

# **VENTURA WEALTH MANAGEMENT**

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A SEC Registered Advisory Firm<sup>1</sup>

## **FIRM BROCHURE, MARCH 2012**

This brochure provides information about the qualifications and business practices of Ventura Wealth Management (“Ventura Wealth”). If you have any questions about the content of this brochure, please contact us at (609) 671-9100. 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.

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<sup>1</sup> SEC or State registration does not and should not imply any certain level of skill or training.

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## **MATERIAL CHANGES**

Ventura Wealth has not had any material changes to its business or personnel since the filing of its last Annual Amendment Brochure in 2011.

## **ADVISORY BUSINESS**

### **Financial Planning Services:**

Ventura Wealth provides its clients with financial planning and consultation services (e.g., review of goals and objectives, analysis and recommendations for cash flow planning, asset allocation/investment planning, income tax planning, insurance planning, estate planning, retirement planning, education planning, real estate/mortgage planning, etc.).

### **Investment Management Services:**

Ventura Wealth provides investment management services on a discretionary basis according to the investment objectives of the client and in accordance with the terms and conditions of the Investment Advisory Agreement between the Ventura Wealth and the client. Based upon the client's stated investment objectives, Ventura Wealth's investment management focuses on the use of Portfolio Models in order to provide investment returns consistent with clients' investment goals and objectives. Based upon a particular Model Portfolio, Ventura Wealth will invest client's accounts in certain percentages amongst numerous asset classes (e.g. stocks, corporate and government bonds, ETFs, mutual funds and alternate investments) in order to maximize client's investment returns while achieving lower volatility within pre-determined risk parameters.

### **Other Terms & Conditions:**

Prior to engaging Ventura Wealth to provide any investment advisory services, the client will be required to enter into a formal *Agreement* with Ventura Wealth setting forth the terms and conditions under which Ventura Wealth shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian. Both Ventura Wealth's *Agreement* and the custodial/clearing agreement authorize the custodian to debit the account for the amount of the Ventura Wealth's investment advisory fee and to directly remit that management fee to the Ventura Wealth. In the event that Ventura Wealth bills the client directly, payment is due upon receipt of Ventura Wealth's invoice. The *Agreement* between the Ventura Wealth and the client will continue in effect until terminated by either party. In the event the client terminates Ventura Wealth's services, the balance of any unearned fee, if any, shall be refunded to the client.

## **FEES AND COMPENSATION**

### **Financial Planning Fees:**

Ventura Wealth's financial planning and consulting fees are negotiable, but generally are \$300 on an hourly rate basis, and from \$1,000 to \$10,000 on a fixed fee basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging Ventura Wealth to provide financial planning or consulting services, clients will be required to enter into a *Financial Planning and Consulting Agreement* with Ventura Wealth setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Ventura Wealth commencing services.

### **Investment Management Fees:**

Ventura Wealth's investment management fee schedule ("Advisory Fees") for accounts managed by Ventura Wealth is based on a percentage of assets (generally net of any debit balances) and is set forth below. The Advisory Fees represent the highest fee that may be charged absent special circumstances:

<u>Advisory Assets</u>	<u>Annual Fee</u>
0 - \$500,000	1.50%
\$500,001 - \$1,000,000	1.25%
\$1,000,001 - \$5,000,000	1.00%
All assets in excess of \$5 million	Negotiable

Ventura Wealth's Advisory Fees shall also be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. Ventura Wealth's actual fees may be negotiated and a client may pay more or less than similar clients depending on the particular circumstances of the client, which may include considerations related to size of the client's account, additional and/or differing levels of service or as negotiated. Clients that negotiate fees may end up paying a higher fee than that set forth in the fee schedules above as a result of fluctuations in the client's assets under management and/or account performance.

Ventura Wealth will generally recommend a broker-dealer/custodian for client's investment management assets. In addition to the investment management fee, the client may incur brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual securities transactions). In addition, the client will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). Client may also incur additional investment management fees assessed by independent managers.

## **PERFORMANCE-BASED FEES and SIDE-BY-SIDE MANAGEMENT**

Ventura Wealth does not charge performance based fees.

## **TYPES OF CLIENTS**

Ventura Wealth provides investment advisory services to the following clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates, Charitable Organizations;
- Corporations
- Pension Plans & 401(k)

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Ventura Wealth's research process incorporates fundamental, quantitative and technical analysis. We use several sources of independent, objective research as well as conduct our own proprietary research. Our portfolio management process emphasizes asset allocation and risk control strategies. We begin with the analysis of the global macroeconomic situation and then analyze individual markets and sectors for the purpose of making allocation decisions. Individual investment positions and portfolios are monitored constantly and adjusted as necessary in response to prevailing market risk factors

In creating a financial plan, clients of Ventura Wealth are consulted to determine their risk profile. Annually, clients are asked to provide information on changes to their risk profile, as well as their financial health. Savings rates, withdrawal rates, and other major cash flows are monitored regularly. Sophisticated financial plans are created using analytical software to help guide the placement of assets into appropriate investment vehicles. Client education seminars and materials are provided regularly to promote client awareness of applicable financial topics and fluctuations in the global financial markets.

Ventura Wealth does not guarantee the future performance of any account or any specific level of performance, the success of any investment decision or strategy that Ventura Wealth may use, or the success of Ventura Wealth's overall investment management. All investment decisions are subject to various markets, currency, economic, political, and business risks, and that those investment decisions will not always be profitable. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Ventura Wealth if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Ventura Wealth's previous recommendations and/or services.

### **DISCIPLINARY INFORMATION**

Ventura Wealth and its personnel ***have not been*** convicted, pled guilty or nolo contendere (“no contest”), been named, charged or been the subject of any order or judgment by any court of competent jurisdictions, SEC or any Self Regulatory Organization (e.g., FINRA) for the any of the following offenses:

- investments or investment related business;
- fraud, false statements or omissions;
- violation of any investment related statute or regulation or SRO rules;
- wrongful taking of property, bribery, perjury, forgery, counterfeiting;
- extortion or conspiracy to commit any of these offenses.

In addition, Ventura Wealth and its personnel ***are not*** the subject of any pending matters in connection with any of the above-identified offenses.

### **OTHER FINANCIAL INDUSTRY AFFILIATIONS**

Ventura Wealth is not affiliated with any other financial institution.

#### **Licensed Insurance Representatives:**

Ventura Wealth’s Advisory Affiliates, in their individual capacities, are licensed insurance producers and may recommend the purchase of certain insurance products to its clients. Although Ventura Wealth does not sell insurance products, it permits its Advisory Affiliates as licensed insurance producers, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that Ventura Wealth’s Advisory Affiliates recommend the purchase of insurance products and receive insurance commissions or additional compensation as a result. Such conflict is disclosed at time of sale and in this Brochure to the client.

#### **Registered Representative of Broker-Dealer:**

Ventura Wealth’s Advisory Affiliates, in their individual capacities are registered representatives of American Portfolios Financial Services Inc (“American Portfolios”), an SEC registered broker-dealer and member of FINRA. Brokerage commissions may be charged by American Portfolios to effect securities transactions and thereafter, a portion of these commissions may be paid by American Portfolios to Ventura Wealth’s Advisory Affiliates. Prior to effecting any transactions, the client will be required to enter directly into an account agreement with American Portfolios. The brokerage commissions charged by American Portfolios may be higher or lower than those charged by other broker-dealers. In addition, certain of the Ventura Wealth’s Advisory Affiliates may also receive additional ongoing 12b-1 fees from the mutual fund company.

A conflict of interest exists to the extent that the Ventura Wealth recommends the purchase of securities wherein its Advisory Affiliates receive commissions or other additional compensation as a result of clients purchasing securities based upon such recommendations.

For ERISA Accounts, Ventura Wealth will offset its advisory fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Ventura Wealth’s Advisory Affiliates in their individual capacities as registered representatives of American Portfolios.

## **CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Ventura Wealth or related persons may own an interest in, or buy and sell for their own account, the same securities that may also be held, purchased or sold in client accounts. In all cases, clients' orders are given priority. In no case shall the adviser or associate receive a better price or more favorable circumstance than a client. In some cases the adviser may buy or sell a specific security for their own account, which the adviser does not consider appropriate for client accounts.

Ventura Wealth has implemented an investment policy relative to personal securities transactions. This investment policy is part of Ventura Wealth's overall Code of Ethics which serves to establish a standard of business conduct for all of Ventura Wealth's Associated Persons that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Ventura Wealth also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Ventura Wealth or any person associated with Ventura Wealth.

Ventura Wealth has adopted procedures to implement the firm's policy on personal securities transactions and reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate.

### **BROKERAGE PRACTICES**

#### **1. Research and Other Soft Dollar Benefits:**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Ventura Wealth may receive from a broker-dealer/custodian (or a mutual fund company), without cost (and/or at a discount) support services and/or products, certain of which assist Ventura Wealth to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Ventura Wealth may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Ventura Wealth in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received assist Ventura Wealth in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Ventura Wealth to manage and further develop its business enterprise.

Ventura Wealth's clients do not pay more for investment transactions effected and/or assets maintained at a particular broker-dealer/custodian as a result of this arrangement. There is no corresponding commitment made by Ventura Wealth to any particular broker-dealer/custodian or to any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**2. Brokerage for Client Referrals:**

Ventura Wealth does not receive client referrals from any broker-dealer custodian.

**3. Directed Brokerage:**

The client may direct Ventura Wealth to use a particular broker-dealer (subject to Ventura Wealth's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such event, the client will negotiate terms and arrangements for the account with that broker-dealer, and Ventura Wealth will be unable to seek better execution services or prices from other broker-dealers or be able to "bunch" the client's transactions with orders for other client's accounts managed by Ventura Wealth. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Ventura Wealth seeks to execute orders for its clients fairly and equitably. Ventura Wealth follows written procedures pursuant to which it may, and to the extent consistent with Best Execution, combine purchase or sale orders for the same security for multiple clients (sometimes called "***bunching***") so that they can be executed at the same time. The procedures for bunching trades may differ depending on the particular strategy or type of investment. Ventura Wealth is not required to bunch or aggregate orders if it determines that bunching or aggregating is not practical.

When client orders are bunched by Ventura Wealth, the order will be placed with the broker-dealer custodian for execution. When a bunched order is completely filled, Ventura Wealth generally will allocate the securities purchased or proceeds of sale among participating accounts based on the purchase or sale order. Adjustments or changes may be made by Ventura Wealth under certain circumstances, such as to avoid odd lots or excessively small allocations. If the bunched order is filled at different prices, through multiple trades, generally all such participating accounts will receive the average price. When a bunched order is partially filled, Ventura Wealth's procedures provide that the securities are to be allocated in a manner deemed fair and equitable to clients.



## **REVIEW OF ACCOUNTS**

Account reviews are conducted on an ongoing basis by Ventura Wealth's principal, Nick Ventura. All investment management clients are required to discuss with Ventura Wealth their investment objectives, needs and goals and to keep him informed of any changes. All clients are encouraged to meet at least annually with the adviser to review financial planning issues, including investment objectives and performance.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

Ventura Wealth does not have any contractual engagement with any solicitors or pay any compensation for the receipt of client referrals.

## **CUSTODY**

Ventura Wealth does not maintain custody of client assets. All client assets are custodied with nationally recognized, SEC registered and FINRA member broker-dealer/custodians. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian of the client accounts. Ventura Wealth provides a quarterly report summarizing account activity, positions and performance.

## **INVESTMENT DISCRETION**

Ventura Wealth primarily provides advisory services on a discretionary basis. As such, prior to engaging Ventura Wealth to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Ventura Wealth setting forth the terms and conditions which under which Ventura Wealth shall manage client's assets.

## **VOTING CLIENT SECURITIES**

Ventura Wealth does not vote client proxies. Ventura Wealth's clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Ventura Wealth and the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

With respect to shareholder class action litigation and similar matters, Ventura Wealth generally will not make any filings in connection with any shareholder class action lawsuits involving securities currently or previously held in clients' accounts. Ventura Wealth recommends that its clients promptly review these materials, as they identify important deadlines and may require action in the client's part. Ventura Wealth will not be required to notify third party custodians or clients who utilize third party custodians of shareholder class action lawsuits and similar matters.

### **FINANCIAL INFORMATION**

Based upon Ventura Wealth's business practices, use of a qualified custodian and advisory fee procedures, the SEC does not require the disclosure of financial information. Please be advised that there are no known financial conditions that would impair Ventura Wealth's ability to meet contractual commitments to clients.