

BROCHURE
(Form ADV Part 2A)

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This brochure provides information about the qualifications and business practices of Ascentia Capital Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 755.828.4200. 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. Additional information about Ascentia Capital Partners, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Date of Brochure: March 29, 2011

Item 2 Material Changes

Ascentia Capital Partners, LLC (“Ascentia”) last filed an amendment to its Form ADV in December 2010. This update reflects the following material changes:

Effective March 1, 2011, Peter W. Lowden voluntarily left Ascentia. Effective that same date, James P. Calhoun, who previously had been an Assistant Portfolio Manager and Research Analyst at Ascentia, was promoted to Portfolio Manager.

Effective March 2011, Ascentia made uniform all of its investment advisory agreements to reflect that it charges all of its advisory fees in arrears. Previously, some fees were charged in advance.

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Item 4 Advisory Business

A. Describe your advisory firm, including how long it has been in business. Identify your principal owner(s).

Ascentia was established in 2005. Its principal business is acting as the investment adviser to the Alternative Strategies Mutual Fund (the “Fund” or “AASFX”), a multi-manager, multi-strategy mutual fund. It also provides investment advice to individuals, high net worth individuals and institutional clients, and participates as a portfolio manager in a wrap program. The principal owner of Ascentia is Stephen D. McCarty, a Member of Ascentia and its Managing Director, Chief Operating Officer and Chief Compliance Officer.

B. Describe the types of advisory services the firm offers. If the firm holds itself out as specializing in a particular type of advisory service, explain the nature of that service in detail. If the firm provides investment advice only with respect to limited types of investments, explain the type of investment advice firm offers and disclose that the advice is limited to those types of investments.

Services Offered:

Separately Managed Accounts (SMAs)

For its SMAs, Ascentia has created two model portfolios, the **Macro Trend Portfolio** and the **Bond Portfolio**. Each is designed to meet a particular investment goal that Ascentia has determined is suitable to the client's circumstances and risk tolerance. In normal market conditions, the Macro Trend Portfolio is anticipated to have a higher risk and return profile than the Bond Portfolio. As such, an investor with a higher risk tolerance will likely have a larger (or entire) portfolio allocation to the Macro Trend Portfolio than an investor with a lower risk tolerance that will likely have a larger (or entire) portfolio allocation to Ascentia Bond Portfolio.

Client portfolios may be created by combining the two model portfolio strategies in proportions that Ascentia, the client, or the client's investment advisor believe are consistent with each client's specific risk tolerance. Once the appropriate client portfolio has been determined, the portfolio will be continuously managed based on the portfolio's goal, rather than on each client's individual needs. However, each client has the opportunity to place reasonable restrictions on the investments to be held in the portfolios.

Ascentia Macro Trend Portfolio

The Macro Trend Portfolio seeks to obtain long-term capital appreciation. The strategy focuses on changes in global economies, typically brought about by shifts in government and economic policies both domestically and internationally which impact interest rates, in turn affecting currency, stock, and bond markets. The strategy may participate in all major stock markets by trading domestic and global exchange traded funds (ETFs).

The portfolio may, during adverse market conditions, invest in inverse ETFs that short specific markets and thus act as a hedge for the portfolio's established long positions. By allowing the portfolio to invest in ETFs that go short, the Ascentia Macro Trend Portfolio has the ability to hedge or take on the equivalent of a short position in order to protect the portfolio in adverse market conditions. The principal risks in the Macro Trend Portfolio are market risk, investment selection risk and the use of inverse ETFs.

Ascentia Bond Portfolio

The Bond Portfolio seeks to obtain income and capital preservation by investing in various segments of the global bond market. There are many different types of bonds, ranging from government to corporate and varying in maturities, and each has different risk and return characteristics. At any given time, certain types of bonds can be more attractive than others, based upon macro economic factors such as economic growth, interest rates and inflation. Through exchange traded funds (ETFs), the Bond Portfolio seeks to invest in the types of bonds that will act favorably in the current and anticipated near-term investment environment. The principal risk to any bond portfolio is interest rate risk. As interest rates increase, the value of bonds decreases; conversely, as interest rates decrease, the value of a bond increases.

Ascentia ensures that these conditions are met and maintained for the SMAs it manages:

- It manages each client's account on the basis of the client's financial situation and investment objectives and any reasonable investment restrictions the client may impose;
- It obtains sufficient client information to be able to provide individualized investment advice to the client. Quarterly, Ascentia contacts its SMA clients in writing, reminding them to notify Ascentia if there have been changes in the client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions. At least annually, Ascentia directly contacts its SMA clients to determine whether there have been any changes in the client's financial situation or investment objectives and whether the client wishes to impose or revise any investment restrictions.
- Ascentia is reasonably available to consult with the client;
- Each client receives a quarterly statement from the independent account custodian electronically, including a description of all account activity; and
- Each client retains certain indicia of ownership of the securities and funds in the account, *e.g.*, the ability to withdraw securities, vote securities, among others.

Alternative Strategies Mutual Fund

Ascentia is the investment advisor of the Fund, and continuously manages the Fund's assets based on the investment goals and objectives outlined in the Fund's prospectus. The Fund's objective is long term capital appreciation with historically low correlation to broad market indices. An asset-based fee is charged for these services.

The Fund is advised by Ascentia on a "manager of managers" basis by selecting and overseeing multiple sub-advisors who utilize their own distinct investment styles over an appropriate segment of the Fund's assets. Ascentia itself manages a portion of the Fund portfolio, and allocates assets to be managed among itself and the sub-advisors.

Ascentia's management of the sub-advisors includes ongoing evaluation of the managers to determine that there is no deviation from their stated investment objectives and/or strategies. Ascentia also has ongoing responsibility for periodic rebalancing of the Fund's assets.

As detailed in the Fund's prospectus, the Fund has two classes of shares, Class I shares and Class A shares. Although the different classes of shares represent investment in the same portfolio of securities, each of the Class I shares and Class A shares has its own sales charge ("load") and expense structure. Investors and potential investors should carefully review the Fund's prospectus for a full understanding of the shares being offered and the terms and conditions established for each available share class.

C. Explain whether (and, if so, how) the firm tailors advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

Ascentia manages its SMA accounts on a discretionary basis in accordance with the terms and conditions of each client engagement. Although Ascentia permits SMA client to impose reasonable restrictions on their respective model portfolios, it ordinarily does not provide individually-tailored services other than allocating client assets between the model portfolios. Investments in the Fund are not tailored.

In addition, Ascentia may, from time to time, appoint one or more sub-advisors to manage client assets that may be invested in any or all such securities as previously noted. Ascentia monitors all such client accounts on an on-going basis, and balances and reallocates assets as necessary. Ascentia also monitors the performance of any sub-advisor, and has the discretionary authority to hire and/or replace any sub-advisor as part of its duty to manage the client's portfolio(s) consistent with the client's objectives.

D. If the firm participates in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how the firm manages wrap fee accounts and how it manages other accounts, and (2) explain that the firm receives a portion of the wrap fee for its services.

Ascentia also provides investment management services as a portfolio manager in wrap fee

programs (each a "Program") sponsored either by an independent registered investment adviser or FINRA member broker-dealer (a "Sponsor") unaffiliated with Ascentia. At this time, Ascentia is a manager in a single wrap fee program, that of National Asset Management ("NAM").

Program assets are managed in accordance with the applicable Ascentia model portfolio(s) determined by the Sponsor. In the Program, a representative of the Sponsor or an independent financial adviser works with the Wrap Participants to determine their investment objectives, risk tolerance, liquidity requirements, investment restrictions and other relevant suitability factors. The independent financial adviser or Sponsor periodically verifies with each Wrap Participant that the Participant's financial situation and/or objectives have not changed, and so certifies to Ascentia on a periodic basis. Based on this information and Ascentia's investment philosophy and style, the representative or adviser may then recommend to the Wrap Participant placing all or a portion of the Wrap Participant's assets with Ascentia for management through the Program. For Wrap Participants approved by the representative or adviser, Ascentia manages the assigned assets in accordance with the investment objectives established in the applicable Ascentia model portfolio(s). Ascentia is compensated for managing the assigned assets by a portion of the total wrap fee charged by the Sponsor, typically up to a maximum of 0.45% of the assets managed by Ascentia.

The wrap fee paid by the Wrap Participant and collected by the Sponsor includes Ascentia's advisory fee and the Sponsor's fee (which may be shared with an independent referring party) and custodial services for the Wrap Participant's assets. The Wrap Participant's portfolio transactions are executed without commission charge provided that such transactions are effected by or through the Sponsor and its affiliates. Wrap Participants will bear any additional costs of brokerage commissions and other transaction fees for trades effected by or through other brokers or dealers. The total wrap fee paid by Wrap Participants will generally exceed Ascentia's separately managed account fees. A Sponsor may charge certain additional costs, and maintains the discretion to establish and modify the fee sharing arrangements and fees that Wrap Participants pay. Ascentia does not control the fees, broker selection or billing arrangements in any Program. For a complete description of the fee arrangement including billing practices and account termination provisions, Wrap Participants should review a Sponsor's Schedule H wrap fee brochure.

Wrap Fee Program Participants may also agree to direct brokerage in their Program account(s) through the sponsoring broker-dealer or the broker-dealer utilized for all Program accounts pursuant to a written agreement with the Sponsor. Therefore, in evaluating any wrap fee arrangement, a Wrap Participant should recognize that brokerage commissions for the execution of transactions in his or her account(s) may not be fully negotiated by Ascentia, and for this reason, among others, best execution may not be achieved. In addition, under a directed brokerage arrangement between the Wrap Participant and the Sponsor, a disparity in commission charges may exist between the commissions charged to Wrap Participants and Ascentia's other clients. Wrap Participants should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the Wrap Participant's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to

be provided separately and if Ascentia was free to negotiate commissions and seek best price and execution of transactions for such Wrap Participant's account.

E. If the firm manages client assets, disclose the amount of client assets it manages on a discretionary basis and the amount of client assets on a non-discretionary basis. Disclose the date "as of" which it calculated the amounts.

All client assets are managed by Ascentia on a discretionary basis; in other words, it has complete authority to select investments for client accounts. Ascentia's assets under management at December 31, 2010 were \$37,322,839.

Item 5 Fees and Compensation

A. Describe how the firm is compensated for its advisory services. Provide the fee schedule. Disclose whether the fees are negotiable.

The annualized fee for SMA portfolio management services is a percentage of assets under management, according to the following schedule:

<u>SMA Assets</u>	<u>Annual Fee</u>
Any account size @ <i>Foliofn</i> (non-wrap)	0.75% per annum

A minimum \$100,000 investment is required for this service. This amount may be negotiable under certain circumstances. Ascentia may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Negotiability of fees and account minimums. Advisory fees and account minimums may be negotiable at the discretion of Ascentia. Factors it may consider in negotiating fees may include, but are not limited to, the amount and/or complexity of services required, the type of assets under management, the amount of assets under management, and Ascentia's prior relationship with the client and anticipated future contributions to their account(s) by such client. Furthermore, Ascentia may, at its discretion, grandfather the advisory fees charged by another money manager for advisory clients transferring their accounts from such other money manager.

Ascentia also reserves the right to reduce or waive advisory fees for services provided to related persons' family members and friends. Such rates are not available to all of Ascentia's advisory clients.

Grandfathered fees and account minimums. Pre-existing advisory clients are subject to minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, Ascentia's minimum account requirements and advisory fees may differ among clients.

Fund and Wrap Account Fees

As disclosed in the Fund prospectus, Ascentia receives an annualized asset management fee of 1.95% of the Fund's assets. From this Fund fee, Ascentia pays the Sub-Advisors to the Fund. In the NAM wrap fee program, Ascentia is paid an annualized management fee of 0.45% of the assets that it manages in that program.

Investors and potential investors in the Fund should carefully review the prospectus and SAI for a comprehensive understanding of the fees, terms and conditions applicable for investment in the Fund.

B. Describe whether the firm deducts fees from clients' assets or bills client for fees incurred. Explain how often firm bills clients or deducts its fee.

Management fees are deducted from client accounts and paid quarterly in arrears, based on market values as of the relevant valuation day(s), adjusted for contributions to and withdrawals from the separate account. Management fees of the Fund accrue daily and are reflected in the Daily Net Asset Value ("NAV") of the Fund. Investors should carefully review the Fund's prospectus and Statement of Additional Information ("SAI") for further details.

C. Describe any other types of fees or expenses clients may pay in connection with firm's advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.

Fees paid to Ascentia for investment advisory services are separate and distinct from the fees and expenses charged by the Fund, including custody, federal and state registration expenses and accounting fees. Certain investments that the Fund may make (for example, ETFs) also have these and other expenses. These fees and expenses are described in each such fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If a fund also imposes sales charges, a client may pay an initial or deferred sales charge. None of these non-advisory fees are paid to Ascentia.

D. If the firm's clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

Ordinarily, Ascentia's fees are paid in arrears. Ascentia clients are invoiced at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter. However, advisory clients of Ascentia who also invest in the Fund are not charged an asset management fee other than the fees charged by the Fund. In other words, the value of a client's investment in the Fund is excluded from Ascentia's quarterly asset management fee calculation.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, unpaid fees will be due and payable. A client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

E. If the firm or any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact.

Persons employed by Ascentia may be compensated by Ascentia for the sales of SMA accounts and shares of the Fund. The fees paid to these supervised persons do not affect the fees clients pay to Ascentia.

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

If the firm or any of its supervised persons accepts performance-based fees, that is, fees based on a share of capital gains on or capital appreciation of the assets of a client, disclose this fact. If the firm or any of its supervised persons manages both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or asset-based fee, disclose this fact.

A potential conflict of interest exists when an investment adviser has an economic incentive to favor one type of client account over another. For example, hedge funds typically charge a performance fee that can be significantly higher than a mutual fund fee. Ascentia does not charge performance-based fees.

Item 7 Types of Clients

Describe the types of clients to who the firm generally provide investment advice, such as individuals, trusts, investment companies or pension plans. If the firm has any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Ascentia's principal business is acting as the investment adviser to the Alternative Strategies Mutual Fund (the "Fund" or "AASFX"), a multi-manager, multi-strategy mutual fund. It also provides investment advice to individuals, high net worth individuals and institutional clients in Separately managed Accounts (SMAs). Ascentia also participates as one of several managers in a wrap program.

Minimum account sizes for separate SMA accounts vary depending on the type of investment advisory services to be performed and in certain circumstances may be negotiable. Typically, minimum account size for individually managed SMA clients is \$100,000, \$25,000 for Wrap Fee clients (such minimums are determined by the Wrap Program Sponsor), and \$2500 (\$500 for IRA) for Fund clients. Minimum initial investments may be waived in the sole discretion of Ascentia.

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

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets.

Ascentia uses a variety of investment techniques to analyze the securities it purchases on behalf of clients, primarily including:

- **Fundamental Research**, which is analysis of industries and companies based on factors such as sales, assets, earnings, products and services, markets and management. Fundamental analysis of economic trends includes interest rates, unemployment, inventories, consumer savings and gross national product(s);
- **Charting**, which is the graphic tracking of price movements and other trends to determine typical movement. When a trend deviates from its norm, that can be an indicator of an impending upturn or downturn;

- **Technical Analysis**, which involves analysis of stock prices, also takes into account internal market factors that reflect investor psychology; and
- **Cyclical analysis**, which reviews securities in industries that are particularly sensitive to swings in general economic conditions.

Ascentia may utilize the services of securities research and analysis vendors to assist it in making investment decisions for SMA clients and/or the Fund. From time to time and when appropriate to the needs of the client(s), Ascentia or its Sub Advisors it retains may utilize market timing services in their management of client accounts. Investment advice may also be provided on Exchange Traded Funds (ETFs).

No investment or investment strategy guarantees a client against loss, nor can it guarantee a profit. The past several years have shown that none of these techniques can consistently predict how a security – or the markets in general – will perform, particularly in the short term. However, combining these forms of analysis gives Ascentia a better opportunity to make investment decisions for its clients.

In the implementation of its analysis, Ascentia uses some or all of the following strategies at any given time:

- **Long/Short Equity.** Long/Short Equity strategies consist of equity strategies that combine core long holdings of equities with short sales of stock or stock index futures or options. Additionally, the long/short strategy may utilize securities that seek to track indexes on markets, sectors, and/or industries to hedge against potential adverse movements in security prices. The basic long/short equity strategies generally increases net long exposure in bull markets and decreases net long exposure, or even may be net short, in a bear market. The long/short equity strategies may use equity swaps, or other derivatives, in addition to or in lieu of investing in long or short positions in individual securities or securities indices.
- **Market Neutral Strategies.** Market Neutral strategies are undertaken by an investment manager that seeks to profit from either increasing and decreasing prices in a single or numerous markets. Market-neutral strategies are often implemented by taking matching long and short positions in different stocks to increase the return from making good stock selections and decreasing the return from broad market movements. Market neutral strategies may also use other tools such as merger arbitrage, shorting sectors, and so on.
- **Convertible Arbitrage Strategy.** The Convertible Arbitrage strategy involves purchasing interest-bearing convertible debentures and/or high yielding, convertible

preferred stocks. These long convertible positions are then hedged against stock market risk by selling short a percentage of the underlying common stock and/or by writing equity call options. Current income is derived from coupon interest and preferred dividends received from the convertible securities held long. Investment decisions are based upon the price relationships between convertible securities and their underlying stocks in the context of the current market environment. Convertible hedge positions are purchased if they indicate a favorable risk/reward profile when analyzed against different market scenarios.

- **Event Driven/Merger Arbitrage Strategies.** Event Driven/Merger Arbitrage strategies focus on positions in companies currently or prospectively involved in corporate transactions of a wide variety including but not limited to mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Security types can range from most senior in the capital structure to most junior or subordinated, and may involve additional derivative securities.
- **International/Emerging Markets Strategies.** The International/Emerging Markets strategies seek to invest in securities of undervalued international companies, including American Depositary Receipts (“ADRs”) that provide exposure to businesses outside of the U.S. and that are attractively priced relative to their economic fundamentals. Investments are selected with an intensive fundamental analysis that utilizes investment framework, and are diversified among the economic and industry sectors represented in the Morgan Stanley Capital International Europe, Australasia and Far East Index (“MSCI EAFE”) and Emerging Markets Index (“MSCI EM”).
- **Global Macro Strategies.** Global Macro strategies consist of strategies that allocate capital to multiple independent proprietary technical and fundamental valuation models applied both long and short to equity, fixed income, currency and commodity markets globally. The objective of a global macro strategy is to remain current with primary market trends. It can be implemented with multiple disciplines, resulting in a blend of approaches to maintain proper weights between discretionary decisions and data-driven decisions intended to achieve superior risk-adjusted returns. “Top down” investment themes and risk management are the focus of global macro strategies. Commodity and currency strategies are often sub-sets of the Global Macro strategy, where these asset classes are used to implement specific macro views in commodities and/or currencies that are part of a broader strategy.
- **Tactical Trading Strategies.** Tactical Trading strategies are strategies that can change their exposures quickly and significantly and are typically shorter-term in nature. These strategies are usually complementary to medium and longer-term strategies, and are often used to help manage exposure and risk. Tactical Trading strategies can be executed in many different ways, both long and short, may use leverage, and may be implemented with different types of securities ranging from options and futures to individual securities and ETFs.

B. For each significant investment strategy or method of analysis the firm uses, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss the risks in detail. If the firm's primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

The principal risk of any investment is that despite comprehensive analysis, the security or instrument will not perform as expected. This can be due to, among other things:

- general market risk (factors influencing the markets or specific investments, particularly equity markets and investments);
- management risk (the strategies utilized by Ascentia may not work in some market conditions);
- leverage risk (which may increase volatility of the portfolio);
- convertible arbitrage risk (if interest rates on the convertible security rise, its value usually falls);
- short sales risk (if the value of a security sold short increases prior to the scheduled delivery date, the account must pay more for the security than it has received from the purchaser in the short sale);
- options and futures risk (the risk that the counter-party that wrote the option will be unable or unwilling to perform its obligations under the option contract, or the options may become illiquid and difficult to close); and
- tax risk (Ascentia does not manage client accounts with tax consequences in mind; some strategies, including transactions in options and futures contracts, can be subject to special tax rules, which may have adverse tax consequences for the account holder).

Investors in the Fund should refer to the Fund's prospectus for additional risk disclosure.

C. If the firm recommends primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

Ascentia does not primarily recommend a particular type of security; however refer to the response to Item 4B and 8A above for information related to the Fund. In those instances where it may be appropriate for a client to invest in this Fund, the client will be provided with the appropriate disclosure information in the Fund's registration statement, which includes risk information.

Item 9 Disciplinary Information

If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of the firm's advisory business or the integrity of the firm's management, disclose all material facts regarding those events.

- A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a management person**
 - 1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;**
 - 2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;**
 - 3. was found to have been involved in a violation of an investment-related statute or regulation; or**
 - 4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.**

No instances to report.

B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person

- 1. was found to have caused an investment-related business to lose its authorization to do business; or**
- 2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority**

- (a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;**
- (b) barring or suspending your firm's or a management person's association with an investment-related business;**
- (c) otherwise significantly limiting your firm's or a management person's investment-related activities; or**
- (d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.**

On November 15, 2010, without admitting or denying the allegations, Ascentia agreed to a consent order issued by the office of the Nevada Secretary of State's Securities Division (the "Order"). The Order stated that Ascentia had failures to timely renew its notice filing as a federally-registered investment adviser whose principal place of business is located in Nevada and that three of its employees were required to be registered in Nevada as investment advisory representatives. No Ascentia personnel were cited in the Order. Ascentia is now properly notice-filed in Nevada and the personnel named in the order are in the process of obtaining licensure under the terms of the order. Ascentia paid \$5,000 in fines and an additional \$1,000 to reimburse Nevada for its investigative costs.

C. A self-regulatory organization (SRO) proceeding in which your firm or a management person

- 1. was found to have caused an investment-related business to lose its authorization to do business; or**
- 2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.**

No instances to report.

Item 10 Other Financial Industry Activities and Affiliations

- A. If the firm or any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.**

Neither Ascentia nor its management persons are currently registered or have an application pending to register as a broker-dealer or registered representative of a broker-dealer. Although this may change in the future, this question is not currently applicable to Ascentia.

- B. If the firm or any of its management persons are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.**

Neither Ascentia nor its management persons are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of any of these types of entities. Although this may change in the future, this question is not currently applicable to Ascentia.

- C. Describe any relationship or arrangement that is material to the firm's advisory business or to your clients that the firm or any of its management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.**

James O'Shaughnessy Houssels, a portfolio manager of the Fund, is, in his individual capacity, a Managing Member and registered investment adviser representative of Wealth Management Associates, LLC ("WMA"), a Nevada registered investment adviser. WMA provides discretionary portfolio management exclusively for the Houssels family and its related entities. Mr. Houssels and a member of his immediate family, who also is a Managing Member and registered investment adviser representative of WMA, are jointly responsible for managing portions of the family's assets through a family-related limited partnership, with each individual separately responsible for an additional portion of the assets within the partnership. Mr. Houssels is not, however, an investor in the partnership. Advisory clients of ACP are not solicited, nor are they permitted, to invest in these family-related partnerships.

From time to time, Mr. Houssels may implement trades in the partnership that are similar to or may mirror transactions he effects in the Fund. In such instances, however, trades will first be implemented in the Fund, after which he may execute trades in the limited partnership following a proscribed trading black-out period of 48 hours.

Due to the potential conflicts of interest that may result from his acting in these separate capacities, Ascentia's Chief Compliance Officer monitors the trades made by Mr. Houssels for the partnership and compares them to trades he makes for the Fund to ensure that the interests of Funds shareholders are protected. Mr. Houssels provides Ascentia with appropriate

representations regarding his adherence to these trading practices.

Separately, Mr. Houssels is the Managing Member of Houssels & Co., LLC ('H&C'). H&C was previously a Nevada state-registered investment adviser. Mr. Houssels ceased providing advisory services through H&C, and in May 2010, he withdrew the firm's registration. H&C is now utilized as a holding company to facilitate management of Mr. Houssels personal interests. In addition, Mr. Houssels is a member of 6HCo, LLC, a limited liability company formed for real estate investment purposes. Investments in 6HCo are also restricted to members of the Houssels family. As such, these investments do not conflict with the investment strategies that are implemented on behalf of investors in the Fund.

As access persons of Ascentia, Messrs. McCarty, Houssels and Calhoun are subject to the personal securities reporting requirements of the firm's Code of Ethics. These individuals' personal securities holdings and investments are periodically reported to and reviewed by the Chief Compliance Officer to ensure that, consistent with the firm's fiduciary responsibilities, the interests of Ascentia's clients (and investors in the Fund) are protected.

D. If firm recommends or selects other investment advisers for its clients and receives compensation directly or indirectly from those advisers that creates a material conflict of interest, or if the firm has other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

As part of its responsibilities as investment advisor to the Fund, Ascentia recommends sub advisors to manage portions of the Fund's portfolio, and may make similar recommendations to SMA clients. Ascentia receives no compensation for such recommendations.

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

A. If the firm is an SEC-registered advisor, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.

Ascentia has adopted a Code of Ethics and Insider Trading Policy (the "Code") that sets forth high ethical standards of business conduct that it requires of its employees, including compliance with applicable federal securities laws. The Code includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by Ascentia personnel. The Code also imposes detailed restrictions on Ascentia personnel serving as officers or directors of companies, other outside employment, the giving and receipt of gifts, and the privacy of client information.

An existing or prospective client may obtain a copy of the Code by contacting Ascentia at 775-828-4200, or contacting us via facsimile at 775-828-4201 or via e-mail at info@ascentiafunds.com.

B. If firm or its related persons recommends to clients, or buys or sells for client accounts, securities in which the firm or a related person has a material financial interest, describe the firm's practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Ascentia has adopted written policies and procedures which are designed to set standards and internal controls for the Firm, its employees, and its businesses and are also reasonably designed to prevent, detect, and correct any violations of regulatory requirements and the Firm's own policies and procedures. Ascentia's policy prohibits any employee from acting upon, misusing or disclosing any material non-public information, known as inside information. In substance, insider trading is trading for oneself or a client on information that, if widely known, would impact the price of a security. Every employee is required to be responsible for and monitor those individuals and departments he or she supervises to detect, prevent and report any activities inconsistent with the firm's procedures, policies, high professional standards, or legal/regulatory requirements.

C. If the firm or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that the firm or a related person recommends to clients, describe the firm's practice and discuss the conflicts of interest this presents and generally how the firm addresses the conflicts that arise in connection with personal trading.

Ascentia and its affiliates, including its access persons, may invest for their own accounts and for the accounts of Clients in various instruments that are owned by the Fund or client accounts. When making investment decisions where a conflict of interest may arise, Ascentia will endeavor to act in a fair and equitable manner as between the Ascentia accounts and other Clients. Ascentia may at certain times (subject to applicable law) be simultaneously seeking to purchase (or sell) investments for the Fund or Client accounts and sell (or purchase) the same investment for a similar entity, including other funds and Client accounts, for which it serves as asset manager now or in the future.

Among other things, the Code requires the prior approval of any trading activity in the personal accounts of related persons of the firm including the acquisition of securities in a limited offering (e.g., private placement) or an initial public offering, and imposes additional trading constraints on such access persons, restricting when personnel can buy or sell the same securities that are traded by Ascentia for the Fund and SMA clients. Generally, Ascentia personnel may not engage in transactions for two trading days after Ascentia trades the same or equivalent security for a client account.

Ascentia personnel must report their personal securities holdings upon hiring, and quarterly and yearly thereafter, together with making representations that they have complied with all portions of the Code. Ascentia also reviews duplicate brokerage statements and trade confirmations for each securities trading account reported by its personnel. The Code is administered by Ascentia's Chief Compliance Officer, and a copy of the complete Code of Ethics may be obtained by requesting one, in writing, from the Ascentia Chief Compliance Officer.

Neither Ascentia nor its personnel are permitted to engage in transactions with clients, including the Fund.

D. If the firm or related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that the firm or related person buys or sells the same securities for your own account, describe the firm's practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

See response to Items 11B & 11C above.

Item 12 Brokerage Practices

A. Describe the factors the firm considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g. commissions).

Ascentia places and executes orders for the purchase and sale of portfolio securities. Generally, Ascentia is retained with respect to Client Accounts on a discretionary basis and authorized to make the following determinations in accordance with Clients' specified investment objectives without Client consultation or consent before a transaction is effected:

- Which instruments to buy or sell.
- The total amount of instruments to buy or sell.
- The broker or dealer through whom instruments are bought or sold.
- The commission rates at which transactions in instruments for Client accounts are effected.
- The prices at which instruments are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs.

1. Research and Soft Dollars

Ascentia's primary brokerage policy is to achieve best execution for its clients. Only after Ascentia believes that standard is met does it look to see which of the broker-dealers that can provide best execution can also provide the most competitive soft dollar arrangements.

Rather than paying cash for these services out of its own pocket, Ascentia is permitted to pay for the services using brokerage fees from client accounts, provided certain conditions are met. This arrangement is known as “soft dollars.” Ascentia may negotiate brokerage commissions on behalf of clients that are higher than those obtainable from other broker-dealers who do not provide the brokerage execution and research products and services necessary to meet this standard. Where more than one broker-dealer is believed to be capable of providing the best execution with respect to a particular portfolio transaction, Ascentia may select a broker-dealer which furnishes brokerage execution and research products and services, including, but not limited to: research reports; economic and financial data; access to computer databases of research data; stock screening tools; and research-orientated computer software and services. Soft dollar trades and the resulting research may be done at Ascentia’s discretion and without prior agreement or permission by the client.

Generally, Ascentia uses soft dollars to obtain statistical or quotation services as well as execution services. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and augment Ascentia’s own internal research and investment strategy capabilities. Section 28(e) provides a so-called “safe harbor” for investment advisers to use client brokerage fees to pay for such services, provided that the services are not commonly available and directly assist the adviser in making investment decisions.

In determining whether a brokerage execution or research product or service can be paid for with soft dollars, Ascentia:

1. Verifies that the product or service falls within the specific statutory limits of Section 28 (*i.e.* whether it is eligible “research” under Section 28(e)(3)(A) or (B) or eligible “brokerage” under Section 28(e)(3)(C));
2. Verifies that the eligible product or service actually provides lawful and appropriate assistance in the performance of Ascentia’s investment decision-making responsibilities. Where a product or service has a mixed use, Ascentia must make a reasonable allocation of the costs of the product according to its use; and
3. Makes a good faith determination that the amount of client commissions paid is reasonable in light of the value of products or services provided by the broker-dealer.

Ascentia does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research Ascentia receives will help it fulfill its overall duty to its clients. It is important to note that Ascentia may not use each particular research service to service each client account. As a result, a client account may pay brokerage commissions that are used to purchase services that aren’t used to benefit that specific client. Similarly, a client may benefit from services paid for in soft dollars generated from brokerage commissions paid by accounts of other clients. Ascentia pools its soft dollar commissions and determines which services are paid for at what time.

Certain services paid for with soft dollars may not be used exclusively for either execution or research services, but may be used by Ascentia for other purposes. For example, market data services may assist Ascentia in making investment decisions, but may also be used by Ascentia to market its products and services. The cost of such "mixed-use" products or services must be fairly allocated, and Ascentia makes a good faith effort to determine the percentage of such products or services which may be considered as investment research or execution services. The portions of the costs attributable to non-investment usage of such products or services are paid by Ascentia in cash (hard dollars) out of its own funds to the broker-dealer in accordance with the provisions of Section 28(e).

Ascentia prepares a soft dollar budget for each calendar year, broken down by (a) sell-side research providers and (b) other research and execution-related services. This budget is reviewed and updated periodically to reflect, among other factors, changes in the firm's opinion of the usefulness of each service. All uses of soft dollars and budgets for soft dollar payments are approved by the Chief Compliance Officer.

2. Brokerage for Client Referrals

Broker-dealers may from time to time refer clients to Ascentia. Because a potential conflict of interest may arise between the client's interest in obtaining best price and execution and Ascentia's interest in receiving future referrals, Ascentia does not make commitments to any broker or dealer to compensate that broker or dealer through brokerage or dealer transactions for client referrals.

Ascentia selects broker-dealers for client transactions only when consistent with its duty of best execution. Therefore, if a broker-dealer that refers clients to Ascentia also can provide best execution on a given transaction, Ascentia may place the transaction with that broker-dealer. Clients, however, concerned with this conflict should be aware of their various brokerage options, including utilizing the services of the referring broker, choosing another broker, or utilizing another firm recommended by Ascentia to provide custody and execution services.

Under no circumstances is Ascentia permitted to compensate a broker-dealer for selling Fund shares by directing a portfolio transaction to that broker-dealer. The fact that a broker-dealer sells Fund shares does not prohibit Ascentia from doing business with that broker-dealer provided that the broker-dealer is able to provide best execution.

3. Directed Brokerage

Ordinarily, Ascentia is given full investment discretion by its clients, including the Fund. In other words, it may select any broker-dealer it chooses to execute any transaction for any client. Ascentia clients have the ability to select a specific broker-dealer to perform all transactions for their Ascentia accounts. The selection of a specific broker-dealer by a client is known as "directed brokerage."

With Ascentia's consent, clients may direct that brokerage transactions for their account be effected through a specified broker-dealer. Any such arrangements must be in writing. Ascentia attempts to fulfill client directed brokerage subject to achieving best execution. Although Ascentia attempts to satisfy client direction requests, there can be no guarantee that they will be fully satisfied.

In some cases, the client-directed broker-dealer may not offer the lowest commission rate. This may cause the client to pay a higher rate of commission than might otherwise have been available had Ascentia been able to choose the broker-dealer to be utilized. By directing a portion of a portfolio's generated brokerage commissions to a particular broker-dealer, the client acknowledges that Ascentia may not be in a position to negotiate brokerage commissions on the client's behalf with respect to transactions effected by the directed broker-dealer or to commingle or "bunch" orders for purposes of execution with orders for the same securities for other accounts managed by Ascentia. In cases where an account has instructed Ascentia to direct brokerage to a particular broker-dealer, orders for that account may be placed after brokerage orders for accounts that do not impose such restrictions.

In some instances, the services provided by the broker-dealer may help offset expenses that the account would otherwise pay directly. Such arrangements are sometimes referred to as "commission recapture" programs, and may reduce the overall expenses of the account.

Directed Brokerage in ERISA Accounts

A pension plan client may direct all or part of brokerage transactions for its account through a specific broker-dealer in order to obtain goods and/or services on behalf of the plan. Such direction is permissible under ERISA provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business and that the allocation is consistent with Ascentia being able to obtain best execution. ERISA prohibits directed brokerage arrangements when the goods and/or services procured are not for the exclusive benefit of the plan. Accordingly, Ascentia requires that plan sponsors who direct plan brokerage provide a letter to Ascentia documenting that such a directed brokerage arrangement will be for the exclusive benefit of the plan.

- B. Discuss whether and under what conditions the firm aggregates the purchase or sale of securities for various client accounts. If the firm does not aggregate orders when it has the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.**

Brokerage Allocation

Broker-dealers are considered for execution of transactions primarily based on the broker-dealers' ability to provide best execution. Best execution is comprised of several factors including, but not necessarily limited to, the price paid or received for a security, the commission charged, the promptness and reliability of execution, the confidentiality and placement accorded the order and other factors affecting the overall benefit obtained. For all securities transactions executed by Ascentia, the selection of a broker-dealer is subject to the requirement that the

broker-dealer shall, in the judgment of Ascentia's traders, be fully qualified to execute the transaction and that the trader reasonably expects to achieve best execution.

Ascentia only negotiates brokerage commissions on behalf of its clients with broker-dealers known to be competitive and in line with industry practice taking into consideration factors such as account research services rendered, capital commitments involved in facilitating trades, and the overall dollar value of the trade. Trades may also be made on a net basis. In these instances, no direct commission is charged, but there is a spread between the bid and ask price, which may be considered the equivalent of a commission.

Trade Allocation & Aggregation of Orders

Ascentia is a fiduciary to each of its clients. As a fiduciary to each client, it owes each client the same duty of loyalty. No client is owed a greater or lesser degree of fiduciary loyalty and, therefore, no client or group of clients may be given preferential treatment. Their duty of loyalty and equitable treatment of client accounts is the basic principle underlying Ascentia's allocation policy.

Investment decisions for each client or a group of clients with a similar investment objective and/or restrictions are generally made independently from those of other client accounts and are made with specific reference to the individual needs and objectives of each account or group of similar accounts. To avoid potential conflicts of interest among clients over which client account has priority and to obtain better execution, Ascentia will generally place a combined order (a "block trade") for two or more accounts engaged in the purchase or sale of the same security if it believes that the block trade is in the best interest of each participant and will result in best execution. As a general rule, all contemporaneous client trades in the same security will be blocked in a single order if the terms are the same.

Block trades generally produce a better result for all clients because lower commissions are charged on larger transactions. When orders are combined for accounts engaged in the same transaction, billing and clearing functions, as well as a portion of the commission, may be allocated to a broker-dealer other than the executing broker-dealer. This practice is sometimes referred to as a "step-out." Step-outs may be used by Ascentia to satisfy client direction or soft dollar arrangements. In such instances, not all the clients that are part of the combined order may benefit from the portion of the trade that is stepped-out.

Broker-dealers are selected for block trades based upon their ability to provide best execution including, but not limited to, the broker's abilities to effectively and efficiently execute the transaction and provide a commission rate competitive with those available from other broker-dealers. Commissions paid to broker-dealers and overall execution costs for block trades will generally be equivalent to or lower than those that would prevail had the trades not been executed in a blocked fashion.

When Ascentia is unable to fill a block trade, it allocates the portion it does receive (a "partial fill") by allocating the shares received or sold pro-rata among the participating client accounts pro rata, based upon account size.

If Ascentia is unable to include all clients in a block trade (for example, when a client directs that its account be traded with a broker-dealer not selected by Ascentia to perform the block trade for other clients), Ascentia trades with all brokers on a pre-established rotational basis.

Item 13 Review of Accounts

- A. Indicate whether your firm periodically reviews client accounts or financial plans. If you do, describe the frequency and nature of the review and the titles of the supervised persons who conduct the review.**

The Fund

Ascentia on a daily basis reviews and monitors the Fund's holdings in accordance with the investment objectives and regulatory restrictions detailed in the Fund Prospectus and statement of Additional Information.

Ascentia and the Sub Advisers to the Fund report to the Fund's Board of Trustees on a regular and as-needed basis. In addition to Fund and Sub Adviser performance and other statistical information, reports include actual and possible risks affecting the Fund, including investment, credit, liquidity, valuation, operational and compliance risks, as well as any overall business risks that could impact the Fund.

In addition, the Fund issues annual and semi-annual reports, and files with the SEC quarterly investment position reports and yearly proxy voting reports, all of which are available to Fund shareholders, prospective shareholders and the general public on the SEC website, www.sec.gov.

SMAs

While the performance and underlying securities within SMA accounts are continuously monitored, these accounts are reviewed in detail at least quarterly by James Calhoun and James Houssels and/or Stephen McCarty. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances or investment objectives, or the market, political or economic environment.

- B. If the firm reviews client accounts on other than a periodic basis, describe the factors that trigger a review.**

This question is not applicable.

- C. Describe the content and indicate the frequency of regular reports the firm provides to clients regarding their accounts. State whether these reports are written.**

Both Fund and SMA clients generally receive written monthly (quarterly if there is no activity) reports from the custodian reflecting current values by holding and overall portfolio values.

Under its contract with Ascentia, Foliofn delivers all such documentation and reports electronically. Ascentia will provide detailed performance reports upon client request.

Item 14 Client Referrals and Other Compensation

- A. If someone who is not a client provides an economic benefit to the firm for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how the firm addresses the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.**

SMA's

Ascentia may from time to time compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals. Such payments are permitted by the Investment Advisers Act of 1940. Any such payments are required to be paid under the terms of a written contract, and clients referred to Ascentia by any such solicitor are required to receive in writing a document that:

- (1) Describes the solicitation activities to be engaged in by the solicitor on behalf of the investment adviser and the compensation to be received therefore;
- (2) contains an undertaking by the solicitor to perform his duties under the agreement in a manner consistent with the instructions of the investment adviser and the provisions of the Investment Advisers Act of 1940 and the rules hereunder;
- (3) requires that the solicitor, at the time of any solicitation activities for which compensation is paid or to be paid by the investment adviser, provide the client with a current copy of this Brochure.

Ascentia must receive from the client, prior to, or at the time of, entering into any written or oral investment advisory contract with the client, a signed and dated acknowledgment of receipt of the investment adviser's written disclosure statement and the solicitor's written disclosure document.

The Fund

In accordance with disclosures provided in the Fund Prospectus, Ascentia may pay cash compensation in the form of finder's fees that vary depending upon the dollar amount of the shares sold. Investors and potential investors in the Fund should refer to the Fund Prospectus and SAI for information regarding the payment of such fees.

B. If the firm or a related person directly or indirectly compensates any person who is not a supervised person for client referrals, describe the arrangement and the compensation.

Ascentia may from time to time compensate, either directly or indirectly, either employees or third parties for client referrals. Any such referral arrangements will comply with the relevant portions of the "cash solicitation" rule (Rule 206(4)-3). The fees paid to referral sources do not affect the fees clients pay to Ascentia. In each instance, a written agreement will exist between Ascentia and the referral source.

Item 15 Custody

If the firm has custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements.

Ascentia does not have custody of any client assets, nor does it intend to in the future.

Item 16 Investment Discretion

If the firm accepts discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

Ascentia generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client for each transaction. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by Ascentia.

Discretionary authority will only be provided upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority.

Item 17 Voting Client Securities

A. If the firm has, or will accept authority to vote client securities, briefly describe the voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6 and the applicable state securities rules.

Ascentia votes proxies of issuers of securities that it manages for the Fund in what it believes to be the best financial interests of the Fund. Proxies for securities held in the Fund that are managed by Sub Advisers to the Fund are voted by either the Sub-Advisers or by Ascentia. Ascentia is required by law to maintain written proxy voting policies and procedures as well as written records of how it votes those proxies. Both the policies and procedures and voting records are available to clients upon written request to Ascentia. A description of the proxy voting policies and procedures of Ascentia and the sub advisers to the Fund are also described in the Statement of Additional Information (“SAI”) of the Fund.

To date, Ascentia has not encountered any conflicts of interest in voting client portfolio proxies. Such a conflict of interest could arise if, for example, if the portion of the Fund Ascentia manages holds an issuer’s security and Ascentia is also the adviser to an SMA for the issuer’s pension plan. In the event of any actual or potential conflicts of interests in the voting of any client proxy(s), Ascentia will disclose such actual or potential conflict to the affected clients and either request that the clients vote the proxy(s) themselves, abstain from voting or vote the client proxy(s), depending on the circumstances and the wishes of the client(s).

Clients may receive a copy of the Proxy Voting Policies, Guidelines and Procedures, as well as information on how proxies were voted for a relevant client account upon request by contacting Ascentia at 775-828-4200, or contacting us via facsimile at 775-828-4201 or via E-mail at info@ascentiafunds.com. Ascentia will not disclose proxy votes for a client account to a third party, unless specifically requested in writing by the relevant client.

B. If the firm does not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

Generally, it is Ascentia’s policy not to seek or accept proxy voting authority for any account that is not a 1940 Act mutual fund, unless otherwise required to do so as part of its fiduciary duties to certain pension plans under ERISA. Portfolio securities held in Ascentia’s SMA accounts are voted at this time either by the custodian(s) for such accounts or by the account holders themselves. SMA clients will receive proxies or other solicitations directly from their particular custodian. For information relating to Ascentia’s policies and procedures on proxy voting, clients may contact Ascentia at 775-828-4200, or contacting us via facsimile at 775-828-4201 or via E-mail at info@ascentiafunds.com.

Item 18 Financial Information

- A. If the firm requires or solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.**

Ascentia does not require or solicit such prepayment.

- B. If firm has discretionary authority or custody of client funds or securities, or firm requires or solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.**

Ascentia has discretionary authority over client accounts and is unaware of any financial condition that will likely impair its ability to meet contractual commitments to clients.

- A. If firm has been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought and the current status.**

Ascentia has not been the subject of a bankruptcy petition; therefore this question is not applicable.

Item 19 Requirements for State-Registered Advisers

Ascentia is registered with the Securities and Exchange Commission (SEC) as an investment adviser and therefore not subject to this Item.

See attached Supplement, Part 2B