

Disclosure Brochure

March 25, 2014



This brochure provides information about the qualifications and business practices of Rench Wealth Management, Inc., doing business as The Relevance Group (hereinafter “The Relevance Group” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed below. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at www.adviserinfo.sec.gov. The Relevance Group is an SEC registered investment adviser. Registration does not imply any level of skill or training.

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Item 2. Material Changes

In this Item, The Relevance Group is required to discuss any material changes that have been made to the brochure since the last annual amendment filed on March 21, 2013. While the format and general language of the brochure have been overhauled, no substantive changes have been made. As such, there are no material changes to disclose pursuant to this Item.

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Item 4. Advisory Business

The Relevance Group offers a variety of advisory services, which include financial planning, consulting and investment management services. The Relevance Group has been an independent registered investment adviser since January 2012 and is wholly owned by James A. Rench. As of December 31, 2013, The Relevance Group had \$147,197,308 in assets under management, all of which was managed on a discretionary basis.

Prior to the rendering of any advisory services, clients are required to enter into one or more written agreements with the Firm setting forth the relevant terms and conditions of the advisory relationship (the “Agreement”).

While this brochure generally describes the business of The Relevance Group, certain sections also discuss the activities of its *Supervised Persons*, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on The Relevance Group’s behalf and is subject to the Firm’s supervision or control.

Investment Management Services

The Relevance Group manages client investment portfolios on a discretionary basis. Financial planning and consulting services, as discussed below, may also be rendered in conjunction with investment management services.

The Relevance Group primarily allocates client assets among individual equity securities, in accordance with the investment objectives of its clients. The Firm also allocates client assets among mutual funds, exchange-traded funds (“ETFs”), options and real estate investment trusts (“REITs”). Clients may also engage The Relevance Group to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, The Relevance Group directs or recommends the allocation of client assets among the various investment options available with the product. In addition, where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios.

The Relevance Group tailors its advisory services to meet the needs of its individual clients and continuously seeks to ensure that client portfolios are managed in a manner consistent with their specific investment profiles. The Firm consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other qualitative factors relevant to the management of their portfolios. Clients are advised to promptly notify The Relevance Group if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts

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if the Firm determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

Financial Planning and Consulting Services

As mentioned above, The Relevance Group may provide clients with financial planning and consulting services as part of its investment management services. However, the Firm may also provide such services on a stand-alone basis. Financial planning and consulting services may include any or all of the following functions:

- Cash Flow Forecasting
- Asset Allocation
- Estate Planning
- Financial Reporting
- Investment Consulting
- Insurance Needs Analysis
- Retirement Plan Analysis
- Charitable Giving
- Risk Management
- Distribution Planning
- Social Security Planning
- Medicare Planning

In performing these services, The Relevance Group is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information.

The Firm may recommend the services of itself or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage The Relevance Group to provide additional fee-based services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by the Firm under a financial planning or consulting engagement or to engage the services of any such recommended professionals, including The Relevance Group itself. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising The Relevance Group's previous recommendations and/or services.

Item 5. Fees and Compensation

Investment Management Fees

The Relevance Group offers its investment management services on a fee-only basis, which is based upon the market value of the assets being managed by The Relevance Group on the last day of the

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previous billing period. The annual fee is prorated and charged quarterly, in advance, in accordance with the following fee schedule:

PORTFOLIO VALUE	ANNUAL FEE
Below \$1,000,000	1.00%
\$1,000,000 - \$2,000,000	0.75%
Above \$2,000,000	0.50%

If assets in excess of \$10,000 are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is prorated to reflect the change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the *Agreement* is terminated, the fee for the final billing period is prorated through the effective date of the termination and the unearned portion is refunded to the client, as appropriate.

Financial Planning and Consulting Fees

The Relevance Group generally charges either a negotiable hourly and/or fixed fee to provide clients with stand-alone financial planning and consulting services. These fees are largely determined by the scope and complexity of the agreed upon services and range from \$100 to \$400 on an hourly basis and \$2,500 to \$10,000 on a fixed fee basis.

The specific terms and fee structure are negotiated in advance and set forth in the *Agreement*. Generally, the Firm requires one-half of the financial planning or consulting fee payable upon execution of the *Agreement* and the balance due at the time the financial plan is delivered or the underlying services are rendered to completion. If the client engages The Relevance Group for additional investment management services, The Relevance Group may offset all or a portion of its fees for those services based upon the amount paid for the financial planning or consulting services.

Fee Discretion

The Relevance Group, in its sole discretion, may negotiate to charge a lesser or greater fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and *pro bono* activities.

Additional Fees and Expenses

In addition to the fees paid to The Relevance Group, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "*Financial Institutions*"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other

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fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

Fee Debit

Clients generally provide The Relevance Group with the authority to directly debit their accounts for payment of the Firm's investment management fees. The *Financial Institutions* that act as qualified custodian for client accounts have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to The Relevance Group.

Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time, subject to The Relevance Group's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to The Relevance Group, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. The Relevance Group may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications.

Item 6. Performance-Based Fees and Side-by-Side Management

The Firm does not provide any services for a performance-based fee, which is a fee based on a share of capital gains or capital appreciation of a client's assets.

Item 7. Types of Clients

The Relevance Group primarily provides its services to individuals.

Minimum Annual Fee

As a condition for starting and maintaining an investment management relationship, the Firm generally imposes a minimum annual fee of \$5,000.

In its sole discretion, though, the Firm may reduce or waive its minimum annual fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of

assets to be managed, related accounts, account composition, pre-existing client relationships, account retention and *pro bono* activities.

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

Methods of Analysis

The Relevance Group utilizes a combination of fundamental, technical and cyclical methods of analysis.

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular issuer or fund. For the Firm, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that the Firm will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (entire market or economy) or micro (company specific) level, rather than focusing on the overall fundamental analysis of the health of the particular company that The Relevance Group is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Investment Strategies

The Firm's general philosophy of investing is built around the belief that the principal need of its clients, generally retirees, is income that will grow over time. In addition, the Firm believes that, historically, one of the best ways to build wealth has been by owning the stocks of great businesses for a long period of time. As a result of these two beliefs, the Firm's investment strategy is focused on seeking to invest in companies that pay a dividend, have the ability and willingness to increase these dividends, and have businesses that can grow in value over time. There are no guarantees the Firm will achieve this on every investment so it generally recommends investments in twenty to thirty companies in different industries. The Firm also balances this strategy with an allocation to bonds and cash to help meet the liquidity needs of its clients.

Risks of Loss

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear potential losses.

Market Risks

The profitability of a significant portion of the Firm's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that The Relevance Group will be able to predict those price movements accurately.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Options

Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge against potential losses or to speculate on the performance of the underlying securities. Option transactions involve inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase or decrease to the level of the respective strike price. Holders of option contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

REITs

The Firm may recommend an investment in, or allocate assets among, various REITs, the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle's shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

Item 9. Disciplinary Information

The Relevance Group has not been involved in any legal or disciplinary events and thus does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

The Relevance Group is not engaged in any other financial industry activities and does not have any affiliations that are otherwise material to the Firm's advisory business.

Item 11. Code of Ethics

The Relevance Group has adopted a code of ethics in compliance with applicable securities laws ("*Code of Ethics*") that sets forth the standards of conduct expected of its *Supervised Persons*. The Firm's *Code of Ethics* contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its *Supervised Persons* and any trading by the same of securities ahead of clients in order to take advantage of pending orders.

The *Code of Ethics* also requires certain of The Relevance Group's personnel (called "*Access Persons*") to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the Firm's *Supervised Persons* are permitted to buy or sell securities that the Firm also recommends to clients if done in a manner consistent with the Firm's policies and procedures. This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase

agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact the Firm to request a copy of its *Code of Ethics*.

Item 12. Brokerage Practices

The Relevance Group generally recommends that clients utilize the brokerage and clearing services of Schwab Advisor Services™ (“*Schwab*”) for investment management accounts.

Factors which the Firm considers in recommending *Schwab* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. The commissions and/or transaction fees charged by *Schwab* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by The Relevance Group’s clients comply with the Firm’s duty to obtain “best execution.” Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where the Firm determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution’s* services, including among others, the value of research provided, execution capability, commission rates and responsiveness. The Relevance Group seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

The Relevance Group periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct The Relevance Group in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution* and the Firm will not seek better execution services or prices from other *Financial Institutions* or be able to “batch” client transactions for execution through other *Financial Institutions* with orders for other accounts managed by The Relevance Group (as described below). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, The Relevance Group may decline a client’s request to direct brokerage if, in the Firm’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time. The Relevance Group may

(but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among The Relevance Group’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which the Firm’s *Supervised Persons* may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. The Relevance Group does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include:

- when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates;
- allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts;
- if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed);
- with respect to sale allocations, allocations may be given to accounts low in cash;
- in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, the Firm may exclude the account(s) from the allocation and the transactions may be executed on a pro rata basis among the remaining accounts; or
- in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Software and Support Provided by Financial Institutions

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, The Relevance Group may receive from *Schwab* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist The Relevance Group to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by The Relevance Group 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 The Relevance Group in furtherance of its investment advisory business operations.

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

The Relevance Group's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by the Firm to *Schwab* or 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.

Item 13. Review of Accounts

Account Reviews

For those clients to whom The Relevance Group provides investment management services, the Firm monitors client portfolios as part of an ongoing process. Regular account reviews are conducted on at least a quarterly basis. For those clients to whom the Firm provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis. All such reviews are conducted by one of the Firm's investment adviser representatives. All clients are encouraged to discuss their needs, goals and objectives with The Relevance Group and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* where their assets are custodied.

Those clients to whom The Relevance Group provides financial planning and/or consulting services will receive reports from The Relevance Group summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by The Relevance Group.

Item 14. Client Referrals and Other Compensation

Client Referrals

The Relevance Group is required to disclose any direct or indirect compensation that it provides to unaffiliated persons for client referrals. The Relevance Group does not have any required disclosures to this Item.

Other Economic Benefits

In addition, the Firm is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

Item 15. Custody

The Relevance Group's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize the Firm through such *Financial Institution* to debit the client's account for the amount of the Firm's fee and to directly remit that fee to the Firm in accordance with applicable custody rules.

The *Financial Institutions* recommended by The Relevance Group have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to The Relevance Group. Clients should carefully review the statements sent directly by the *Financial Institutions*.

Item 16. Investment Discretion

The Relevance Group is given the authority to exercise investment discretion on behalf of its clients. The Relevance Group is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. The Relevance Group is given this authority through a power-of-attorney included in the *Agreement*. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). The Firm takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made.

Item 17. Voting Client Securities

The Relevance Group is required to disclose if it accepts authority to vote client securities. The Relevance Group does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

Item 18. Financial Information

The Relevance Group is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.



Prepared by:

