

## AVITAS WEALTH MANAGEMENT

*a Registered Investment Adviser*

1901 Avenue of the Stars - Suite 1901, Los Angeles, CA 90067

(424) 371-9010

[www.avitaswealth.com](http://www.avitaswealth.com)

This brochure provides information about the qualifications and business practices of Avitas Wealth Management, LLC (hereinafter “AWM” or the “Firm”). Please contact the Firm at the telephone number above if you have further questions. 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 Web site at [adviserinfo.sec.gov](http://adviserinfo.sec.gov). The Firm is a registered investment advisor. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

---

In this Item, AWM is required to discuss any material changes that have been made to the brochure since the last annual amendment. The following has been changed since our last filing in September 2023:

- Various non-material changes pursuant to our annual updating amendment.

## **Item 3. Table of Contents**

---

|   |    |
|---|----|
| Item 2. Material Changes.....   | 2  |
| Item 3. Table of Contents.....  | 3  |
| Item 4. Advisory Business .....   | 4  |
| Item 5. Fees and Compensation.....  | 6  |
| Item 6. Performance-Based Fees and Side-by-Side Management.....           | 9  |
| Item 7. Types of Clients.....   | 10 |
| Item 8. Methods of Analysis, Investment Strategies and Risk of Loss ..... | 11 |
| Item 9. Disciplinary Information .....                                    | 14 |
| Item 10. Other Financial Industry Activities and Affiliations.....        | 14 |
| Item 11. Code of Ethics .....   | 15 |
| Item 12. Brokerage Practices .....  | 16 |
| Item 13. Review of Accounts .....   | 19 |
| Item 14. Client Referrals and Other Compensation.....                     | 19 |
| Item 15. Custody.....   | 19 |
| Item 16. Investment Discretion.....                                       | 20 |
| Item 17. Voting Client Securities.....                                    | 20 |
| Item 18. Financial Information.....                                       | 21 |

## **Item 4. Advisory Business**

AWM is an independent advisory firm offering comprehensive financial advice and retirement planning through in-house asset management and the Firm's Total Wealth Organization ("T.W.O."). Prior to rendering such services, clients are required to enter into one or more written agreements setting forth the terms of the advisory relationship (the "Advisory Agreement").

The Firm filed for registration in November 2017 and is principally owned by The Gerst Family Trust, The Satz 1993 Trust and Jones Taslitz Living Trust. As of December 31, 2023, AWM managed assets of \$996,960,303 on a discretionary basis and \$0 on a non-discretionary basis. *Assets under advisement* are assets on which a firm provides advice or consultation but for which a firm does not have discretionary authority or does not arrange or effectuate transactions. AWM also has assets under advisement totaling \$170,878,402.

As of August 16, 2019, the Firm began providing investment management services to an affiliated private fund, Avitas Capital Private Equity Access 2019 Fund, LP (the "Access Fund"). AWM is the general partner of the Access Fund and manages the underlying fund allocation on a discretionary basis in accordance with its offering and organizational documents. The Firm may recommend that certain qualified clients consider an investment in private funds/offerings; clients are under no obligation to do so. Private fund investors must complete a Subscription Agreement or similar application, pursuant to which the client shall establish that he/she is qualified for investment in the fund and acknowledges and accepts the various risks associated with such an investment. Please see Item 8 for more information on these risks.

As of August 18, 2020, the principals of AWM became owners of Avitas Capital Management, LLC, a newly formed Investment Advisor to a new fund offering, Avitas Capital Ascent Fund, LP ("Ascent Fund"). Effective August 18, 2020, the principals also became owners of Avitas Capital Partners, LLC, the general partner of the Ascent Fund. Additional information about the relationship of AWM to Avitas Capital Management, LLC, Avitas Capital Partners, LLC and Avitas Capital Ascent Fund, LP can be found in further sections of this brochure.

While this brochure generally describes the business of the Firm, 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 AWM's behalf and is subject to its supervision or control.

### **Financial Planning and Consulting Services**

The Firm offers a range of financial planning and consulting services which may include:

- Business Planning
- Retirement Planning
- Cash Flow Forecasting
- Financing Planning and Availability
- Trust and Estate Planning
- Charitable Planning
- Financial Reporting
- Tax Planning
- Insurance Planning
- Education Planning

The Firm is not required to verify information received from the client or the client's other professionals (e.g., attorneys, accountants, etc.), and is expressly authorized to rely on such information. AWM may recommend additional services that its Supervised Persons, in their individual capacities as insurance agents, and/or other professionals, would implement; a conflict of interest exists for the Firm to recommend that clients engage AWM or its affiliates to provide (or continue to provide) additional services for compensation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any recommendations made by AWM under a financial planning or consulting engagement. Clients must notify the Firm of any change in their financial situation or investment objectives.

## **Wealth Management Services**

The Firm provides wealth management services, which include financial planning and consulting services, as well as discretionary management of investment portfolios. Client assets are generally allocated among individual debt and equity securities, various mutual funds, exchange-traded funds ("ETFs"), options and annuities in accordance with their stated investment objectives.

Where appropriate, the Firm may provide advice regarding legacy positions or other investments in client portfolios. Clients can engage AWM to manage and/or advise on certain investments that are not maintained at their primary custodian, such as variable life insurance and annuity contracts, assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans); in these situations, AWM recommends the allocation of assets among the options available with the product. Such assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

The Firm tailors its advisory services to the needs of individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs. AWM consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other factors relevant to the management of their portfolios. Clients are advised to promptly notify the Firm if there are changes in their financial situation. Clients can impose reasonable restrictions on their accounts if AWM determines, in its sole discretion, the conditions would not materially impact performance or prove overly burdensome to the Firm's management efforts.

## **Sponsor and Manager of Wrap Program**

AWM provides substantially all investment management services as the sponsor and manager of the Avitas Wealth Management Wrap Program (the "Program"). A *wrap fee program* is an arrangement under which clients receive investment advisory services (such as portfolio management or advice concerning the selection of other investment advisers) and execution of client transactions for a specified fee or fees not based upon transactions in their accounts. Participants in the Program may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. Accounts managed through the Program are done so in substantially the same manner as those managed under a non-wrap arrangement. Additional information is available in AWM's Wrap Brochure, which appears as Part 2A Appendix of the Firm's Form ADV (the "Wrap Brochure").

## **Retirement Plan Consulting Services**

The Firm provides consulting services to qualified employee benefit plans and their fiduciaries, designed to assist plan sponsors in structuring and managing their corporate retirement plans. Each engagement is individually negotiated and customized, and may include:

- Plan Design and Strategy
- Plan Fee and Cost Analysis
- Plan Review and Evaluation
- Plan Committee Consultation
- Executive Planning & Benefits
- Fiduciary and Compliance
- Investment Selection
- Participant Education

As disclosed in the Advisory Agreement, certain of the foregoing services are provided by AWM as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of AWM’s fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement.

### **Access Fund Management**

As investment adviser to the Access Fund, the Firm participates in the structuring, management, monitoring and disposition of investments for the Access Fund.

Guidelines for investment are contained in each fund’s governing documents, which are provided to the limited partners of each such fund. Prior to making an investment in the Access Fund, the limited partners review the governing documents. Limited partners do not have any control over the operation or management of the Access Fund or discretion over when capital is drawn or which and how investments are made.

Pursuant to an Advisory Agreement with the Access Fund, the Firm provides discretionary investment advisory services and has authority to decide which investments to purchase and sell for the Access Fund. While AWM does not manage the underlying funds or make investment decisions on their behalf, it does ensure that the underlying funds participate in and exit investments alongside the Access Fund on the programmatic, fixed basis to which they are subject and on substantially the same investment terms and conditions as the Access Fund.

## **Item 5. Fees and Compensation**

AWM offers services on a fee basis. Certain of the Firm’s Supervised Persons, in their individual capacities, may offer insurance products under a separate commission-based arrangement.

### ***Managed Account Fees***

#### **Management Fees**

Participants in the Program pay a single annualized fee based on assets under management (the “Program Fee”). The Firm offers wealth management services for an annual “wrap” fee for financial advice, financial planning, liability management and comprehensive wealth organization. Fees are based on managed and supervised assets as well as secured lending balances. Such fees reflect the unique demands and characteristics of the advisory services provided to each family relationship. Program Fees range between 0.20% and 1.50% per annum. Retirement Plan Consulting fees will vary (between 0.25% and 1.00% per annum) based on the scope of services to be rendered and the amount of assets to be managed.

The Program Fee is charged quarterly, in advance. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a pro rata basis; if the Advisory Agreement is terminated, the Program Fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

AWM assists clients with obtaining financing for capital needs, not to leverage investments managed by the Firm. Amounts borrowed by the client are considered assets under management for purposes of calculating the Program Fee where the Firm assisted with obtaining such financing. Lending fees are charged quarterly in arrears. Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), AWM may negotiate a fee rate that differs from the range set forth above.

## **Additional Fees and Expenses**

In addition to advisory fees paid to AWM, clients may incur certain charges imposed by third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (“Financial Institutions”). Such charges include securities brokerage commissions, transaction fees, custodial fees, margin and other borrowing costs, charges imposed directly by a mutual fund or ETF in a client’s account, 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. Many of these additional fees and expenses are included in the Firm’s fee through the Program, as disclosed in the Wrap Brochure.

The Firm expects that the vast majority of client relationships will run through its Program. Brokerage commissions and transaction costs are absorbed by the Firm through the Program. Additional information about the Program is available in AWM’s Wrap Brochure.

## **Fee Discretion**

AWM may, in its sole discretion, negotiate to charge a lesser 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/legacy client relationship, account retention and pro bono activities.

## **Managed Account Direct Fee Debit**

Clients provide AWM with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to AWM.

## **Managed Account Additions and Withdrawals**

Clients may make additions to and withdrawals from their account at any time, subject to the Firm's right to terminate the account. Additions may be in cash or securities, though AWM reserves the right to liquidate any such securities or decline to accept particular securities into an account. Clients may withdraw assets from their account on notice to the Firm, subject to the usual and customary securities settlement procedures. Portfolios are designed as long-term investments, however, and the withdrawal of assets may impair the achievement of a client's investment objectives. AWM 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 (e.g., contingent deferred sales charge) and/or tax ramifications. AWM reserves a reasonable amount of time to execute based on market conditions, availability resources and other factors.

## ***Consulting Fees***

### **Retirement Plan Consulting Fees**

AWM may charge a fixed project-based fee to provide clients with retirement plan consulting services. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor, as memorialized in the Agreement. These fees vary, based on the scope of the services to be rendered and the amount of assets to be managed. The annual asset-based fee will range between 25 and 100 basis points (0.25% – 1.00%).

## ***Access Fund Fees***

### **Management Fees**

Each limited partner shall be assessed a separate fee for management services provided by the Investment Advisor (the "Management Fee"). The Management Fee will be in addition to, and will not reduce the unpaid portion of, any limited partner's Subscription (i.e., limited partners shall be required to contribute amounts in addition to their Subscription to fund the Management Fee). The Access Fund shall pay the aggregate amount of such Management Fees assessed with respect to the limited partners to the Investment Advisor.

Commencing upon the initial drawdown date of the Access Fund (the "Initial Drawdown Date") and for each fiscal quarter thereafter through the end of the first fiscal quarter following the Reduction Date (as defined below), the Management Fee of a limited partner shall be an amount equal to the product of (x) the Management Fee Rate (as defined below) applicable to such limited partner multiplied by (y) the capital contributions of such limited partner, up to the amount of such limited partner's Subscription. Commencing on the date following the end of the first fiscal quarter following the Reduction Date (as defined below) and for each fiscal quarter thereafter, the Management Fee of a limited partner shall be an amount equal to 90% of the Management Fee assessed for such limited partner in the prior year; provided, however, that in no event shall the annual Management Fee of a limited partner be reduced to an amount equal to less than 25% of the Management Fee assessed for such limited partner in the first fiscal quarter following the Reduction Date

Certain executive officers and/or other employees of AWM and/or their family members have invested or may invest a portion of their personal net worth in one or more of the Access Fund. In addition, certain trusts and other entities formed for the benefit of certain of the Managing Members' family members may have invested in the Access Fund, and, in some cases, in some of the underlying funds in which the Access Fund has invested.



## **Performance Fees**

The general partner of the Access Fund may receive performance compensation (“Performance Fee”), which is 10% of the distributions of net profits, as calculated using the European Waterfall method. A European-style distribution schedule is applied at an aggregate fund level. With this schedule, all distributions will go to investors, and the manager will not participate in any profits until the investor’s capital and preferred return have been fully satisfied.

Since the majority of such profits may not be realized until several years after the initial investment, once investors have received an amount equal to their investment and fees paid, the general partner will be entitled to a 10% carried interest back to dollar one, as long as a 10% annual preferred return hurdle has been met.

## **Additional Fees**

In addition to fees paid to the Firm and to the underlying fund managers, investors are responsible for fees and expenses charged by custodians and imposed by any broker dealer with which AWM or an underlying fund manager effects transactions for the Access Fund. Investors are also responsible for expenses including, but not limited to: legal expenses, professional fees (including, without limitation, expenses of consultants and experts) relating to investments, accounting expenses, auditing and tax preparation expenses, organizational expenses, insurance, government fees and taxes, expenses incurred in connection with the offering and sale of the Access Fund’s interests and other similar expenses related to the Access Fund.

The Management Fee and Performance Fee may be discounted or waived with respect to any investor for any period at the sole discretion of AWM, as advisor and general partner of the Access Fund. Such discounted rate or waiver is not available to all or even most investors in the Access Fund.

The Access Fund may invest in ETFs and other publicly traded securities. While the Access Fund does not typically invest in mutual funds, money market funds may be used to “sweep” unused cash balances until they can be appropriately invested. Fees paid to the Firm for investment advisory services are separate and distinct from fees and expenses charged by mutual funds and other public investment vehicles to their shareholders; such fees and expenses are described in the relevant prospectus, and generally include a management fee, other fund expenses, and a possible distribution fee.

Investors should refer to the Access Fund’s private placement memorandum and offering documents for complete information regarding withdrawals of investments. In general, investors may not withdraw from the Access Fund. The Firm may, in its sole discretion, waive or modify any of the terms of withdrawals for certain investors who are relatives, employees or affiliates of the general partner or its Principals, or for certain large or strategic investors, as well as in any other case.

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

### ***Performance-Based Fees***

As the general partner, AWM may receive performance-based compensation from the Access Fund (generally calculated based on a share of all net realized income and gains and losses). As members of the general partner to the Ascent Fund, the principals of the Firm may also receive performance-based compensation from the Ascent Fund. Investors and prospective investors in the Access Fund and the Ascent Fund should note that performance-based compensation can create an incentive for an adviser to recommend investments which may be riskier than those which would be recommended under a different fee arrangement.

## ***Side-by-Side Management/***

*Side-by-side management* refers to when an adviser manages multiple advisory relationships simultaneously. Various conflicts of interest can arise from such side-by-side management. The Firm could, for example, have an incentive to favor the Access Fund (which pays performance-based compensation) over managed accounts. There could also be an incentive to favor the Access Fund if officers and/or employees of the Firm and its affiliates have more of their personal or family assets invested in it. As part of its fiduciary duty as a registered investment adviser, the Firm will take the following steps to address any such conflicts, as applicable:

- Through this disclosure and Form ADV Part 1, disclose to investors and prospective investors the existence of material conflicts of interest, such as the potential for the Firm and its employees to earn more compensation from some funds than others;
- Educate employees on the responsibilities of a fiduciary, including the equitable treatment of all clients, regardless of the fee arrangement.

Performance-based compensation will only be charged in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable state regulations.

## **Item 7. Types of Clients**

AWM offers services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and business entities.

### **Minimum Account Value**

The Firm imposes a minimum portfolio value of \$1,000,000 but may, in its sole discretion, accept clients with smaller portfolios based on certain criteria, including anticipated future earning capacity or additional assets, dollar amount of assets to be managed, related accounts, account composition, preexisting client, account retention, and pro bono activities. Clients below this threshold will only be accepted if the Firm determines the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. AWM may aggregate the portfolios of family members to meet the minimum portfolio size.

### **Access Fund Minimum Investment Amount**

The minimum investment amount for the Access Fund is \$250,000, although commitments of lesser amounts may be accepted at the sole discretion of the general partner.

### **Side Letters**

The Firm may, in its sole discretion, waive or modify the terms of investment for certain investors through side letters or otherwise. This may include but is not limited to: a waiver or lowering of the Management or Performance Fees or fee structure; or increased transparency or reporting.

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

### ***Methods of Analysis and Investment Strategies***

The Firm offers discretionary equity and fixed income management using its proprietary investment processes. A high priority is placed on preservation of capital and realistic returns.

Once the Firm understands a client's objectives, portfolio strategies are discussed and a recommended asset allocation mandate will be determined (e.g., 30% stocks / 70% bonds, 50% stocks / 50% bonds, 70% stocks / 30% bonds, etc.). The Firm endeavors to remain close to the target asset allocation through re-balancing when the mix changes from the mandate, or when the client adds or removes funds.

Tax sensitivity is considered when managing the assets. AWM follows various founding principles:

- The Firm puts clients' interests ahead of its own.
- The Firm seeks to develop mutual trust between the Firm and the client.
- The Firm strives to preserve and protect clients' wealth.
- The Firm strives to maintain a high level of transparency.
- The Firm's principals may invest their money alongside their clients.

### ***Risk of Loss***

#### **Market Risks**

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of the Firm's recommendations and/or investment decisions may depend on correctly assessing the future course of price movements of stocks, bonds and other assets; there can be no assurance that AWM will be able to predict those price movements accurately or capitalize on any such assumptions. During times of market volatility, the Firm may raise cash on a tactical basis to preserve capital.

#### **Mutual Funds and ETFs**

Investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily 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 if they sell securities for a profit that cannot be offset by a corresponding loss. Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is typically calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

## **Options**

Options allow investors to buy or sell a security at a contracted “strike” price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors trade options to hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of 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/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

## ***Access Fund***

### **Material Risks**

Investing in securities and other financial instruments involves a significant degree of risk. Funds may lose all or a substantial portion of the capital they invest and investors should be prepared to bear the risk of loss of their investment.

In addition, material risks exist relating to investment strategy, types of investments made and general market conditions, including the following:

### **General Economic and Market Conditions**

General economic or market conditions may adversely affect the performance of the investments made by the Access Fund. Factors affecting economic conditions, including public market volatility, inflation rates, rising interest rates, currency and exchange rate fluctuations, industry conditions, competition, technological developments, and domestic and worldwide political events, none of which are in the control of AWM or the Access Fund, can substantially and adversely affect the business and prospects of the portfolio companies in which they have invested. A general economic downturn could also result in the diminution or loss of value of the investments made by the Access Fund due to a number of factors, including a reduced demand for the products or services produced by the Access Fund’s portfolio companies. Market volatility may also impact the ability of portfolio companies to obtain financing for ongoing operations or expansions. In addition, a downturn or contraction in the economy or in the capital markets, or in certain industries or geographic regions, may restrict the availability of suitable investment opportunities for the Access Fund as well as opportunities to liquidate their investments on favorable economic terms, each of which could prevent the Access Fund from meeting its investment objectives.

## **Nature of Investments; Leverage**

While investments in highly leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. The Access Funds' portfolio companies may incur high degrees of leverage, as a result of which, recessions, operating problems and other general business and economic risks may have a more pronounced effect on the profitability or survival of such companies. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses. The amounts of a leveraged company's borrowings and the interest rates on those borrowings, which may fluctuate from time to time, as well as the fees and other costs of borrowing, may have a marked effect on a leveraged company's performance. Also, increased interest rates generally increase portfolio company interest expenses. In the event any such portfolio company cannot generate adequate cash flow to meet debt service, the Access Fund may suffer a partial or total loss of capital invested in the portfolio company.

The Access Funds' investments may also be made in companies that may have substantial variation in operating results from period to period. Portfolio companies can experience failures or substantial declines in value at any stage and may face intense competition. Some portfolio companies may have the need for additional capital to support expansion or to achieve or maintain a competitive position, and there is no assurance that such capital will be available.

## **Limited Diversification of Investments**

The Access Fund may make a limited number of investments. A consequence of a limited number of investments or of similar investments is that the aggregate returns realized by the investors may be adversely affected by the unfavorable performance of a small number of these investments. In addition, to the extent that the Access Fund concentrates investments in a particular industry, security or other financial instrument or geographic region the investments may be more susceptible to fluctuations in value resulting from certain adverse economic and conditions

## **Time Required to Maturity of Investment**

The Access Fund is intended for long-term investors who can accept the risks associated with making highly speculative, illiquid investments in privately negotiated transactions. It is generally anticipated that there will be a significant period of time (up to six years or more) before the Access Fund has completed its investments in its portfolio companies. Such investments typically take from three to ten years from the date of initial investment to reach a state of maturity when realization of the investment can be achieved.

## **Cybersecurity Threats**

AWM, the Access Fund and Fund portfolio companies may face cybersecurity threats to gain unauthorized access to sensitive information, including, without limitation, information regarding the Access Fund investors and AWM's investment activities, or to render data or systems unusable, any of which could result in significant losses. Any cybersecurity attacks against AWM, the Access Fund or any portfolio companies could lead to the loss of sensitive information essential to such entities' operations and could have a material adverse effect on such entities' reputations, financial positions or cash flows, could lead to financial losses from remedial actions or loss of business, or could lead to potential liability.

Cybersecurity attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on systems or web sites rendering them unavailable. The controls and procedures, business continuity systems, and data security systems of AWM, the Funds, the portfolio companies and each of their respective service providers could prove to be inadequate. These problems may arise in both the internally developed systems of AWM, the Access Fund or portfolio companies or in the systems of third-party service providers.

Additional information regarding the material risks of the Access Fund is included in its private placement memorandum and/or its subscription agreement and disclosure summary provided to investors prior to their making their investments in the Access Fund.

### *Ascent Fund*

Additional information regarding the material risks of the Ascent Fund is included in its private placement memorandum and/or its subscription agreement and disclosure summary provided to investors prior to their making their investments in the Ascent Fund.

## **Item 9. Disciplinary Information**

---

AWM has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

## **Item 10. Other Financial Industry Activities and Affiliations**

---

This item requires investment advisers to disclose certain financial industry activities and affiliations.

### **Licensed Insurance Agents**

A number of the Firm's Supervised Persons are licensed insurance agents and offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that AWM recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

### **Access Fund**

The Firm is the general partner of the Access Fund. Eric Taslitz, Catherine Gerst and Greg Satz, each a member of AWM, are also the principals and controlling members of the general partner. As disclosed at Item 5 of this Brochure, the general partner is entitled to performance fees earned pursuant to the terms and conditions of the Access Fund's offering documents. As such, these fees will ultimately inure to the benefit of the principals of AWM.

## **Ascent Fund**

A related entity, Avitas Capital Management, LLC, is the Investment Adviser to the Ascent Fund and Avitas Capital Partners, LLC, which is also a related entity, is the general partner of the Ascent Fund. Eric Taslitz, Catherine Gerst and Greg Satz, principals of AWM, are also principals and controlling members of Avitas Capital Management, LLC and Avitas Capital Partners, LLC. These entities receive the performance allocation from the capital accounts, creating a conflict for AWM financial professionals to adopt a riskier investment strategy than they might otherwise. This conflict is mitigated by AWM's adherence to the investment strategy as outlined in the fund documents.

## **Item 11. Code of Ethics**

---

The Firm 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. AWM'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 trading of the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain personnel to report their personal securities holdings and transactions and obtain pre-approval of all investments (except US treasury and CD investments). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics recognizes that some securities trade in sufficiently broad markets to permit transactions to be completed without any appreciable impact on the markets of such securities. Therefore, under 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 Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade 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 AWM to request a copy of its Code of Ethics.



## **Item 12. Brokerage Practices**

---

### *Managed Account Brokerage Practices*

#### **Recommendation of Broker-Dealers for Client Transactions**

AWM requires that clients utilize the custody, brokerage and clearing services of Schwab for investment management accounts in the Program. Schwab provides access to institutional trading and custody services not typically available to retail investors. In recommending Schwab or any other broker-dealer to clients, the Firm considers the Financial Institutions' reputation, financial strength, pricing, execution, research and service; prospective client referrals are *not* a consideration. The Firm is independently owned and operated; it is not affiliated with Schwab.

In seeking best execution, the determinative factor is *not* the lowest possible cost, but if the transaction represents the best qualitative execution, including execution capability, commission rates, responsiveness, and the value of research provided. Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for research products and/or services which assist in the investment decision-making process. Such research will be used on behalf of all of the Firm's clients. The receipt and allocation of such research pose a conflict of interest because the Firm does not have to produce or pay for the products or services. AWM periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

#### **Software and Support Provided by Financial Institutions**

The Firm receives without cost from Schwab administrative support, computer software, related systems support, as well as other third-party support as further described below (together "Support") which allow AWM to better monitor client accounts maintained at Schwab and otherwise conduct its business. AWM receives the Support without cost because the Firm renders investment management services to clients that maintain assets at Schwab. The Support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The Support benefits AWM, but not its clients directly. Clients should be aware that AWM's receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services. In fulfilling its duties to its clients, AWM endeavors at all times to put the interests of its clients first and has determined that the recommendation of Schwab is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, AWM receives the following benefits from Schwab: (i) receipt of duplicate client confirmations and bundled duplicate statements; (ii) access to a trading desk that exclusively services its institutional traders; (iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and (iv) access to an electronic communication network for client order entry and account information.

Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. Schwab also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts.



These benefits may include national, regional or Firm specific educational events organized and/or sponsored by Schwab. Other potential benefits may include occasional business entertainment of personnel of AWM by Schwab personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist AWM in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Schwab. Schwab also makes available to AWM other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm. While, as a fiduciary, AWM endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which creates a potential conflict of interest.

As described herein, the Firm's management services are provided through the Program where the client does not pay separately for brokerage commissions. Schwab's pricing to the Firm for brokerage services is based partially on client holdings in types of investments, including cash and cash equivalents. This results in a conflict of interest to the Firm since there is an incentive to use such investments for the Firm to secure a lower fee from Schwab, which would benefit the Firm but not the client.

## **Directed Brokerage**

The client may direct AWM 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 AWM (as described above). 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, AWM 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.

## **Trade Aggregation**

Transactions for each client generally will be effected independently, unless AWM decides to purchase or sell the same securities for several clients at approximately the same time. AWM may (but is not obligated to) combine or “batch” such orders to obtain best execution or to allocate equitably among the Firm’s clients differences in prices 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 AWM’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 AWM’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 US Securities and Exchange Commission. AWM does not receive any additional compensation or remuneration as a result of the aggregation.

If 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: (i) 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; (ii) 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; (iii) 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); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) 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; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) 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.

## ***Access Fund Brokerage Practices***

When AWM uses the services of broker-dealers to effect transactions, AWM selects brokers based on a number of factors, including, but not limited to, the size and type of transaction, the markets for securities to be purchased or sold, execution, efficiency, settlement capability, financial condition of the broker-dealer, the quality of the broker-dealer’s trade execution on a continuing basis and reasonableness of brokerage commissions. While AWM attempts to achieve the best overall price for its clients, AWM does not necessarily select a broker offering the lowest possible commission cost because such a selection may not result in the best quality execution of transactions effected for the Access Funds.

To the extent that orders for purchase and sale are placed, AWM aggregates such orders among affiliated Equity Funds, for investments made by the Equity Funds, and affiliated Credit Funds, for investments made by the Credit Funds, on a pro rata basis in accordance with the limited partnership agreement of the Access Fund.

AWM has no formal soft arrangements. However, AWM may receive certain research in exchange for brokerage business.

## **Item 13. Review of Accounts**

---

### **Account Reviews**

AWM monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Equity portfolios are managed to a model. Fixed income portfolios are more diverse and portfolio managers review accounts regularly and may be triggered by a high level of cash in an account. Reviews are conducted by the Firm's Principals, as well as a non-Principal financial advisors. All investment advisory clients are encouraged to discuss their needs, goals and objectives with AWM and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients 2-4 times a year but meets with clients at least annually to review its previous services and/or recommendations and quarterly 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. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from AWM and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from AWM or an outside service provider.

## **Item 14. Client Referrals and Other Compensation**

---

### **Client Referrals**

If a client is introduced to AWM by a solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from AWM's investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor is required to provide the client with AWM's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of AWM is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

## **Item 15. Custody**

---

All assets are held at qualified custodians, which means the custodians provide account statements directly to Clients at least quarterly. Clients are urged to compare the account statements received directly from their custodians to any documentation or reports prepared by AWM.

The Firm is deemed to have limited custody solely because advisory fees are directly deducted from Client's accounts by the custodian on behalf of AWM. AWM will obtain written authorization from Client to allow for such deductions.

The Firm has custody over assets invested in AWM's affiliated private funds/offerings (see Item 10 above). The private offerings are audited annually by a Public Company Accounting Oversight Board ("PCAOB") registered and inspected accounting firm. The audit reports are distributed to investors of these offerings upon completion.

## **Item 16. Investment Discretion**

AWM is given the authority to exercise discretion on behalf of clients. AWM is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. AWM is given this authority through a power-of-attorney included in the agreement between AWM and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold).

AWM takes discretion over the following activities:

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

### **Access Fund**

As investment adviser to the Access Fund, AWM is granted the discretionary authority in the relevant organizational documents and/or advisory agreements to determine which securities or other assets and the amounts of such securities or other assets that are bought or sold for the Access Fund.

## **Item 17. Voting Client Securities**

The Firm accepts the authority to vote a client's securities (i.e., proxies) on their behalf, and in a manner believed to be consistent with their best interests. At any time, clients may request information about how AWM voted proxies for that client's securities. The Firm's proxy voting policies and procedures are summarized as follows:

- Institutional Shareholder Services, Inc. ("ISS"), a third-party, independent proxy advisory firm, has been engaged to research proxy proposals, provide voting recommendations and vote proxies on behalf of AWM, with the aim of maximizing shareholder value for securities the Firm manages. AWM has reviewed ISS' current Proxy Voting Guidelines and agrees with the approach set forth therein on frequently presented proposals, including: election of directors; compensation of management and directors; financial reporting; corporate governance structure and anti-takeover measures; and environmental and social risks to operations. Although the Firm expects to vote proxies according to ISS's recommendations, certain proposals may need to be considered on a case-by-case basis due to the continually evolving nature of corporate governance; if such cases should arise, appropriate time and resources will be devoted to consider those issues.

- Where AWM is responsible for voting proxies on behalf of a client, the client cannot direct the Firm's vote on a particular solicitation. The client can revoke AWM's authority to vote his or her proxies, however. If there is a potential conflict of interest with respect to proxy voting, the Firm will take appropriate steps, whether by following ISS's third-party recommendation or otherwise, to ensure that voting decisions are made in the best interest of its clients and are not the product of any such conflict.

## **Item 18. Financial Information**

---

AWM is not required to disclose any financial information 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.