

WARD & ASSOCIATES
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This Brochure provides information about the qualifications and business practices of WARD & ASSOCIATES. If you have any questions about the contents of this Brochure, please contact us by phone at (858) 759-5330 or by email at wa@wardinvest.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

WARD & ASSOCIATES is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about WARD & ASSOCIATES is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This year's updated filing to Form ADV contains no material changes, however, as a matter of best practices and disclosing all potential conflicts of interest, we would like you to know that our firm now serves on the TD Ameritrade Institutional Advisor Panel ("Panel"). The Panel consists of approximately twenty-four independent investment advisors that advise TD Ameritrade Institutional ("TDA Institutional") on issues relevant to the independent advisor community. Investment advisors are appointed to serve on the Panel for two year terms by TDA Institutional senior management. Our current term expires on December 31, 2013. TD Ameritrade, Inc. ("TD Ameritrade") does not compensate Panel members. However, TD Ameritrade pays or reimburses our firm for the travel, lodging and meal expenses incurred in attending Panel meetings. The benefits received by our firm or its personnel by serving on the Panel do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by our firm or its related persons, in and of itself, creates a potential conflict of interest and may indirectly influence our recommendation of TD Ameritrade for custody and brokerage services.

However, and most importantly, we want to assure you that we do not receive any compensation from TD Ameritrade, or any other third party, based either on the investment advice we give to you or the securities that are used to implement that advice. Nor does our participation on the Panel in any way diminish our fiduciary duty to act in your best interests at all times.

If you have any questions about our participation on this Panel, please do not hesitate to contact us. Item 8 of this Brochure further discusses our firm's brokerage practices.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Kevin A. Ward, a Partner in our firm, at (858) 759-5330 x203 or via email at kward@wardinvest.com. Our Brochure is also available on our web site www.wardinvest.com, also free of charge.

Additional information about WARD & ASSOCIATES is also available via the SEC's web site at www.adviserinfo.sec.gov. The SEC's web site also provides

information about any persons affiliated with WARD & ASSOCIATES who are registered, or are required to be registered, as investment adviser representatives of WARD & ASSOCIATES.

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Item 4 – Advisory Business

WARD & ASSOCIATES was founded in 1997 and currently has two Partners, William T. Ward, Jr. and Kevin A. Ward. Our firm generally provides wealth management and investment advisory services to individuals and families and their related business entities, trusts, estates, charitable foundations and pension and profit sharing plans.

Our mission is to provide the highest caliber of personal service, financial advice, and investment management while assisting our clients in fulfilling their financial objectives.

We are dedicated to providing you with the sophisticated and unbiased advice needed to make sound financial decisions. We work closely with you to design and implement customized wealth management strategies in an effort to build and preserve wealth.

We believe there are four reasons WARD & ASSOCIATES is the right choice for you:

- Independent - We operate on a fee-only basis and do not accept commissions or any other form of compensation from third parties. We have no allegiance to any product, company, or service beyond the belief that it is the most appropriate in your given situation. Because we have no proprietary products, we are able to utilize what we consider the best available service and investment providers, as well as avoid many of the inherent conflicts of interest that are so prevalent in the financial services industry.
- Personal Service - We will work hard to get to know you, your goals, and your challenges and to develop solutions that are personalized to your needs. Our passion is to help you achieve true peace of mind and real financial security. Our ongoing consultative approach assures you that we are there to assist you as your financial situation evolves.
- Integrated Wealth Management - If you are like most of the individuals and families we work with, over time you will need assistance on a variety of financial issues. Further, we will work

to ensure each of the components of your overall plan are working together to help you achieve your financial objectives.

- Institutional Investment Approach - Our institutional approach to investing will provide you with many of the same methods that endowments, foundations, and defined benefit plans have used in an effort to achieve returns significantly higher, and with much less risk, than the average individual investor.

As part of our investment management and investment supervisory services we will assist you in determining your needs, obligations, risk tolerances, and investment objectives. We may also render advice on related areas including, but not limited to, retirement planning, estate planning, real estate, insurance, trusts, and alternative investments. We may provide advice to any particular client on one or more of these financial planning issues on a situational basis or may develop a complete financial plan addressing all aspects of a client's financial life.

Our investment advisory and investment supervisory services are primarily rendered through the construction and management of mutual fund portfolios and the selection and monitoring of private money managers. Additionally, we offer advice on partnership interests in non-traditional investments, including, but not limited to, venture capital funds, hedge funds, and leveraged buy-out funds.

We have our own philosophies of investing and ways of helping our clients meet their financial goals and objectives. We seek to work with people who share similar philosophies. We recognize that your situation and needs are different than others. Therefore we are willing to tailor our advisory services to meet your needs.

There may be times when certain restrictions are placed by the client, which prevents us from accepting or continuing to manage the account. We reserve the right to not accept and/or terminate management of a client's account if we feel that the client-imposed restrictions would limit or prevent us from meeting and/or maintaining a suitable investment strategy.

Item 8 further describes our investment strategies.

As of December 31, 2011, WARD & ASSOCIATES manages approximately \$149,400,000 in assets for approximately 51 clients. Approximately

\$145,300,000 is managed on a discretionary basis, and \$4,100,000 is managed on a non-discretionary basis.

Item 5 – Fees and Compensation

Our firm typically receives compensation based on a percentage of assets under management as outlined in the Basic Fee Schedule shown below. From time to time we receive compensation based on hourly or fixed fees for our work.

Basic Fee Schedule

On the first \$1,000,000	0.75%
\$1,000,000 - \$5,000,000	0.50%
\$5,000,000 - \$10,000,000	0.40%
\$10,000,000 and above	0.30%

Fees for accounts greater than \$20,000,000 are negotiable. Fees for accounts below \$20,000,000 may also be negotiable at our discretion.

Fees are calculated on a graduated basis. For example, an account with \$3,000,000 under management will incur fees of 0.75% on the first \$1,000,000 and 0.50% on the next \$2,000,000.

For the purpose of billing, an “account” is defined as the assets under management controlled or directed by one person or entity even though the assets may be managed through two or more separate accounts.

Management fees are payable quarterly in advance and are billed by the 15th day of the first month of the quarter with payment due by the 25th day of the first month of the quarter. The management fee is calculated based on a percentage of assets under management. Assets under management are determined by computing the market value of each account as of the close of trading on the last business day of the previous quarter. For billing purposes, quarter’s close in March, June, September, and December. The management fee for the following quarter is calculated by multiplying the closing account balance by $\frac{1}{4}$ of the annual fee as agreed upon with client. New clients’ fees

are based on the account balance at inception and are prorated for the period from inception to the end of the quarter.

You may elect to be billed directly for fees or to authorize WARD & ASSOCIATES to directly debit fees from your accounts.

Within five (5) business days after the date of execution of the investment advisory agreement, you have a right to terminate the agreement without penalty or liability for payment of fees. (Provided, however, any investment action taken by the firm regarding the client's account prior to the effective date of such termination shall be at your risk.) If you terminate investment management service prior to the close of a quarter we will refund to you the unearned portion of the quarterly management fee on a pro rata basis. You may terminate the investment management contract at any time by written notice. The pro rata refund on unearned management fees will be calculated from the date the written notice is received. In the event you terminate the investment advisory agreement with WARD & ASSOCIATES, we will not liquidate any securities in the account unless authorized in writing by you to do so. In the event of your death or disability, we will continue management of the account until such time as we are notified of your death or disability and given alternative instructions by an authorized party.

As part of our investment management and investment supervisory services we assist you in determining your needs, obligations, risk tolerances, and investment objectives. We may also render advice on related areas including, but not limited to, retirement planning, estate planning, real estate, insurance, trusts, and alternative investments. We may provide advice to you on one or more of these financial planning issues on a situational basis or may develop a complete financial plan addressing all aspects of your financial life. Depending on the time, expertise, and level of involvement required, we may consider the rendering of such advice either part of our overall investment management service and not billed separately from the Basic Fee Schedule, or, alternatively, as a separate service billable on either an hourly or fixed fee basis.

Hourly fees are billed during the first week of the month following the month in which the fees were earned. Hourly fees vary based upon the nature of the work to be performed and are agreed upon prior to the commencement of the work. As a general matter, hourly fees are not negotiable and typically range from \$200 to \$400 per hour.

Fixed fees are quoted based on the nature and duration of the work to be performed. Fees may be billed either while the project is in progress or at the completion of the project, as agreed upon prior to the commencement of the project. Fees that are billed while the project is in process reflect only the time spent on the project up to the date of the bill. You may elect to terminate the work on any project at any time. Upon termination we will bill you only for any work performed prior to the termination notice.

Fees charged in accordance with the Basic Fee Schedule are separate from the management fee charged by mutual funds or private money managers. Mutual funds fees are disclosed in a fund's prospectus. Management fees for private money managers are disclosed in the Advisory Agreement between the manager and the client.

Additionally, our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which you shall incur.

Such charges, fees and commissions are exclusive of and in addition to our fee, and our firm does not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

Our firm does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for us, the advisor, to recommend an investment that may carry a higher degree of risk to the client.

Item 7 – Types of Clients

Our firm generally provides wealth management and investment advisory services to individuals and families and their related business entities, trusts, estates, charitable foundations and pension and profit sharing plans.

We require accounts to be opened with a minimum asset value of \$1,000,000. We may waive the minimum at our sole discretion.

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

We analyze individual securities using fundamental analysis. Fundamental analysis is a method of evaluating a security by examining both the quantitative and qualitative factors that affect the security's value.

We analyze investment managers using a proprietary process that evaluates multiple quantitative and qualitative factors. The quantitative factors include the manager's performance history on both an absolute basis, and versus peers and benchmarks, as well as risk statistics such as alpha, beta, standard deviation, and Sharpe ratio. We also evaluate the manager for consistency of investment style and in some cases an attribution analysis is reviewed to gain insight into the manager's sources of return.

The qualitative factors include review of the manager's investment strategy and process, the education and experience of the manager, and the resources of both the manager's investment team and firm. We also evaluate several important fund dynamics such as fees and expenses, amount of assets under management, cash flows into and out of the manager's control, investment minimums, and redemption fees and restrictions.

The main sources of information utilized in our analysis include financial newspapers and magazines, inspections of corporate activity, meetings with company representatives, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Our primary investment strategy is long-term strategic asset allocation. Strategic asset allocation is the process of determining the appropriate long-term allocation to a broad set of asset classes. During the asset allocation process both the statistical techniques of Modern Portfolio Theory and our own professional judgment are employed to attempt to create portfolios that maximize return for a given level of risk.

Our strategic asset allocations are adjusted periodically based on changes to the global economy, the financial markets, and the investment opportunity set. Portfolios are regularly rebalanced back to the long-term strategic

allocation when a significant under or over weighting occurs due to changes in the financial markets or as the result of client additions or withdrawals.

A secondary investment strategy we may employ is known as tactical allocation. Tactical allocation is a shift of the long-term strategic allocation to either capitalize on highly favorable investment opportunities or to avoid unduly risky investment situations. Tactical allocations are only made when the valuation of an asset class is significantly above or below its long-term historic norm. Though tactical opportunities have been fairly rare, occasionally there is an opportunity to purchase assets at a price far lower than their historic norm or sell assets at a price far above their historic norm.

All of our portfolios are customized for each investor taking into account factors such as risk tolerance, time horizon, desired return, and investment preferences. The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change their objectives at any time.

Our asset allocation strategy is generally implemented using investment managers. Our objective is to employ the best available managers in each asset class. We do not receive compensation directly from investment managers nor do we receive commissions for using any particular manager. Our only criteria when selecting managers is that we believe the manager is among the best available and is appropriate for the portfolio.

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following risks:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Item 9 – Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our firm's management. We have no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Our firm is a Registered Investment Advisor and therefore we are actively engaged in the business of giving investment advice. We are not engaged in any other financial industry activities nor do we have any other financial industry affiliations.

We do not have any arrangements that are material to our advisory business or our clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships. Additionally, we are not a general partner in any partnership in which clients are solicited to invest.

However, we have established a contractual relationship with another SEC registered investment adviser. Under the terms of this relationship, this adviser may (i) perform operational due diligence on certain private funds and third-party investment managers, and (ii) make available web-based analytical tools to us and our clients who desire to pursue investments in private funds and investment strategies offered by third-party investment managers. This adviser is not an advisory affiliate of Ward & Associates, and we are not under common control or ownership. The services provided by this unrelated adviser are only available to accredited investors, as defined in Rule 501 of Regulation D under the Securities Act of 1933.

Additionally, from time to time we do recommend other trusted professionals in the financial services industry to our clients, including but not limited to, attorneys, accountants, money managers and insurance brokers. We have established relationships with a network of companies and professionals that will allow us to provide you with whatever product, service, or advice is needed given your unique needs and circumstances. Though we have developed access to a variety of what we believe are best-of-breed solutions, our only loyalty is to you, the client. We have no allegiance to any company, product, or service beyond our belief that it is appropriate in your situation and will assist you in achieving your goals. We do not receive any form of compensation for these recommendations in an effort to avoid any conflicts of interest.

Item 11 – Code of Ethics

Our firm has adopted a Code of Ethics (the “Code”) for all Supervised Persons of the firm (as such term is defined in the Code). The Code sets forth the standards of business conduct we expect from each Supervised Person. It requires Supervised Persons to report, and the firm to monitor, certain business activity or conduct to avoid potential conflicts of interest. The Code requires compliance with fiduciary duties, applicable securities laws, confidentiality, and placing clients’ interests first. A current copy of the Code will be provided to clients and prospective clients upon request.

Additionally, our firm is in, and shall continue to be in, total compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, we have adopted a policy statement outlining insider trading compliance by our firm and its associated persons. This statement has been signed and dated by each person associated with our firm.

The firm’s principals use the same investment selection and portfolio management methods and strategies for themselves as for their clients. As such, we may purchase and sell the same securities for ourselves as for our clients. In determining which securities are purchased and sold for a portfolio, the sole consideration is the appropriateness of the security for the portfolio under consideration.

To prevent any potential conflict of interest, we have established the following restrictions in order to ensure our fiduciary responsibilities:

- It is the firm’s policy that no person associated with the firm may purchase or sell a security for their own account prior to a transaction being implemented for an advisory account, thereby, preventing persons associated with the firm from benefiting from transactions placed on behalf of advisory accounts.
- The firm maintains a list of all securities holdings for itself, and any persons associated with this advisory practice. These holdings are reviewed on a regular basis by one of the firm’s Partners.
- The firm requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.

Item 12 – Brokerage Practices

Our firm recommends brokers to clients based on several criteria, including, the broker's commission schedule for mutual fund and stock transactions, the number of mutual funds available through the broker, the number of mutual funds available through the broker with no transaction fee, any fees charged by the broker associated with account maintenance, the frequency, clarity, and accuracy of the broker's account statements, and whether or not the broker offers a dividend reinvestment plan.

We also consider a broker's ability to provide value-added services to our clients. Examples of such services include check writing, debit cards, wire transfers, and a broad selection of taxable and non-taxable money market accounts.

We also evaluate a broker's ability to provide services to our firm utilizing current technology. Such services include the ability to download account information from the broker's computer systems to our investment management and financial planning software, access to online trading and account management, and the ability to correspond and perform administrative tasks via the Internet.

To determine the reasonableness of a broker's commission schedule we compare the broker's commission schedule to those of other brokers. We generally recommend brokers who offer clients the best combination of value and service.

Our firm, as a matter of policy and practice, does not have any formal or informal arrangements or commitments to utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar basis other than what is included in the following paragraphs regarding our participation in the TD Ameritrade Institutional customer program.

Soft dollars generally refers to arrangements whereby a discretionary investment adviser is allowed to pay for and receive research, research-related or execution services from a broker-dealer or third-party provider, in addition to the execution of transactions, in exchange for the brokerage commissions from transactions for client accounts.

Our firm participates in the TD Ameritrade Institutional customer program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade is an independent [and unaffiliated] SEC-registered broker-dealer. TD Ameritrade offers to independent Investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Our firm receives some benefits from TD Ameritrade through its participation in the program including negotiated reduced transaction fees for transaction fee mutual fund trades for clients who maintain accounts with TD Ameritrade.

Our firm participates in the TD Ameritrade Institutional customer program and may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we do receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount):

- receipt of duplicate client statements and confirmations;
- research related products and tools; consulting services; access to a trading desk serving Advisor participants;
- access to block trading;
- the ability to have advisory fees deducted directly from client accounts;
- access to an electronic communications network for client order entry and account information;
- access to mutual funds with no transaction fees and to certain institutional money managers; and
- discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors.

TD Ameritrade may also have paid for business consulting and professional services received by our firm. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our client accounts. These products or services may assist us

in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or its related persons, in and of itself, creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Our firm also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent Investment Advisors participating in the program. Specifically, the Additional Services include payment for the cost of our firm's portfolio rebalancing and trading program, Tamarac, a program which assists our firm in the management of all client accounts. TD Ameritrade provides the Additional Services to our firm in its sole discretion and at its own expense, and we do not pay any fees to TD Ameritrade for the Additional Services. Our firm and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Our firm's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to our firm, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, our client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with our firm, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, our firm may have an incentive to recommend to our clients that the assets under management by our firm be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Our firm's receipt of Additional Services does not diminish our duty to act in the best interests of our clients, including to seek best execution of trades for our client accounts.

Additionally, our firm serves on the TD Ameritrade Institutional Advisor Panel ("Panel"). The Panel consists of approximately twenty-four

independent investment advisors that advise TD Ameritrade Institutional ("TDA Institutional") on issues relevant to the independent advisor community. The Panel meets in person on average three to four times per year and conducts periodic conference calls on an as needed basis. Investment advisors are appointed to serve on the Panel for two year terms by TDA Institutional senior management. An investment advisor may serve longer than two years if appointed to additional terms by TDA Institutional senior management. Our current term expires on December 31, 2013. At times, Panel members are provided confidential information about TDA Institutional initiatives. Panel members are required to sign confidentiality agreements. TD Ameritrade, Inc. ("TD Ameritrade") does not compensate Panel members. However, TD Ameritrade pays or reimburses our firm for the travel, lodging and meal expenses incurred in attending Panel meetings. The benefits received by our firm or its personnel by serving on the Panel do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by our firm or its related persons, in and of itself, creates a potential conflict of interest and may indirectly influence our recommendation of TD Ameritrade for custody and brokerage services.

Our firm is an independent investment advisory firm and is not affiliated with or sponsored by TD AMERITRADE in any way.

Directed Brokerage

In circumstances where our firm has been directed to execute all or a portion of client transactions through a specific broker (aka "directed brokerage"), you should understand that: (1) our firm will not negotiate specific brokerage commission rates with the broker on your behalf, or seek better execution services or prices from other broker-dealers and, as a result, you may pay higher commissions and/or receive less favorable net prices on transactions for your account than might otherwise be the case, and (2) transactions for your account generally will be effected independently unless our firm decides to purchase or sell the same security for several clients at approximately the same time (block trade), in which case our firm may include your transaction with that of other clients for execution by the same broker. However, if transactions are not able to be traded as a block trade, we

may have to enter the transactions for your account after orders for other clients, with the result that market movements may work against you.

Therefore, prior to directing our firm to use a specific broker-dealer, you should consider whether, under that restriction, execution, clearance and settlement capabilities, commission expenses and whatever amount is allocated to custodian fees, if applicable, would be comparable to those otherwise obtainable. You should understand that you might not obtain commissions rates as low as it might otherwise obtain if our firm had discretion to select other broker-dealers. All directed brokerage arrangements must be provided by you to our firm in writing. You must also notify our firm in writing if you decide to terminate the directed brokerage arrangement.

Item 13 – Review of Accounts

At a minimum, on a monthly basis we review your monthly account statement and reconcile that to the records we maintain in our portfolio management system.

On a quarterly basis, in conjunction with our quarterly performance review and reporting procedures, we evaluate your individual investments, investment style, asset allocation and various other portfolio statistics. Our review is intended to ensure the individual investments are appropriate for your account both in composition and in weighting and ensures the investment strategy for the account is being followed. All accounts are reviewed by one or both of the firm's Partners, William T. Ward, Jr. and Kevin A. Ward.

You can request a review of your accounts at any time. We utilize both portfolio management and portfolio rebalancing software which allow us to review all accounts on a daily basis if needed.

As part of our account review process, you will receive a quarterly report showing your investment results by asset class for the year-to-date, as well as line items showing beginning value, ending value, investment gain, net contributions, capital appreciation, income, management fees and other expenses. The quarterly performance report includes the rate of return on each investment category and for the portfolio as a whole. The return for

each investment category is compared to the most relevant benchmark index.

Item 14 – Client Referrals and Other Compensation

Our firm has been fortunate to receive many client referrals over the years. The referrals have predominantly come from our current clients, with others coming from other financial professionals, employees, personal friends of employees and other similar sources. Our firm does not compensate referring parties for these referrals. We also do not accept referral fees or any form of remuneration from other professionals when we refer a prospect or client to them.

Please refer to Item 12 above for the benefits we receive for participating in the TD Ameritrade Institutional customer program and being a member of the TD Ameritrade Institutional Advisor Panel.

Item 15 – Custody

As a matter of policy and practice, we do not permit employees or the firm to accept or maintain physical custody of client assets. It is our policy that we will not accept or hold client funds or securities. Your assets are maintained with qualified independent third-party custodians, which include registered broker-dealers, banks and other qualified custodians. You will receive at least quarterly statements directly from the custodian that holds and maintains your assets. We urge you to review these statements for accuracy.

The Partners in our firm do serve as Trustees on accounts for some of our clients. As a result of this, we are deemed to have custody of client assets for these accounts. These client assets are maintained at independent third-party custodians. As a result of having custody in these instances, we undergo a surprise annual examination by an independent public accountant to verify client funds and securities.

We do not provide account statements to our clients. However, we do provide quarterly performance reports to you, which include a summarization of your funds and securities. We urge you to carefully review and compare the summary we provide you with the official custodial records

provided to you. Our summarizations may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Our firm accepts discretionary authority to manage securities accounts on your behalf. We have the authority to determine, without obtaining your specific consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, as a matter of policy, we consult with you prior to each trade so that you are aware, of and agree with, the changes being made in your account.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that is agreed upon by you and our firm.

A limited power of attorney is a trading authorization for this purpose. You will sign a limited power of attorney so that we may execute trades in your account that you have approved. This authority is typically included on the brokerage firm's account application which is signed by you when opening an account. In the event it is not included on the account application, we will seek to obtain a limited power of attorney through a Letter of Instruction signed by you.

You approve the custodian to be used and the commission rates paid to the custodian. Our firm does not receive any portion of the transaction fees or commissions paid by you to the custodian on trades where transaction fees or commissions apply.

Please refer to Item 12 above for information on brokerage practices and for the benefits we receive for participating in the TD Ameritrade Institutional customer program.

Item 17 – Voting Client Securities

As a matter of policy and practice, our firm has no authority to vote proxies on behalf of our advisory clients. Proxy voting materials are sent directly

from the custodian of record to you. We may offer assistance as to proxy matters upon your request, but you will always retain the proxy voting responsibility.

Item 18 – Financial Information

Our firm does not have any financial impairment that will preclude us from meeting contractual commitments to our clients, and has not been the subject of a bankruptcy proceeding.

The Partners in our firm do serve as Trustees on accounts for some of our clients. As a result of this, we are deemed to have custody of client assets for these accounts. These client assets are maintained at independent third party custodians. Our role as Trustees does not have any financial impairment that will preclude the firm from meeting the contractual commitments to our clients. Additionally, as a result of having custody, we undergo a surprise annual examination by an independent public accountant to verify client funds and securities.

William T. Ward, Jr.
WARD & ASSOCIATES
POST OFFICE BOX 8710
RANCHO SANTA FE, CA 92067
(858) 759-5330

MARCH 26, 2012

This Brochure Supplement provides information about William T. Ward, Jr. that supplements the Ward & Associates Brochure. You should have received a copy of that Brochure. Please contact Kevin A. Ward, Partner, if you did not receive Ward & Associates Brochure or if you have any questions about the contents of this supplement.

Item 2- Educational Background and Business Experience

William Thompson Ward, Jr. was born on October 15, 1967. He graduated with a Bachelor of Science in Finance from the University of Southern California in 1989.

Mr. Ward has been a Partner with Ward & Associates since joining the firm in 1997.

Mr. Ward is a CERTIFIED FINANCIAL PLANNER™ practitioner.

CERTIFIED FINANCIAL PLANNER™: CERTIFIED FINANCIAL PLANNERS™ are licensed by the CFP Board to use the CFP® mark. CFP® certification requirements:

- *Education - Bachelor's degree from an accredited college or university and completion of the financial planning education requirements set by the CFP Board (www.cfp.net).*
- *Exam - Successful completion of the 10-hour CFP® Certification Exam.*
- *Experience - Three years of full-time relevant personal financial planning experience is required.*
- *Ethics - CFP® certification also requires you to agree to adhere to CFP Board's Code of Ethics and Professional Responsibility, Rules of Conduct and Financial Planning Practice Standards, and acknowledge CFP Board's right to enforce them through its Disciplinary Rules and Procedures.*

Mr. Ward is also an investment advisor representative and has passed the Series 65, Uniform Investment Adviser Law Examination.

Disclosure: Successful completion of the Uniform Investment Adviser Law Examination does not relieve a candidate of the personal responsibility to know and to abide by the specific requirements of the securities laws and regulations of the states in which the candidate transacts business. Furthermore, although successful completion of the examination may satisfy a portion of the requirements of a particular state, it does not convey the right to transact business prior to being granted a license or registration by that state. North American Securities Administrators Association believes that the Uniform

Investment Adviser Law Examination will significantly benefit the industry and state regulators alike by such uniformity. The investing public will be afforded a greater degree of protection through enhanced uniform qualification standards.

Item 3- Disciplinary Information

As an investment adviser representative I am required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of me as a supervised person providing investment advice. No information is applicable to this Item.

Item 4- Other Business Activities

As an investment advisor representative I am actively engaged in the business of giving investment advice. I am not engaged in any other business activities nor do I have any other business affiliations.

Item 5- Additional Compensation

I do not receive any form of additional compensation.

Item 6 – Supervision

Our firm has two Partners, me and my brother Kevin A. Ward. As a firm we have chosen to share in the day-to-day responsibilities of running our business and working with our clients. We therefore supervise each other through our ongoing interactions and discussions pertaining to all firm and client decisions.

Kevin A. Ward, a Partner in the firm, can be reached via phone at (858) 759-5330 x203 or by email at kevinward@wardinvest.com.

Kevin A. Ward
WARD & ASSOCIATES
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RANCHO SANTA FE, CA 92067
(858) 759-5330

MARCH 26, 2012

This Brochure Supplement provides information about Kevin A. Ward that supplements the Ward & Associates Brochure. You should have received a copy of that Brochure. Please contact Kevin A. Ward, Partner, if you did not receive Ward & Associates Brochure or if you have any questions about the contents of this supplement.

Item 2- Educational Background and Business Experience

Kevin A. Ward was born on October 10, 1974. He attended Gonzaga University in Spokane, WA for his freshman year of college before transferring and graduating from Loyola Marymount University in 1996 with a Bachelor of Arts in Urban Studies with an emphasis in Urban Economics. Mr. Ward has completed the Personal Financial Planning Program affiliated with the Anderson School of Business at the University of California, Los Angeles.

Mr. Ward has been a Partner with Ward & Associates since joining the firm in 2000.

Mr. Ward is an investment advisor representative and has passed the Series 65, Uniform Investment Adviser Law Examination.

Disclosure: Successful completion of the Uniform Investment Adviser Law Examination does not relieve a candidate of the personal responsibility to know and to abide by the specific requirements of the securities laws and regulations of the states in which the candidate transacts business. Furthermore, although successful completion of the examination may satisfy a portion of the requirements of a particular state, it does not convey the right to transact business prior to being granted a license or registration by that state. North American Securities Administrators Association believes that the Uniform Investment Adviser Law Examination will significantly benefit the industry and state regulators alike by such uniformity. The investing public will be afforded a greater degree of protection through enhanced uniform qualification standards.

Item 3- Disciplinary Information

As an investment adviser representative I am required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of me as a supervised person providing investment advice. No information is applicable to this Item.

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Item 5- Additional Compensation

I do not receive any form of additional compensation.

Item 6 – Supervision

Our firm has two Partners, me and my brother William. T. Ward, Jr. As a firm we have chosen to share in the day-to-day responsibilities of running our business and working with our clients. We therefore supervise each other through our ongoing interactions and discussions pertaining to all firm and client decisions.

William T. Ward, Jr., a Partner in the firm, can be reached via phone at (858) 759-5330 x204 or by email at billward@wardinvest.com.