

***V. I. M. COR.***

***Vassalotti Investment Management Corporation***

*Investment Management*

*Equity Research*

*Financial Planning*

*Personal Income Tax Preparation*

*117 Olde Farm Office Drive, #925  
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Firm Brochure

## **Form ADV Part 2A**

This Brochure provides information about the qualifications and business practices of Vassalotti Investment Management Corporation. If you have any questions about the contents of this Brochure, please contact us at 814-693-5093. 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.

Vassalotti Investment Management Corporation is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you can determine to hire or retain an adviser.

Additional information about Vassalotti Investment Management Corporation also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Vassalotti Investment Corporation is 119009.

Brochure Supplement updated on May 15<sup>th</sup>, 2017

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## ***Item 2 –Material Changes***

No Material Changes.

Currently, our brochure may be requested by our office at 814-693-5093 or [info@vimcor.com](mailto:info@vimcor.com). Our Brochure Supplement is also available on our web site [www.vimcor.com](http://www.vimcor.com) free of charge.

Additional information about Vassalotti Investment Management Corporation is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Vassalotti Investment Management Corporation who are registered, or are required to be registered, as investment adviser representatives of Vassalotti Investment Management Corporation.

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## **Item 4 - Advisory Business**

Vassalotti Investment Management Corporation (“VIMCOR, “the firm”, “our”, or “we”) is an independent investment management firm that provides investment advice and portfolio management services on a continuing basis, including the appropriate allocation of managed assets among cash, bonds, stocks, and mutual funds with the selection of specific securities which will provide proper diversification and help meet the client's stated investment objectives. VIMCOR is a corporation controlled by Gary Vassalotti and has provided investment advice and portfolio management services since 1996.

The primary shareholder of the Firm is Gary Vassalotti. Though VIMCOR provides investment advice regarding all types of securities, our focus is on building client investment portfolios through the purchase of individual bonds, equities, and ETF Funds in order to provide maximum tax efficiency and avoid the layering of fees. In addition to investment advisory services, we also provide targeted financial advisory services on an as - needed basis. The financial advisory services include, but are not limited to, cash flow planning, retirement needs analysis, insurance (life, disability, health) and annuity reviews (however, we do not sell insurance), and education planning. As of May 14, 2017 we have \$ 2,127,678 in assets under management.

All of these assets are managed on a discretionary basis.

## **Item 5 - Fees and Compensation**

The specific manner in which fees are charged by VIMCOR is established in a client’s written agreement. The annual fee for investment advisory services will be charged as a percentage of assets under management according to the schedule below.

For the 'Managed Funds Account,' that invests primarily in ETFs and Mutual funds, the fee is:

0.8 % (0.008) or \$100 per year, whichever is higher.

For the 'Direct Managed Account,' the fee schedule is as follows:

Annual Fee per year / \$100 minimum fee per year	Assets Under Management
1% on the first	\$200,000 of assets.
0.80 of 1% on	\$200,001 to \$1,000,000 of assets
0.60 of 1% on	\$1,000,001 to \$5,000,000
0.40 of 1% on	\$5,000,001 and over

Our fees are payable quarterly, in advance within thirty (30) days following the beginning of the quarter for which said fees will be incurred. Our clients authorize the account custodian to debit their client account for the amount of our investment advisory fee.

At the inception of the relationship and each quarter thereafter, we will notify your custodian of the amount of the fee due and payable to us through our fee schedule and contract. The custodian does not validate or check our fee, its calculation or the assets on which the fee is based. They will "deduct" the fee from your account(s) or, if you have more than one account from the account you have designated to pay our advisory fees. In limited situations we may provide an alternate payment method.

Each month, you will receive a statement directly from your custodian showing all transactions, positions and credits / debits into or from your account; the statements after the quarter end will reflect these transactions, including the advisory fee paid by you to us.

Management fees shall be prorated for capital contributions made during the applicable calendar quarter (with the exception of de-minimus contributions). Accounts opened in mid-quarter will be assessed at a pro-rated management fee.

Certain clients of VIMCOR with pre-existing relationships may initially be charged fees which are more or less than those set out above. With regards to employee related accounts and certain other accounts, the quarterly fees may be less, depending upon a number of factors, including portfolio size, length of employment and relationship to the employee.

#### Additional Fees and Expenses:

Advisory fees payable to us do not include all the fees you will pay when we purchase or sell securities for your account(s). The following list of fees or expenses are what you pay directly to third parties, whether a security is being purchased, sold or held in your account(s) under our management. We do not receive, directly or indirectly any of these fees charge d to you. They are paid to your broker, custodian or the mutual fund or other investment you hold. These fees may include brokerage commissions, transaction fees, exchange fees, SEC fees, advisory fees and administrative fees charged by Mutual Funds (MF), Exchange Traded Funds (ETFs), Money Markets, or Money Market Mutual Funds, advisory fees charged by sub-advisers (if any are used for your account), custodial fees, deferred sales charges (on MF or annuities), deferred sales charges (charged by MFs), transfer taxes, wire transfer and electronic fund processing fees, and commissions or mark-ups / mark-downs on security transactions.

In addition, we do not have or employ any employee that receives (directly or indirectly) any compensation from the sale of securities or investments that are purchased or sold for your account or to which we provide consulting expertise / services. As a result, we are a fee only investment adviser. 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. All fees are subject to negotiation. We will not change our fees without thirty (30) days advance written notice.

Consulting Services. Fees for consulting services may be billed at an hourly rate of up to \$250.00/hour. Consulting services may be focused on particular investment and financial advisory issues.

Consulting services and fees will be agreed to in advance by the firm and the client.

#### Termination of Investment Management Services .

A client may terminate an agreement with us at any time upon 30 days written notice. The Firm

is not under any obligation to repay any portion of the fees paid by the Client prior to the termination of this agreement; fees will be refunded to the client for months where advisor services were not provided. For example, if client terminates the agreement in February, having had fees for the account charged in January, the client will receive a refund of fees for March and a pro-rated refund for fees incurred for February. Refund will be calculated as follows:

$(\text{Fee Charged} / \text{Number of days in the quarter}) * \text{Number of days remaining in the quarter}$ .

Termination of Consulting Services. Consulting services may be immediately terminated upon written notice by either party.

### ***Item 6 -Performance-Based Fees and Side-By-Side Management***

We do not charge any performance - based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) or side-by-side management fees.

### ***Item 7 - Types of Clients***

We provide our services to a number of Clients.

- Individuals, including high net worth individuals
- Trusts and estates
- Corporations and other business entities
- Pension and profit sharing plans

The recommended minimum initial investment is \$10,000 for Managed Funds Accounts, and \$100,000 for Direct Managed Accounts.

Fees and account sizes are subject to negotiation and may differ based on a number of factors. These factors may include the amount of assets and the number and range of supplemental advisory and client related services.

### ***Item 8 -Methods of Analysis, Investment Strategies and Risk of Loss***

#### **Methods of Analysis**

VIMCOR understands that investing in securities involves risk of loss that clients should be prepared to bear. At the same time, we utilize methods of security analysis which are attentive to risk factors that may impact the value of a security.

Research information is generated both internally and obtained from external sources. We carefully study this information and subject it to numerous quantitative and qualitative consideration that are part of our proprietary valuation model. Below is a partial listing of external research sources we may utilize.

Prospectuses and filings with the Securities and Exchange commission including Annual reports, 10Ks and 10Qs

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- Research materials prepared by others
- Company earnings announcements, news releases and websites
- Financial newspapers, magazines and industry publications
- Analyst conference calls
- Government and economic reports

Our primary method of analysis is fundamental.

Following is description of fundamental security analysis method.

VIMCOR utilizes a comprehensive, fundamental approach to security analysis. Fundamental analysis involves a bottom - up assessment of a company's potential for success in light of many factors including its financial condition, earnings outlook, strategy, management, industry position, and economic and market conditions.

A primary objective of fundamental analysis is to determine a reasoned value for a security that can be compared with its current market price. A decision to buy, sell or hold a particular security in a client's portfolio is directly influenced by our expectations of how fundamental factors are anticipated to impact its long - term valuation. Under this approach we routinely examine a company's financial statements and concurrently consider the impact that prevailing economic, political, and industry circumstances may have on its future value. After researching and analyzing relevant fundamental information we develop an initial judgment of a security's investment potential.

Clients should be aware that although VIMCOR attempts, utilizing the methods described above, to reduce risk, that there exists a potential that your investments and accounts can experience a loss of value, up to the total account value.

## **Investment Strategies**

VIMCOR employs an investment philosophy emphasizing portfolio management that is custom tailored to the needs of each client. We begin the investment process by carefully listening to the client and gaining a thorough understanding of the client's unique goals, risk tolerance, time horizon, and other circumstances. We then determine an appropriate investment strategy for the client based on those understandings. For institutional clients this would be memorialized in the investment policy statement. Furthermore, customizing the portfolio takes into consideration individual client preferences such as social investing, concentrated positions, existing holdings, taxes, and other considerations.

The investment strategy provides a framework for determining the asset allocation that properly balances risk and reward over a long - term time horizon. Asset allocation is the relative mix of cash, fixed income and equity securities suitable for a client's investment portfolio. VIMCOR believes investment risk is lessened when a portfolio is diversified. Diversification is a disciplined long-term investment strategy that helps prevent overexposure to asset classes or specific securities or identify a fitting time when exposure to an undervalued asset class or security may be present. We combine asset allocation with diversification to ensure a client's portfolio will be managed in a prudent manner. We then implement the strategy to achieve the client's investment objectives. Although strategies may be changed if necessary, adhering to the asset allocation over the determined time horizon seeks to provide enhanced portfolio returns with reduced volatility. We use a dynamic and disciplined investment approach in selecting individual equity and fixed income securities. This approach allows for greater flexibility, greater efficiencies, and lower

expenses.

Our security selection process seeks to maximize growth while remaining within the risk tolerance level of each client. Capital preservation, however, is also an important consideration of our investment philosophy. Portfolio turnover is minimal; however, we continuously review investment alternatives and implement changes when more appealing and suitable opportunities become available to maximize total return. We may invest in real estate via publicly traded real estate investment trusts (REITs). We believe these non-traditional asset classes further diversify the portfolio and reduce risk.

### ***Item 9 – Disciplinary Actions***

There are no disciplinary actions to report.

### ***Item 10 – Other Financial Industry Activities and Affiliations***

VIMCOR provided income tax preparation services for both clients and non-clients. Investment clients receive a discount on tax preparation services.

### ***Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

- a. VIMCOR follows the CFA Institute's code of ethics. These are available at <http://www.cfapubs.org/doi/pdf/10.2469/ccb.v2010.n14.1>
- b. VIMCOR or its employees does not sell securities they own to clients nor purchase securities from clients.
- c. If an employee or related person is investing in the same securities as clients the non-client trades must either be made in a block trade with the client trades so that all participants receive the same pricing, or non-client trades must wait until all client trades have been completed.
- d. Please see the answer to part c above.

### ***Item 12 – Brokerage Practices***

- A. VIMCOR strives to find and utilize brokers that provide low fees with efficient trade execution. In addition, we look for an adequate supply of no transaction fee mutual funds and ETF funds so that we can efficiently serve smaller clients whose accounts are primarily invested in these types of assets.

Other considerations that factor in our decision is the ability for VIMCOR to access client accounts and place block trades so that all clients may enter or exit a position with the same cost structure, or as equivalent as possible.



1. Research and other soft dollar practices

Not Applicable as VIMCOR does not receive soft dollars from brokers.

2. Brokerage for Client Referrals

Not Applicable .

3. Directed Brokerage

- a Not applicable.

- b. Clients may require us to use a particular broker. However, clients are informed that such an arrangement prevents VIMCOR from obtaining the most favorable trading practices and can result in the client either paying higher fees or not receiving the same security pricing in transactions that other clients receive.

- b VIMCOR will aggregate the purchase or sale of securities from multiple client accounts when a security is being added or deleted from VIMCOR's list of securities to ensure pricing equality for all accounts.

### ***Item 13 – Review of Accounts***

- A Accounts are reviewed on a quarterly basis. Financial Plans are reviewed upon request, or when a significant change in circumstances warrants such review. Reviews are conducted by Gary Vassalotti, President of VIMCOR.
- B Client reviews are also conducted upon request of the client, or if a client indicates a change in family or financial situations such as divorce, loss of jobs, or the birth of children, or other changes that may warrant such a review.
- C VIMCOR provides quarterly client statement reports, these reports may be either written or in the form of a review with the client.

### ***Item 14 – Client Referrals and other compensation***

- A Not applicable.
- B Not applicable.

### ***Item 15 – Custody***

VIMCOR does not have custody of client funds. We utilize outside custodians / brokers that provide brokerage and recording keeping services to our clients. These custodians provide either monthly or quarterly statements in either written form or as electronic documents.

Clients should review the custodian's statements to the reports provided by VIMCOR.

### **Item 16 – Investment Discretion**

VIMCOR provides investment services under a discretionary agreement (a limited power of attorney) with its clients. This agreement limits VIMCOR's discretion to the purchase or sales of securities within their accounts. Disbursement of funds from client accounts is controlled by the custodian and can only be sent to a registered client address or third party account. Custodians will also deduct VIMCOR's fee, as invoiced by VIMCOR, from client accounts.

### **Item 17 – Voting Client Securities**

VIMCOR does not vote client securities, but may issue an opinion on the items being voted upon. In addition, we are available to clients who may have questions on proxy voting. Clients will receive proxy and voting materials directly from the custodian.

### **Item 18 – Financial Information**

- A. Not applicable
- B. Not applicable
- C. Not applicable.

### **Item 19 – Requirements for State Registered Advisors**

- A. Education and experience is detailed elsewhere in this report.
- B. VIMCOR provides Tax Preparation, College Funding, and Computer Services. We spend approximately 15% of our time on these activities.
- C. Not applicable.
- D. Not applicable.
- E. Not applicable.

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Brochure Supplement

## **Form ADV Part 2B**

This Brochure Supplement provides information about the background and qualifications of Gary Vassalotti, LIFA, RTRP (CRD#2563777 ) in addition to the information contained in the Vassalotti Investment Management Corporation ("VIMCOR" or the "Advisor"- CRD #119009)

Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you any questions about the contents of the Vassalotti Investment Management Corporation Disclosure Brochure or this Brochure Supplement, please contact us at (814) 693-5093 or by email to: [gary@vimcor.com](mailto:gary@vimcor.com).

Additional information about Mr. Vassalotti is available on the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Supplemental Brochure updated on May 15<sup>th</sup>, 2017

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## **Item 2 – Educational Background and Business Experience**

The President of Vassalotti Investment Management Corporation (VIMCOR) is Gary Vassalotti, LIFA, RTRP, born in 1965. Mr. Vassalotti earned a BS. in Finance with an emphasis in Economics from The Pennsylvania State University in 1987. Additional information regarding Mr. Vassalotti's employment history is included below.

<b>Employment History</b>	
Vassalotti Investment Management Corporation	4/1998 to Present
V/S Technologies – Computer Services	1/1997 to Present
Pandya Computers	2/2008 to 12/2008
Commonwealth Funding Corp	1/2007 to 9/2007
Countrywide Home Loans	8/2004 to 12/2006
Montag Investment Management	7/1994 to 8/1996
First American / First Union/ Wachovia/ Wells Fargo	2/1990 to 6/1994

Mr. Vassalotti passed level one (1) of the three levels of the CFA exam given by the CFA Institute in 1991. He has also earned the Licensed International Financial Analyst designation awarded by the International Research Association. In 2012 he earned the Registered Tax Return Preparer designation from the IRS.

### **The Licensed International Financial Analyst designation:**

The Licensed International Financial Analyst designation is designed for securities analysts, portfolio managers, investment advisors, educators and other investment professionals throughout the world; it was issued by the International Research Association.

Prior to being awarded the LIFA designation, Level III LIFA candidates must comply with the highest ethical standards, and submit an investment research report.

The LIFA Program is designed to measure professional competence in a broad curriculum of investment-related subjects. Specifically, the LIFA Program curriculum includes the following subject areas:

- Asset Valuation, including Equity, Fixed-Income and Alternative Investments
- Corporate Finance – use of debt instruments in a corporate environment and the effect on the balance sheet.
- Derivative Instruments
- Economics – Macro, Micro, International
- Ethics
- Financial Statement Analysis – US GAPP as well as international reporting standards
- International Markets – Risks, settlement procedures, regulations.
- Portfolio Management – Diversification methodology and risk management.
- Quantitative Analysis – Equity valuation, relationship to the economic environment and market cycles

A detailed list of topics covered can be viewed here: [www.vimcor.com/lifa.pdf](http://www.vimcor.com/lifa.pdf)

## **Registered Tax Return Preparer**

Preparers who pass the competency test and tax compliance check are given a new credential: Registered Tax Return Preparer (RTRP). Over 4,800 people have become Registered Tax Return Preparers.

The RTRP exam covered areas of income tax preparation, including:

- Preparation of the personal 1040, and its variants
- Determination of who qualifies as a tax dependent
- Allowed Deductions
- Preparer ethics and responsibilities
- Continuing education requirements (as outlined below)

Preparers have a requirement to complete 15 hours of continuing education courses each year. The CE credits must include 10 hours in federal tax law, three hours in federal tax law changes and two hours in ethics.