

Form ADV, Part 2A, Firm Brochure  
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This brochure provides information about the qualifications and business practices of Vista Investment Management, LLC (“Vista”). If you have any questions about the contents of this brochure, please contact us at 412-824-5940 or [www.vista-im.com](http://www.vista-im.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. Any reference to or use of the terms “registered investment adviser” or “registered” does not imply that Vista or any person associated with Vista has achieved a certain level of skill or training. Additional information about Vista Investment Management is also available on the SEC’s web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Material Changes**

**Revised March 30, 2024**

This section describes only material changes since the last update, performed March 30, 2023.

There have been no material changes.

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## **Advisory Business**

### Description of Advisory Firm

Vista Investment Management, LLC (“Vista”) is a privately-owned limited liability company based in Pittsburgh, Pennsylvania. Vista is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”). John Frankola founded Vista in 2002. Vista is an employee-owned business and is principally owned by Frankola Holdings, LLC.

### Advisory Services Offered

Vista Investment Management provides investment management services for client accounts. These accounts are discretionary—that is, a client grants the investment adviser discretion by signing an Investment Advisory Agreement. This discretionary authority permits the investment adviser to buy or sell investments for a client's account without prior, specific authorization from the client apart from the constraints of suitability and any reasonable, prior restrictions that client may specify for investments. Vista provides investment management services for a small number of non-discretionary accounts only in situations where the qualified client has other discretionary accounts under management. For non-discretionary accounts, the client performs recommended changes to investment allocations at the advice of the adviser.

Vista provides investment management services to individual and institutional clients. Vista utilizes a highly disciplined investment process to manage portfolios in accordance with each client’s specific objectives and risk tolerance.

As the initial step in the investment process, Vista works with each client to determine investment goals, objectives, risk tolerance, and current financial condition, which may be documented in a Client Questionnaire. This information is then incorporated into the client’s Investment Policy. These documents allow Vista to assess client suitability for our discretionary investment management services.

The Investment Policy specifies allowable investments and a targeted asset allocation. It also provides clients the ability to place restrictions on their accounts. The most common restrictions prohibit us from buying specific companies or types of companies. Once asset allocation targets are defined, the portfolio is rebalanced on an ongoing basis.

The firm may contract with various persons, including other investment advisory firms and 401(k) plans, to provide them with research services. These services may include providing research and recommendations regarding specific companies, industries, ETFs, and mutual funds. Vista provides pension consulting services for one client. These services are limited in scope and primarily involve the analysis of the mutual funds available to 401(k) plan participants and the development of model portfolios that plan participants may reference when allocating funds to the available investment options. The fees Vista charges for these services are negotiable.

As of March 28, 2024, Vista Investment Management managed \$273.68 million of client assets. Of these assets, approximately \$269.9 million were managed on a discretionary basis and approximately \$3.8 million were managed on a non-discretionary basis.

## **Fees and Compensation**

### Fee Schedule

Vista is a fee-based adviser. Fees are based on a percentage of the dollar value of the amount of assets under management.

Vista's annualized fee schedule for portfolio management services is as follows:

First \$500,000 of assets under management.....	1.00%	per year
Next \$1,500,000 of assets under management .....	0.75%	per year
Balance over \$2,000,000 of assets under management .....	0.50%	per year

Assets under management are calculated based on total assets for the client relationship.

Vista has one pension consulting relationship for which it charges 0.05% of plan assets on an annualized basis. The fee for these services is calculated by the plan administrator.

#### Payment of Fees and Other Costs to the Client

Compensation is payable quarterly at the end of each quarter. Clients have the option of paying fees by check or by automatic deduction from the account if the brokerage where the account is held provides this service. If the client has fees deducted from their brokerage account, the client will receive a copy of the billing invoice prior to the deduction of the quarterly fees. A client may terminate the advisory contract before the end of a quarter. Fees will be prorated in the event services are terminated prior to the end of a quarter. Fees are negotiable.

Fees paid to the adviser for portfolio management do not include other related costs that the client may incur. Such additional costs may include brokerage commissions or fees and mutual fund commissions or fees. The adviser does not receive any portion of these commissions or fees and is compensated solely through the investment advisory fee. Item 12 of this document further discusses Brokerage Practices.

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

Vista does not charge performance-based fees.

### **Types of Clients**

Vista offers its services to individuals, high net worth individuals, trusts and estates, and individual participants of retirement plans. In addition, Vista offers services to businesses, charitable foundations, and pension and profit sharing plans.

#### Account Requirements

Vista has a stated minimum account value of \$1 million per client relationship. Client relationships often include multiple accounts. The normal account minimum of \$1 million is negotiable based upon the adviser-client relationship and is at the sole discretion of the investment adviser.

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

#### Methods of Analysis and Investment Strategies

The adviser uses a variety of methods of analysis and information sources to manage client portfolios and to provide research. The primary sources of information include research databases, Internet investment sites, company filings, company news releases, conference calls with company management, and various investment periodicals and third party research.

Vista's equity strategy is to seek superior results by investing in securities that are undervalued in relation to their earnings, cash flows, and growth rates. It attempts to minimize risk by maintaining a high degree

of diversification and through thorough analysis of securities used in portfolios. The security selection process is driven by a fundamental analysis of each investment. Vista believes that success can be achieved through patience, discipline, and the ability to think and act independently. Market timing does not play a significant role in the investment process.

In managed portfolios, Vista uses various securities to achieve clients' objectives within their risk tolerance parameters. These securities include stocks, bonds, mutual funds, and exchange traded funds (ETFs). Some of the funds may use derivative securities, such as options or futures contracts, and can provide exposure to alternative asset classes, such as commodities, real estate, or volatility indices. The adviser may also use inverse or leveraged ETFs. Inverse ETFs move in the opposite direction of an underlying index. The advisor uses inverse ETFs primarily to adjust a client's asset allocation as an alternative to selling other securities, which would trigger tax consequences. In some situations, leveraged ETFs may be used to magnify the ability to adjust asset allocation. In many cases, the use of such securities by the adviser reduces overall portfolio risk by increasing diversification or lowering equity exposure. The adviser does not use inverse or leveraged ETFs in a speculative manner.

#### General Risk of Loss Statement

Investors should carefully consider that investing in securities involves risk of loss which the investor should be prepared to bear. In addition, investors should be aware that security markets experience varying degrees of volatility, and over time a client's portfolio value is likely to fluctuate and may at any time be worth more or less than the amount originally invested.

#### Risks

Clients face various investment risks including loss of principal risk, market risk, interest-rate risk, inflation risk, currency risk, reinvestment risk, and liquidity risk.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of the firm or the integrity of the firm's management. Vista does not have any legal or disciplinary information to disclose.

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

No Vista employees are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker dealer.

No Vista employees are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, or a commodity trading adviser.

Neither Vista nor its management have material relationships or arrangements with a:

1. broker-dealer, municipal securities dealer, or government securities dealer or broker (aside from customary Brokerage Practices described in the Brokerage Practices section)
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution

6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships

Vista and its management only receive compensation directly from clients. We do not receive compensation from any outside source. We do not have material conflicts of interest with any outside party.

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

### Code of Ethics

Vista believes that it owes clients the highest level of trust and fair dealing. Furthermore, as part of our fiduciary duty, Vista places the interests of its clients ahead of the interests of the firm and our personnel. Vista has adopted the CFA Institute Code of Ethics and Standards of Professional Conduct as part of its Code of Ethics. Annually, employees certify that they read, understood, and will comply with our Code of Ethics. Vista will provide a copy of its Code of Ethics to any client or prospective client upon request.

Vista employees must:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.
- Place the interests of clients above their own personal interests.
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.
- Practice and encourage others to practice in a professional and ethical manner that will reflect positively on themselves and the profession.
- Promote the integrity of and uphold the rules governing capital markets.
- Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals.

### Participation or Interest in Client Transactions and Personal Trading

Vista and its employees do not recommend, buy or sell any securities for our client's accounts in which we have a material financial interest.

Personal trading by employees is allowed. Vista recognizes that employees may have a high level of confidence in the securities Vista owns for clients and Vista supports employees owning these same investments. In all cases, client accounts take priority over employees' personal trading to reduce the conflict of interest. Even if actual conflicts do not exist, we work to avoid perceived conflicts of interest.

Personal trading encompasses Vista employees and any individual in the employee's household. Therefore, all members of the employee's household are subject to Vista's Personal Trading Policy. In

addition, any account that the employee or a household member has authority over outside of Vista is also subject to Vista's Personal Trading Policy.

Employees are required to have duplicate statements and confirmations sent to Vista for review.

Personal accounts that are managed by Vista are permitted to purchase or sell securities on the same day as clients. However, trades in these accounts are not permitted to be aggregated with other client accounts when placing orders in order to avoid any conflict of interest if it becomes necessary to allocate shares. The Personal Trading Policy prohibits front running, trading on material, non-public information, and advance trading on research.

## **Brokerage Practices**

When clients decide to have Vista manage their investments, Vista typically recommends the use of Charles Schwab & Co. ("Schwab") for brokerage and custodial services. Factors which Vista considers in recommending Schwab for clients' accounts include its financial strength, reputation, execution, pricing, reporting, research, service, and tools for managing and administering client accounts. Offering tools and services could be considered a conflict of interest because they improve our efficiency in managing client accounts and therefore, we are inclined to recommend clients use Schwab over other custodians. In situations in which the client prefers another custodian, Vista will manage accounts held at the other custodian, depending on the circumstances.

### Research and Other Soft Dollar Benefits

Vista does not pay for any products, research, or services from the firms it trades with. Some firms we trade with make general economic, factual company specific information, and/or regulatory and compliance information available regardless of commissions paid, which Vista does receive. The information received is not dependent on commission rates paid. All clients benefit from information Vista utilizes from any third party. Our primary research source is our internal analysis of companies or research paid for with hard dollars.

- We do not use client brokerage commissions for the purpose of obtaining research or other services. Trade execution is done on a best execution basis.
- Since we do not use client brokerage commissions to obtain research or other services, our incentive is for clients to receive best execution in order to maximize our clients' performance.
- We do not cause clients to pay commissions higher than those charged by other broker-dealers in return for soft dollar benefits.
- All information received from third parties is used to benefit all clients.
- Vista does not pay for any products, research, or services with client brokerage commissions.
- Vista does not direct commissions to broker-dealers in return for soft dollar benefits.

### Brokerage for Client Referrals

Vista does not consider referrals when selecting or recommending broker-dealers to clients.

### Directed Brokerage

Vista does not currently have any accounts in which the client directs Vista to execute transactions through a specified broker-dealer.



Vista will on occasion aggregate the purchase or sale of securities for various client accounts at custodians with aggregating abilities when the timing of orders allows it. The benefit to clients is the decrease in potential dispersion of returns among accounts.

## **Review of Accounts**

The Firm uses portfolio management software to assist in monitoring portfolio holdings and reviewing clients' accounts. A portfolio manager reviews individual client accounts on an ongoing basis. Portfolio reviews focus on asset allocation, sector and industry diversification, foreign equity exposure, and position size. Consideration is given to each client's objectives and risk tolerance, as documented through a Client Questionnaire or Investment Policy. Portfolio managers monitor price movements, company news releases, media coverage, regulatory filings, and other information on a daily basis with regard to securities held in clients' portfolios. Portfolio managers handle fewer than 150 portfolios (client relationships). Some of the portfolios include multiple accounts.

Clients receive written reports from Vista on a quarterly basis. All clients receive an appraisal report (which lists holdings, tracks cost information, and shows a breakdown by asset class), a fee statement, and a client letter. Clients may also receive summary reports, purchase and sale reports, realized gain and loss reports, and performance reports. Our Privacy Policy Statement is delivered annually.

## **Client Referrals and Other Compensation**

Vista does not pay for or provide any other forms of compensation for client referrals.

## **Custody**

Client assets are held with financial institutions and registered broker-dealers that are "qualified custodians." The Investment Advisory Agreement with Vista and separate agreements with the qualified custodian may authorize Vista to debit from client accounts the amount of Vista's fee and directly remit the fee to Vista in accordance with applicable custody rules. The qualified custodians recommended by Vista have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Vista.

Clients may authorize Vista to make fund transfers between their own accounts and to specific third parties on their behalf with a Standing Letter of Authorization (SLOA). Such instructions are established in writing with the qualified custodian and include either the client's electronic or physical signature, the name and either the address or account number of any third party to which transfers should be directed, and whether the transfers should take place on a schedule or from time to time. Clients have the ability to change or terminate such instructions at any time. Vista does not have the ability to change the identity, address, or any other information about a third party contained in the instructions. The qualified custodians recommended by Vista have agreed to verify client instructions, to promptly provide notice to clients after each transfer, to provide notice confirming new instructions, and to provide an annual notice reconfirming the instructions. Vista cannot accept instructions to make fund transfers to itself, any related third party, or to its own address.

For these reasons only, Vista is deemed to have custody of client funds. Clients receive statements directly from the qualified custodians at least quarterly. Vista urges clients to carefully review the statements and to compare them to the reports we provide. The information in our reports may vary from

custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Client funds and securities are held separately in the name of the client.

## **Investment Discretion**

Vista has discretionary investment authority over the accounts it manages—that is, a client grants the investment adviser discretion by signing an Investment Advisory Agreement. This discretionary authority permits the investment adviser to buy or sell investments for a client's account without prior, specific authorization from the client apart from the constraints of suitability and any reasonable, prior restrictions that client may specify for investments.

Vista provides investment management services for a small number of non-discretionary accounts only in situations where the qualified client has other discretionary accounts under management. For non-discretionary accounts, the client performs recommended changes to investment allocations at the advice of the adviser or the adviser compensates for changes in non-discretionary accounts through adjustments made to discretionary accounts.

## **Voting Client Securities**

Vista's Investment Advisory Agreement discloses to clients that Vista will not be required to take any action or render any advice with respect to the voting of proxies solicited by or with respect to the issuers of securities. When clients open accounts, they are asked whether they would like to receive the proxies or have the proxies sent to Vista. If the client directs the proxies to Vista, they are reminded that Vista generally does not vote the proxies. In general, Vista does not vote proxies because in the vast majority of proxy voting matters, the recommendations of directors are overwhelmingly approved. Because the adviser is relatively small and unlikely to affect overall voting results, the adviser believes that it is in the clients' best interest not to vote the proxies, since the voting and required record keeping is generally an unproductive use of time that has no benefit to the client. (Although it generally does not vote, Vista reviews proxy information as a part of its research process.) However, on certain occasions, such as voting on a corporate merger, the adviser will vote on behalf of the client. When voting proxies, Vista's utmost concern is that all decisions be made solely in the best interest of the client. If a conflict of interest between the adviser and the client is present in a proxy voting matter, the adviser will abstain from voting a client's proxy and inform the client of the conflict. The client may request at any time information concerning the voting of proxies as well as the Proxy Voting Policy.

## **Financial Information**

Registered investment advisers are required to provide certain financial information or disclosures about their financial condition. Vista has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. Vista does not presently have any debt and has no plans to borrow in the foreseeable future.