

Item 1 – Cover Page



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This Brochure provides information about the qualifications and business practices of Vannoy Advisory Group. If you have any questions about the contents of this Brochure, please contact us at (210) 587-6433 or at Info@VannoyAdvisoryGroup.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Vannoy Advisory Group is a Registered Investment Advisor (RIA) firm. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

Additional information about Vannoy Advisory Group is available on the SEC's website (www.adviserinfo.sec.gov).

Item 2 – Material Changes

Our previous Brochure dated August 1, 2016 was updated to reflect (1) that assets under management were \$71,694,096 as of December 31, 2016 (see Item 4 - Advisory Business), (2) that we do not manage any assets on a non-discretionary basis (see Item 4 - Advisory Business), and (3) that the quarterly minimum for investment advisory (IA) services was changed from \$1,250 to \$1,000 per quarter (see Item 5 - Fees and Compensation).

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. You may request a copy of our most recent Brochure by contacting Simone Vannoy at (210) 587-6433 or by email at Simone@VannoyAdvisoryGroup.com.

Additional information about Vannoy Advisory Group is available on the SEC's website (www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Vannoy Advisory Group who are registered, or are required to be registered, as Investment Advisor Representatives of Vannoy Advisory Group.

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Item 4 – Advisory Business

Vannoy Advisory Group is a fee-only financial planning and investment management firm. We are a Texas-based S corporation that is jointly owned by Neil Vannoy and his wife, Simone Vannoy.

The services we provide may be broad in scope or focused on particular areas of interest or need, depending on each Client's unique situation. Examples of some of our financial planning services include cash flow management, debt management, insurance planning, investment analysis, investment selection, asset allocation, college planning, retirement planning, and estate planning.

The majority of our financial planning services are provided through ongoing engagements. Ongoing engagements provide regular access to financial advice as well as portfolio management through our investment advisory (IA) services. We continue to work with ongoing Clients after the presentation meeting to assist with implementing the recommendations, including implementing the investment recommendations through our investment advisory (IA) services. Ongoing Clients receive periodic financial reviews that we initiate and are encouraged to contact us throughout the year as needed.

Below is a summary of the services we provide to ongoing Clients:

Financial Planning Process (First Year)

- Assist in gathering and organizing important financial information
- Provide online vault for secure digital storage of important financial documents
- Analyze current financial position
- Help determine, clarify, and prioritize financial goals
- Identify personal financial challenges and opportunities
- Develop a financial plan based on the Client's personal financial goals
- Construct an investment portfolio based on the financial plan
- Explain and discuss all recommendations in detail
- Implement portfolios for accounts covered by investment advisory (IA) services
- Assist with implementing other recommendations
- Provide online Client Dashboard to aggregate accounts and to track financial plan, spending, net worth, etc.
- Provide secure web portal for important updates, quarterly reports, etc.

Financial Planning Process (Future Years)

- Meet regularly to discuss progress toward financial goals
- Review and update financial goals and financial plan as needed
- Review investment portfolio recommendations when the financial goals and financial plan change
- Provide advice on miscellaneous financial issues and questions throughout year
- Coordinate planning with other professionals (e.g., CPAs, attorneys, etc.)

Investment Advisory (IA) Services Process

- Assist with the account opening and transfer process
- Provide ongoing investment advice and selection
- Monitor and rebalance accounts as needed
- Conduct portfolio tax management and tax loss harvesting when appropriate
- Meet regularly to review portfolio and investment strategy

At times we provide financial planning services through limited engagements. Limited engagements are best for individuals seeking one-time advice on a specific issue. Limited engagements end after the presentation meeting, although we will provide clarification of our recommendations for up to one month after the presentation meeting. Periodic financial reviews are recommended for limited Clients, but it is the responsibility of the Client to initiate these updates under an limited engagement.

Vannoy Advisory Group managed \$71,694,096 in Client assets on a discretionary basis on December 31, 2016. We do not manage any assets on a non-discretionary basis.

Item 5 – Fees and Compensation

The specific manner in which Vannoy Advisory Group charges fees is established in a written Agreement. All fees are subject to negotiation at the discretion of Vannoy Advisory Group.

Ongoing Engagements with Investment Advisory (IA) Services

Fees for services other than IA services provided under ongoing engagements are generally included with the IA services fee for Clients meeting the current minimum quarterly IA services fee. Fees for services not included with the IA services fee are quoted and billed as a flat fee based on the amount of time anticipated to be spent by each consultant devoting time to the services at a twenty percent discount to current hourly rates. The current billing rates for services under an ongoing engagement that are not included with the IA services fee are \$200 per hour for Lead Planners and \$72 per hour for Junior Planners.

Fees for IA services are billed according to a tiered fee schedule based on the combined average daily balance of all accounts managed by the Advisor for the Client during the most recent quarter. We do not have an account minimum for IA services but charge a minimum fee of \$1,000 per quarter.

Fees for IA services are billed according to the following tiered fee schedule:

<u>Combined Balance Tiers</u>	<u>Annual Fee</u>
\$0 - \$499,999.99	0.85%
\$500,000 - \$999,999.99	0.70%
\$1,000,000 - \$1,999,999.99	0.50%
Above \$2,000,000	0.30%

We bill for IA services at the end of each quarter in arrears and do not require a deposit or advanced fee. Clients receive a detail of the fees earned by Vannoy Advisory Group at the end of each calendar quarter. These fees are deducted directly from the account(s) managed unless the Client has arranged to pay the fees by a different method.

Termination of an ongoing engagement within five days of signing the Agreement would result in no fees due. Any deposit paid by the Client for services not included with the IA services fee would be refunded immediately. If an ongoing engagement is terminated after five days of signing the Agreement, the Client is responsible for any services conducted by Vannoy Advisory Group up to the point we receive written notice of the Client's desire to terminate the engagement. Any deposit in excess of the invoiced amount would be refunded within twenty days. Termination of IA services within the first twelve months would result in a fee for the remaining amount due for the first twelve months of services based on the balance in the Client's account(s) according to the above fee schedule. This fee may be reduced or waived at our discretion.

Limited Engagements

Fees for limited engagements are generally quoted and billed as a flat fee, although limited charges and retainers may be used at times. Financial planning fees are based on the hourly rate of each consultant working on a project and the amount of time that he or she anticipates spending on the project. Current hourly rates are \$250 per hour for Lead Planners and \$90 per hour for Junior Planners.

One-third of the fee for an limited engagement is due as a deposit at the beginning of a project, one-third is due during the planning process, and the final third is due upon delivery of the recommendations. All financial planning work will be completed within six months. This fee may be paid in fewer installments if agreed to by the Client and the Advisor. Fees for additional services after the initial engagement are also billed in three installments.

Termination of a limited engagement within five days of signing the Agreement would result in no fees due. Any deposit paid by the Client would be refunded immediately. If a limited engagement is terminated after five days of signing the Agreement, the Client is responsible for any services conducted by Vannoy Advisory Group up to the

point we receive written notice of the Client's desire to terminate the limited engagement. Any deposit in excess of the invoiced amount would be refunded to the Client within twenty days.

Clients may incur additional fees and expenses when they purchase or sell securities that we recommend or when we purchase or sell securities for Clients in the account(s) we manage. We do not receive, directly or indirectly, any of these fees charged to you. They are paid directly to the third party that charges them. Examples of some of these fees and expenses include:

- Brokerage commissions,
- Transaction fees,
- SEC fees,
- Management fees charged by mutual funds and exchange-traded funds (ETFs) and notes (ETNs),
- Custodial fees,
- Wire transfer and electronic fund processing fees,
- Mark-ups or mark-downs on security transactions, and
- Other expenses that may be incurred.

Vannoy Advisory Group does not receive any compensation from the sale of securities or investments that are purchased or sold for your account or to which we provide advice or expertise. As a result, we are a "fee-only" financial planning and investment management firm. We do not have any potential conflicts of interest present that relate to any additional (and un-disclosed) compensation from you or your assets that we manage.

Item 6 – Performance-Based Fees and Side-By-Side Management

Vannoy Advisory Group does not charge any performance-based fees.

Item 7 – Types of Clients

Vannoy Advisory Group provides financial planning and IA services to individuals; high net worth individuals; families; corporations and other business entities; pension and profit-sharing plans; charities; non-profit organizations; and foundations. We do not require our Clients to meet a minimum level of income, net worth, or investable assets before engaging our services.

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

Vannoy Advisory Group uses fundamental analysis, technical analysis, and charting when conducting investment analysis. The primary sources of information used include financial publications such as newspapers and magazines; research material provided by other companies; and prospectuses and annual reports provided by investment companies.

The investment strategies used by Vannoy Advisory Group employ investing primarily in mutual funds, exchange-traded funds (ETFs), and exchange-traded notes (ETNs) across various asset classes (e.g. domestic stocks, international stocks, bonds, etc.). Our primary strategy is to take long-term positions (over one year) in these investments, although short-term positions (less than one year but generally greater than 30 days) occur. We do not anticipate short term trading (less than 30 days).

All investments in securities include a risk of loss of your principal (invested amount) and any profits that have not been realized (the securities were not sold to "lock in" the profit). As you know, stock markets, bond markets fluctuate substantially over time and the performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We will do our very best in the management of your assets; however, we cannot guarantee any level of performance or that you will not experience a loss of your account assets. Investing in securities involves risk of loss that Clients should be prepared to bear.

Item 9 – Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Vannoy Advisory Group or the integrity of Vannoy Advisory Group's management. We do not have any legal, financial or other disciplinary items to report to you. This statement applies to our firm, employees, and Investment Advisor Representatives.

Item 10 – Other Financial Industry Activities and Affiliations

We may partner with other financial planning firms, discount brokers, mutual fund companies, businesses, and other financial institutions to sponsor public financial education seminars. Most seminars are non-profit in nature and purely educational but we may enter into an agreement with a business or other entity under which we would be paid for providing a seminar. Any engagement that results in payment to the Vannoy Advisory Group will be detailed in a signed Agreement with the contracting entity. We never sell investment products at our seminars.

Item 11 – Code of Ethics

Vannoy Advisory Group has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Vannoy Advisory Group must acknowledge the terms of the Code of Ethics annually, or as amended.

At times employees and other related parties to Vannoy Advisory Group may hold positions in mutual funds that may also be recommended to Clients. This could create a conflict of interest, but at no time will Vannoy Advisory Group or any related party receive preferential treatment over Clients.

Advisors have a duty to exercise their authority and responsibility for the benefit of their Client, to place the interests of the Client first, and to refrain from having outside interests that conflict with the interests of the Client. Advisors must avoid any circumstances that might adversely affect or appear to affect their duty of complete loyalty to their Clients. Advisors have a duty to disclose potential and actual conflicts to their Clients. Advisors should not accept gifts (other than de minimis gifts) from persons or companies with which they do business. Advisors should not attempt to limit their liability for willful misconduct or gross negligence through the use of disclaimers.

Advisors that are members of NAPFA and/or those that hold the CFP® designation must also adhere to the Code of Ethics for these organizations. Vannoy Advisory Group will provide a copy of its Code of Ethics to any Client or Prospective Client upon request.

Vannoy Advisory Group's Clients or prospective Clients may request a copy of the firm's Code of Ethics by contacting Simone Vannoy at (210) 587-6433 or by email at Simone@VannoyAdvisoryGroup.com.

Item 12 – Brokerage Practices

Vannoy Advisory Group is not associated with any broker/dealer firm. Vannoy Advisory Group may recommend the services of companies such as TD Ameritrade, Vanguard, T. Rowe Price, or similar broker/dealer to Clients. Broker recommendations are based on individual Client needs, total costs, and ease of use for Clients. Clients engaging Vannoy Advisory Group for IA services will hold their investments at TD Ameritrade.

The Advisor does not receive any direct compensation from brokers for recommending their products or services to financial planning Clients, but does receive indirect, non-cash benefits as a result of using TD Ameritrade as the custodian for IA service Clients. These benefits may include electronic statements, discounts on investment research, educational materials, and software. It is Vannoy Advisory Group's policy to restrict these types of non-cash (soft

dollar) compensation to products and services that do not present a conflict of interest and directly enhance Vannoy Advisory Group's ability to render quality advice to Clients.

Vannoy Advisory Group may receive indirect, non-cash benefits from discount brokers recommended to the Clients. These benefits may include electronic Client statements and discounts on investment research, educational materials, and software. It is the Advisor's policy to restrict non-cash (soft dollar) compensation to products and services that directly enhance their ability to render quality advice to Clients.

Item 13 – Review of Accounts

Clients that receive investment advice on a non-ongoing basis (i.e. through a limited engagement) are provided a one-time report and recommendation based on their financial situation at the time they contract us to conduct the analysis. Limited Clients are responsible for initiating future reviews. These Clients do not receive automatic ongoing investment reviews although regular financial "checkups" are recommended.

Ongoing Clients receive ongoing investment management through IA services from Vannoy Advisory Group and receive periodic reports, updates, and reviews. Portfolio reports are provided quarterly, meetings are held at least annually, and ongoing Clients receiving IA services can request additional reports and meetings as desired.

Both limited Clients and ongoing Clients receive regular statements from the mutual fund and/or brokerage companies in which they hold investments. These statements are typically provided on a monthly or quarterly basis and as transactions occur.

Recommendations, advice, reviews, and Client contact is provided by Neil Vannoy and/or Simone Vannoy.

Item 14 – Client Referrals and Other Compensation

Clients and prospective Clients may be referred to Vannoy Advisory Group through our involvement with the following organizations:

- Fee-Only Network (www.feeonlynetwork.com)
- National Association of Personal Financial Advisors (www.napfa.org)
- Certified Financial Planner Board of Standards (www.cfp.net)

Although we may pay operational fees to these and other organizations, Vannoy Advisory Group never pays any group, organization, or individual for Client referrals. Clients referred to us by these organizations do not pay more for our services than Clients from other sources.

Item 15 – Custody

Vannoy Advisory Group does not have custody of Client accounts, funds, or securities.

Clients will receive account statements from the custodian that holds and maintains the Client's investment assets at least quarterly, if not monthly. We encourage you to carefully review these statements and compare them to any account statement and/or report that we may provide to you.

Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Statements received from the custodian are the official record of your account(s) and assets for tax and other purposes.

Item 16 – Investment Discretion

Vannoy Advisory Group receives discretionary trading authority from the Client at the outset of an IA services relationship. This authority allows us to buy, sell, and trade in mutual funds, exchange-traded funds (ETFs),

exchange-traded notes (ETNs), stocks, bonds, and other securities in order to implement the investment strategy, rebalance the investments, and otherwise manage the investments in the account(s).

Investment discretion includes, but is not limited to, the investment purchased, the timing of purchases, dollar amounts or shares to be purchased, and other factors pertaining to the management of the account(s). This discretionary authority will be exercised in a manner consistent with the stated investment objectives for the particular Client account.

When selecting securities and determining amounts, Vannoy Advisory Group observes the investment policies, limitations and restrictions of the Clients for which it advises. Investment guidelines and restrictions must be provided to Vannoy Advisory Group in writing.

Item 17 – Voting *Client* Securities

As a matter of firm policy and practice, Vannoy Advisory Group does not have any authority to and does not vote proxies on behalf of IA services Clients or other Clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in Client portfolios. Vannoy Advisory Group may provide advice to Clients regarding the Clients' voting of proxies.

Item 18 – Financial Information

Vannoy Advisory Group has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has never been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisors

Education and Business Background of Principal Executive Officers

Neil Vannoy – President

Education

- CFP® Professional
- Boston University – Certificate in Financial Planning
- Pepperdine University – MBA
- Texas State University – BS Biology & BA Spanish

Experience

Vannoy Advisory Group, Inc., San Antonio, TX
President, Financial Planner
2007 to Present

Health Net, Inc. / MHN Government Services, Inc.
Texas Joint Family Support Assistance Program (JFSAP) Personal Financial Consultant (PFC)
2010 – 2012

Vannoy, Inc., Las Vegas, NV
Consultant (Non-Financial in Nature)
2005 – 2007

Simone Vannoy – Secretary and Treasurer

Education

- Accredited Financial Counselor (AFC) (2011 – 2015)
- Texas State University – MS
- Colorado State University – BS

Experience

Vannoy Advisory Group, Inc., San Antonio, TX
Treasurer and Secretary, Junior Planner
2007 to Present

City of Waco, Waco, TX
Registered Sanitarian
2009 – 2010

Vannoy, Inc., Las Vegas, NV
Consultant (Non-Financial in Nature)
2005 – 2007