investments generally involve risk factors, including, but not limited to, the potential for complete loss of principal, liquidity constraints, and lack of transparency. Unlike other traditional liquid investments that a client may maintain, private placement investments do not provide daily liquidity or pricing. These risk factors are detailed in each fund's offering documents, which are provided to each prospective investor for review and consideration.

Cybersecurity Risk

The computer systems, networks and devices used by Vestor Capital (and service providers to us and our clients) to carry out routine business operations employ a variety of protections designed to prevent damage or interruptions from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted because of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities to prevent any cybersecurity breaches in the future.

Item 9: Disciplinary Information

Legal and Disciplinary

This section requires advisers to disclose certain legal or disciplinary events that could be material to a client's evaluation of the advisory business or the integrity of the adviser's management. We have no legal or disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Focus Financial Partners

As noted above in response to Item 4, certain funds affiliated with CD&R collectively are indirect majority owners of Focus Inc., and certain funds affiliated with Stone Point are indirect owners of Focus Inc. Because Vestor Capital is an indirect, wholly-owned subsidiary of Focus Inc., CD&R and Stone Point investment vehicles are indirect owners of Vestor Capital.

UPTIQ Credit and Cash Management Solutions

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, "UPTIQ"). These third-party financial institutions are banks and non-banks that offer credit and cash management solutions to our clients, as well as certain other unaffiliated third parties that provide administrative and settlement services to facilitate UPTIQ's cash management solutions. UPTIQ acts as an intermediary to facilitate our clients' access to these credit and cash management solutions.

We are a wholly owned subsidiary of Focus Financial Partners, LLC ("Focus"). Focus is a minority investor in UPTIQ, Inc. UPTIQ is compensated by sharing in the revenue earned by such third-party financial institutions for serving our clients. The revenue paid to UPTIQ also benefits UPTIQ Inc.'s investors, including Focus. When legally permissible, UPTIQ also shares a portion of this earned revenue with our affiliate, Focus Solutions Holdings, LLC ("FSH"). For non-residential mortgage loans made to our clients, UPTIQ will share with FSH up to 25% of all revenue it receives from the third-party financial institutions. For securities-backed lines of credit ("SBLOCs") made to our clients, UPTIQ will share with FSH up to 75% of all revenue it receives from such third-party financial institutions. For cash management products and services provided to our clients, UPTIQ will share with FSH up to 33% of all revenue it receives from the third-party financial institutions and other intermediaries that provide administrative and settlement services in connection with this program. This earned revenue is indirectly paid by our clients through an increased interest rate charged by the third-party financial institutions for credit solutions or reduced yield paid by the providers of cash management solutions. FSH distributes this revenue to us when we are licensed to receive such revenue (or when no such license is required) and the distribution is not otherwise legally prohibited. This revenue is also revenue for FSH's and our common parent company, Focus. Additionally, the volume generated by our clients' transactions allows Focus to negotiate better terms with UPTIQ, which benefits Focus and us. Accordingly, we have a conflict of interest when recommending UPTIQ's services to clients because of the compensation to us and to our affiliates, FSH and Focus, and the transaction volume to UPTIQ. We mitigate this conflict by: (1) fully and fairly disclosing the material facts concerning the above arrangements to our clients, including in this Brochure; and (2) offering UPTIQ's solutions to clients on a strictly nondiscretionary and fully disclosed basis, and not as part of any discretionary investment services. Additionally, we note that clients who use UPTIQ's services will receive product-specific disclosure from the third-party financial institutions and other unaffiliated third-party intermediaries that provide services to our clients.

We have an additional conflict of interest when we recommend credit solutions to our clients because our interest in continuing to receive investment advisory fees from client accounts gives us a financial incentive to recommend that clients borrow money rather than liquidate some or all of the assets we manage.

<u>Credit Solutions</u>

Clients retain the right to pledge assets in accounts generally, subject to any restrictions imposed by clients' custodians. While credit solution programs that we offer facilitate secured loans through third-party financial institutions, clients are free instead to work directly with institutions outside such programs. Because of the limited number of participating third-party financial institutions, clients may be limited in their ability to obtain as favorable loan terms as if the client were to work directly with other banks to negotiate loan terms or obtain other financial arrangements.

Clients should also understand that pledging assets in an account to secure a loan involves additional risk and restrictions. A third-party financial institution has the authority to liquidate all or part of the pledged securities at any time, without prior notice to clients and without their consent, to maintain required collateral levels. The third-party financial institution also has the right to call client loans and require repayment within a short period of time; if the client cannot repay the loan within the specified time period, the third-party financial institution will have the right to force the sale of pledged assets to repay those loans. Selling assets to maintain collateral levels or calling loans may result in asset sales and realized losses in a declining market, leading to the permanent loss of capital. These sales also may have adverse tax consequences. Interest payments and any other loan-related fees are borne by clients and are in addition to the advisory fees that clients pay us for managing assets, including assets that are pledged as collateral. The returns on pledged assets may be less than the account fees and interest paid by the account. Clients should consider carefully and skeptically any recommendation to pursue a more aggressive investment strategy in order to support the cost of borrowing, particularly the risks and costs of any such strategy. More generally, before borrowing funds, a client should carefully review the loan agreement, loan application, and other forms and determine that the loan is consistent with the client's long-term financial goals and presents risks consistent with the client's financial circumstances and risk tolerance.

We use UPTIQ to facilitate credit solutions for our clients.

Cash Management Solutions

For cash management programs, certain third-party intermediaries provide administrative and settlement services to our clients. Engaging the third-party financial institutions and other intermediaries to provide cash management solutions does not alter the manner in which we treat cash for billing purposes. Clients should understand that in rare circumstances, depending on interest rates and other economic and market factors, the yields on cash management solutions could be lower than the aggregate fees and expenses charged by the third-party financial institutions, the intermediaries referenced above, and us. Consequently, in these rare circumstances, a client could experience a negative overall investment return with respect to those cash investments. Nonetheless, it might still be reasonable for a client to participate in a cash management program if the client prefers to hold cash at the third-party financial institutions rather than at other financial institutions (e.g., to take advantage of FDIC insurance).

We use UPTIQ to facilitate cash management solutions for our clients.

Focus Risk Solutions

We help clients obtain certain insurance products from unaffiliated insurance companies by introducing clients to our affiliate, Focus Risk Solutions, LLC ("FRS"), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC ("Focus"). FRS acts as an intermediary to facilitate our clients' access to insurance products. FRS has agreements with certain third-party insurance brokers (the "Brokers") under which the Brokers assist our clients with regulated insurance sales activity.

If FRS refers one of our clients to a Broker and there is a subsequent purchase of insurance through the Broker, FRS will receive a portion of the upfront and/or ongoing commissions paid to the Broker by the insurance carrier with which the policy was placed. The amount of revenue earned by FRS for the sale of these insurance products will vary over time in response to market conditions. The amount of insurance commission revenue earned by FRS is considered for purposes of determining the amount of additional compensation that certain of our financial professionals are entitled to receive. The amount of revenue earned by FRS for a particular insurance product will also differ from the amount of revenue earned by FRS for other types of insurance products. This revenue is also revenue for our and FRS's common parent company, Focus. Accordingly, we have a conflict of interest when recommending FRS's services to clients because of the compensation to certain of our financial professionals and to our affiliates, Focus and FRS. We address this conflict by: (1) fully and fairly disclosing the material facts concerning the above arrangements to our clients, including in this Brochure; and (2) offering FRS solutions to clients on a strictly nondiscretionary and fully disclosed basis, and not as part of any discretionary investment services. Additionally, we note that clients who use FRS's services will receive product-specific disclosure from the Brokers and insurance carriers and other unaffiliated third-party intermediaries that provide services to our clients.

The insurance premium is ultimately dictated by the insurance carrier, although in some circumstances the Brokers or FRS may have the ability to influence an insurance carrier to lower the premium of the policy. The final rate may be higher or lower than the prevailing market rate, and may be higher than if the policy was purchased directly through the Broker without the assistance of

FRS. We can offer no assurances that the rates offered to you by the insurance carrier are the lowest possible rates available in the marketplace.

Breckinridge Capital Advisers

For select clients with at least $500,000 to invest in fixed income products, Vestor Capital recommends a third-party manager, Breckinridge Capital Advisers. Assets managed by Breckinridge are included in the quarterly statements provided by Vestor Capital to the client. Vestor Capital is not compensated by Breckinridge for recommending their services to clients.

Potential Conflicts of Interest

As part of its fiduciary duties to clients, Vestor Capital endeavors always to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Vestor Capital or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Vestor Capital's choices. Management persons are defined as those with the power to exercise, directly or indirectly, a controlling influence over the firm's management or policies, or to determine the general investment advice given to the clients of the firm.

Item 11: Code of Ethics, Participation in Client Transactions and Personal Trading

Participation or Interest in Client Transactions

We and our officers, employees, and relatives of employees ("related persons") may acquire and sell securities that are also recommended to clients. Security transactions executed in the accounts of related persons are done so on the same basis as non-related accounts. Neither we nor any of our related persons shall intentionally profit through any structured staggered timing of securities owned in or transacted for Client accounts.

On occasion, we recommend client-affiliated investment to other clients who are accredited investors. The affiliated client is responsible for packaging alternative investments into products in which Vestor's clients participate. The client is compensated by the investment sponsor for sourcing the investors and providing administrative support. The client affiliation gives us an incentive to recommend the investment in order to maintain our client relationship. This conflict is mitigated by the fact that the investment must meet the due diligence standards we apply to investments that are not affiliated with our clients.

When managing a specific Client account, we may give advice and act with respect to any of our other Clients or related accounts which may differ from advice given, or the timing or nature of action taken, with respect to the specific Client. However, it is our policy, to the extent practical, to allocate investment opportunities to the specific Client over time on a fair and equitable basis relative to other Clients.

We have adopted a Code of Ethics (the "Code") to establish policies addressing our fiduciary duties to our clients. Among other things, the Code establishes policies regarding personal trading by our employees, including the requirement that we report our securities holdings and transactions for compliance review. We will provide a copy of our Code to any Client or prospective Client upon request, by contacting us at (312) 641-2400 or by email at vestor@vestorcapital.com.

Item 12: Brokerage Practices

Selecting Brokerage and Custodian Firms

Vestor Capital recommends brokers and custodians to clients based on their reputation, perceived financial responsibility, service and responsiveness, the quality of securities execution and the reasonableness of their commission rates.

Vestor Capital works with the following brokers and qualified custodian firms:

- Schwab Institutional (a division of Charles Schwab & Co, Inc., member FINRA/SIPC/NFA)
- Fidelity Institutional Asset Management
- Millennium Trust Company
- Nationwide Advisory Services
- Bright Directions
- Ascensus

Vestor Capital does not receive fees or commissions paid from any broker or qualified custodian listed above. However, Vestor Capital participates in institutional customer programs sponsored by certain custodians Vestor Capital recommends for custody and brokerage services. There is no direct link between Vestor Capital's participation in these programs and the investment advice Vestor Capital provides to its clients. Vestor Capital receives economic benefits for its participation in these programs that are typically provided to investment advisers such as Vestor Capital, but typically are not available to custodian retail investors. These benefits include the following products and services (provided without cost or at a discount to Vestor Capital): research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. Certain custodians may also have paid for business consulting and professional services received by Vestor Capital's related persons.

Some of the products and services made available by these custodians through their programs may benefit Vestor Capital but may not benefit its client accounts. These products or services may assist Vestor Capital in managing and administering client accounts, including accounts not maintained at that certain custodian. Other services made available by these custodians are intended to help Vestor Capital manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, marketing, recruiting, and referrals. In addition, certain broker-dealers and custodians may make available, arrange and/or pay for these types of services rendered to Vestor Capital by independent third parties. Certain broker-dealers and custodians may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to Vestor Capital.

The benefits received by Vestor Capital or its personnel through participation in these programs do not depend, to the best of Vestor Capital's knowledge, on the amount of brokerage transactions directed to the custodian. In the exercise of its fiduciary duties to clients, Vestor Capital endeavors always to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Vestor Capital or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Vestor Capital's choice of a custodian for custody and brokerage services. Vestor Capital addresses this conflict of interest through this disclosure and by monitoring the fees and services provided by the custodians.

Certain Clients participating in the Ausdal Vestor Capital Co-Advisor Program are introduced to Vestor Capital through Ausdal Financial Partners, Inc ("AFP"), the program sponsor. AFP is both an investment adviser and broker-dealer clearing through Pershing, LLC for brokerage transactions in addition to providing custodial services for advisory Clients. For these certain Clients, Vestor Capital will direct all brokerage transactions and investment activity through AFP.

We routinely recommend that clients use certain custodians, and we execute virtually all transactions through those custodians to avoid trade away fees.

Directed Brokerage

Vestor Capital is willing to execute securities transactions through the brokerage firm directed by our clients. We use best efforts to utilize electronic trade execution technology to enable efficient transaction and execution processing. Clients should be aware that directing us to use a particular broker-dealer for execution of their securities transactions could cost clients more money, as we will not seek to negotiate prices and may not be able to aggregate orders to reduce transaction costs or obtain more favorable prices.

Trade Error Policy

Vestor Capital will generally make every effort to correct trade errors on the day reported, however various factors may affect our ability to do so. If a trade error occurs resulting in a gain or loss for a Client, Vestor Capital will take action to correct the error in a manner that any losses from the error are not borne by the client account. If an error results in a gain, the gain will be handled in accordance with the policies of the client's account custodian, which could provide for netting of gains against losses from other trade errors or require donation of trade error gains to charity.

Trade Aggregation Policy

In affecting securities transactions, we may affect similar transactions in the same security simultaneously for the specific client and for the accounts of other clients or related persons. We may bunch these securities transaction orders and allocate the securities purchased or sold on behalf of our clients in such a bunched order among the participating clients on a fair and equitable basis as we determine to be reasonable. Partial fills for securities transaction orders occurring over multiple days are allocated to bunched orders on a systematic rotating client basis, with employee and related accounts filled last. In addition, in a combined or bunched trade, the client's brokerage commission will be charged according to the brokerage schedule applicable to the client calculated with the actual number of shares, or other applicable units, acquired or sold by the client and not upon the size of the total bunched trade.

Item 13: Review of Accounts

Review Process

The portfolio of each client, which may consist of one or more separate accounts, is reviewed at least annually. More frequent reviews are conducted if there is a change in the investment objective of the portfolio or if there is a change in the assets to be managed.

Each portfolio is reviewed for appropriateness, considering investment objectives and the accuracy of the execution of transactions. Primary responsibility for portfolio review and administration resides with the firm's Wealth Management Advisors.

Review Triggers

Account reviews for clients may be performed more frequently when market conditions dictate or when a client's objectives change. A review may be triggered by a client request, changes in market conditions, new information about an investment, changes in tax laws, or other important life events.

Regular Reports

Each client receives at their address of record or electronically from the custodian:

- Daily Custodian Confirmations of Trade Executions
- Monthly/Quarterly Custodian Statement of Holdings and Activity

Each client receives at their address of record or electronically from Vestor Capital:

- Quarterly Portfolio Package consisting of:
    1. Economic and Investment Outlook Commentary
    2. Household Portfolio Summary
    3. Household Performance Summary
    4. Household Portfolio Holdings
    5. Household Index Performance

Each client has access to or receives the following:

- Market and Economic Updates
- Portfolio Realized Gain/Loss Report
- Upcoming Client Events

Item 14: Client Referrals and Other Compensation

Sponsorship Fees

Vestor Capital's parent company is Focus Financial Partners, LLC ("Focus"). From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include Vestor Capital, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including Vestor Capital. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors, and other third-party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including Vestor Capital. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause Vestor Capital to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including Vestor Capital. Conference sponsorship fees are not dependent on assets placed with any specific provider, or revenue generated by such asset placement.

The following entity has provided conference sponsorship to Focus from January 1, 2023 to March 1, 2024:

- Charles Schwab & Co., Inc.
- Fidelity Brokerage Services LLC
- Fidelity Institutional Asset Management LLC
- StoneCastle Network, LLC
- Orion Advisor Technology, LLC
- TriState Capital Bank
- StoneCastle Network, LLC
- BlackRock, Inc.
- Fidelity Brokerage Services LLC
- Fidelity Institutional Asset Management LLC

You can access a more recently updated list of recent conference sponsors on Focus's website through the following link:

https://focusfinancialpartners.com/conference-sponsors/

Third-Party Referral Arrangements

Vestor Capital has arrangements in place with certain third parties, called promoters, under which such promoters refer clients to us in exchange for a percentage of the investment advisory fees we collect from the referred clients. Such compensation creates an incentive for the promoters to refer clients to us, which is a conflict of interest for the solicitors. Rule 206(4)-1 of the Advisors Act addresses this conflict of interest by, among other things, requiring disclosure of whether the promoter is a client or a non-client and a description of the material conflicts of interest and material terms of the compensation arrangement with the promoter. Accordingly, we require promoters to disclose to referred clients, in writing: whether the promoter is a client or a non-client; the promoter will be compensation for the referral; the material conflicts of interest arising from the relationship and/or compensation arrangement; and the material terms of the compensation arrangement, including a description of the compensation to be provided for the referral. Vestor Capital continues to compensate third-party promoters who are no longer actively referring clients
to the Firm.

Employee Referrals

For introducing Clients to Vestor Capital, Vestor Capital has agreed to additional compensation for certain non-advisor licensed employees in the amount of 10% of the first-year investment management fee(s) Vestor Capital receives from the Client on an ongoing basis and 5% thereafter, payable quarterly in arrears.

Referrals to Other Professionals and Custodians

Two members of Vestor Capital's Advisory Board, Jeffrey W. Krol and Fred D. Campobasso, refer clients to Vestor Capital, but are not paid any referral fees.

Item 15: Custody

We are not a custodian, but pursuant to the Securities and Exchange Commission ("SEC") "Custody" Rule 206(4)-2 under the Investment Advisers Act of 1940, we are deemed to have legal custody over client assets because we deduct advisory fees directly from the accounts of our clients with the written permission of our clients. We are also deemed to have custody because we utilize Standing Letters of Authorization ("SLOAs") from certain clients for the execution of cash transfers transacted with their qualified custodians. The SEC does not require advisers who have custody solely from the ability to deduct advisory fees to obtain a surprise examination, and we rely on SEC no action relief from the surprise examination requirement with regard to the SLOAs.

In accordance with the requirements of the Custody Rule, your funds and securities are maintained with a qualified custodian who sends account statements on at least a quarterly basis. Clients are urged to carefully review and compare the account statements they receive from their qualified custodian with the reports they receive from us for accuracy.

Item 16: Investment Discretion

Discretionary Trading Authority

Our standard investment management and services agreement typically contains a limited power of attorney giving us discretionary trading authority to manage, invest and reinvest the funds, securities and other assets subject to the agreement; to determine what investments shall be bought, sold, retained, exchanged, or converted; to provide the client with periodic reports of the transactions effected and the status of the funds, securities, mutual funds and other assets subject to the agreement; and to direct without the specific consent or knowledge of the client the execution of investment transactions, including the amount, timing, frequency and method of execution. Discretionary trading authority facilitates executing trades in clients' accounts on their behalf so that we may promptly implement the investment strategy or policy that they have approved. Clients are permitted to impose reasonable restrictions, if provided in writing, on the management of their accounts.

If clients have not entered into a discretionary client agreement with us, we will consult with the client prior to each trade to obtain client approval.

Custodian Limited Power of Attorney

A limited power of attorney, or such other agreement, granting discretionary trading authority to Vestor Capital is included in each Qualified Custodian's account application for each chosen custodian.

Item 17: Voting Client Securities

Client Proxy Voting

We generally do not accept proxy voting authority for client accounts. Vestor Capital is willing to help clients in researching a proxy question so that they can vote their own proxies.

Item 18: Financial Information

Financial Condition

This section requires advisers who have discretionary authority over client assets to disclose any financial impairment that is likely to preclude an adviser from meeting its contractual commitments to clients, and to disclose whether the adviser has been the subject of a bankruptcy petition within the past 10 years. Vestor Capital has nothing to disclose in response to this item.

Item 19: Requirements for State-Registered Investment Advisers

---

We are a SEC-registered Investment Adviser because our Assets under Management are greater than $100 million.