

## Form ADV Part 3

### Customer Relationship Summary - March 31, 2025

Vermillion Financial Advisors, Inc. (VFA), is an investment adviser registered with the Securities and Exchange Commission. We feel that it is important for you to understand how advisory and brokerage services and fees differ in order to determine which type of service is right for you. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs) which also provides educational materials about broker-dealers (custodians), investment advisers, and investing.

#### What investment services and advice can you provide me?

As an SEC registered investment adviser, we offer investment advisory services to an investor for an ongoing fee that is based on the value of cash and investments in your account(s). Our advisory services also include but are not limited to: financial planning, setting up employer sponsored retirement accounts and investment management services for individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations. If you open an account with our firm, we will work with you to understand your current financial situation, existing resources, goals, and risk tolerance, etc. Based on what we learn and the specific service plan you choose, we will recommend appropriate investments that will be monitored based on your selected service plan, and if necessary, we will update your portfolio to meet your changing needs, goals and objectives. Our accounts are managed on a non-discretionary basis which means we will contact you when we recommend buying any new asset for your account(s). For non-discretionary services, you make the ultimate decision regarding the purchase or sale of investments in your account. You will sign an investment management agreement giving us authority to make certain changes to your portfolio as part of your portfolio maintenance (e.g. rebalancing, raising cash as needed, etc.). This agreement will remain in place until you or we terminate the relationship.

*Additional information about our advisory services is located in Item 4 and Item 7 of our Firm Brochure.*

#### Conversation Starter - Ask your financial professional

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

#### What fees will I pay?

Fees and costs affect the value of your account over time. Please ask your adviser to give you personalized information on the fees and costs that you will pay. We generally require a monthly asset management fee for investment advisory services, fixed fees for financial planning services and hourly fees for consulting services. We, in our sole discretion, may

reduce our investment management fee and/or reduce or waive our minimum monthly fee requirement based upon certain criteria (i.e., dollar amount of assets to be managed, related accounts, account composition, etc.).

Investment Advisory Services and Employer sponsored retirement account fees will be charged in arrears based on the greater of a fixed minimum fee or according to our asset management fee schedule that is calculated and collected on a monthly basis based on the value of the investments in your account(s). Our fee schedule ranges from a high of 1.5% to a low .5% depending on the value of the investments in your account. The larger your account typically the lower the rate of our fee. Our incentive is to increase the value of your account over time which will increase the amount of our fees over time but lower the rate as a percentage of your assets under management. The more assets there are in your account, the more you will pay in fees, and we may therefore have an incentive to encourage you to increase the assets in your account.

The custodian (Charles Schwab, Fidelity, etc.) that holds your assets can charge you a separate transaction fee when we buy or sell an investment for you. These transaction fees are in addition to our advisory fee for our investment advisory service(s).

You could also pay charges imposed by the broker-dealer/Custodian holding your accounts for certain investments and maintaining your account. Some investments, such as mutual funds and exchange traded funds charge internal expense fees that will reduce the value of your investments over time.

*You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.*

*For additional information, please see Form ADV, Part 2A Brochure - Items 5 and 7.*

#### Conversation Starter - Ask your financial professional

- Help me understand how these fees and costs might affect my investments. If I give you \$1,000,000 to invest, how much will go to fees and costs, and how much will be invested for me?

***What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?***

When we act as your investment adviser, we are obligated to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they affect the investment advice we provide to you. Here are some examples to help you understand what this means.

1. The firm's revenue is derived from the advisory fees we collect from your accounts each month. Neither VFA nor any of our employees receives commissions for the sale of securities to our clients. VFA receives no compensation or kick-backs from any fund manager or other third-party for the investments that it selects for client accounts.
2. Alternatively, the recommendation by VFA or its representatives that a client purchase a commission insurance product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. During the last 10 years revenue generated by commissions earned on the sale of insurance products represent less than 2% of the firm's annual revenue. This reasonably indicates but does not guarantee that insurance sales are more of an accommodation for clients rather than a primary focus of VFA. No client is under any obligation to purchase any commission insurance product from VFA's representatives. Clients are reminded that they may purchase insurance products recommended by VFA through other, non-affiliated insurance agents. VFA's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

*Additional information about our conflicts of interest can be found in Item 10 of our Firm Brochure.*

**Conversation Starter - Ask your financial professional**

- How might your conflicts of interest affect me, and how will you address them?

*For additional information, please see Form ADV, Part 2A brochure.*

***How do your financial professionals make money?***

Our financial professionals are employees of the firm and are paid a fixed monthly salary. They also receive bonuses at the discretion of VFA's executive team based upon the success of the firm and specifically upon the contributions of the employee; bonuses are related to meeting certain criteria including client meetings, client referrals, assets under management and client retention.

***Do you or your financial professionals have legal or disciplinary history?***

No, at the present time VFA has no legal or disciplinary history to report. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

**Conversation Starter - Ask your financial professional**

- Ask your financial professional, as a financial professional do you have any disciplinary history? For what type of conduct?

**Conversation Starter - Ask your financial professional**

- Who is my primary contact person?
- Is he or she a representative of an investment adviser or a broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?

**Additional Information**

You can find additional information about our firm's investment advisory services on the SEC's website at [Adviserinfo.sec.gov](http://Adviserinfo.sec.gov) by clicking on the FIRM tab and then searching CRD #119239. If you would like additional, up-to-date information or a copy of this disclosure please visit our website at <http://www.vermillionfinancial.com> or call (847) 382-9999.