

Uniform Application for Investment Adviser Registration  
Form ADV Part 2A: Disclosure Brochure  
Item 1: Cover Page

**Ascensus Investment Advisors, LLC**

95 Wells Avenue, Suite 160  
Newton, MA 02459

Phone: 617-454-6400

Fax: 617-454-6353

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

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*This brochure provides information about the qualifications and business practices of Ascensus Investment Advisors, LLC ("AIA"). Questions about the contents of this brochure may be addressed directly with the firm by phone at 617-454-6400. Where this brochure may reference the firm's status as being registered, please note that registration by itself does not require any qualification. The information in this brochure has not been approved or verified by the SEC or by any state securities regulatory authority. Additional information about the firm is also available on the US Securities and Exchange Commission's ("SEC") Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2: Material Changes

The information contained within this document has been updated to reflect the firm's executive management as of July 2018. This document was last updated in March of 2018. There have been no material changes to the firm's management structure, business practices or its investment-related service offerings. Questions regarding the firm or the information contained within this brochure may be directed to the firm's management staff.

Clients (existing and potential) and other interested parties are strongly encouraged to review this document in its entirety prior to engaging in business with the firm and/or its affiliates. Although the structure of this document may differ from that provided by other investment advisers, readers should note that this brochure has been designed to meet State and Federal disclosure requirements. These requirements call for a narrative format and plain, simple-to-understand English. Again, any questions related to this brochure may be directed to the firm's management staff.

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## Item 4: Advisory Business

**Introduction:** Ascensus Investment Advisors, LLC ("AIA") provides investment management services for State government-administered qualified tuition plans, ABLE (Achieving Better Life Experience) Plans and State Sponsored Retirement Plans (SSRP) (collectively "Plans").

The 529 and 529A plans are established pursuant to Section 529 and 529A respectively of the Internal Revenue Code. Where the general public, as participants/investors, may seek to invest for educational and disability related expenses, Plans are often recommended due to certain tax advantages they provide.<sup>1</sup> Each Plan is administered by a state sanctioned body or official ("State Administrators") such as a State Treasurer's Office or State Board of Trustees. The State Administrators are empowered by state statutes to administer the Plans and the assets therein. AIA carries out its responsibilities in accordance with the direction of the applicable State Administrator for each Plan as well as any restrictions as set forth within the applicable Plan's offering document ("program description") for the Plan of record. The firm is also subject to the rules and regulations adopted by the applicable State Administrators and/or any other investment policies or directives that said State Administrators may establish or issue.

State sponsored retirement plans, like 529 and 529A plans, are administered by a state sanctioned body or official ("State Administrators") such as a State Treasurer's Office or State Board of Trustees. The State Administrators are empowered by state statutes to administer the Plans and the assets therein. AIA carries out its responsibilities in accordance with the direction of the applicable State Administrator for each Plan as well as any restrictions as set forth within the applicable Plan's offering document ("program description") for the Plan of record. State sponsored retirement plans are available to employers who do not offer a qualified plan to its employees.

AIA is a wholly owned subsidiary of Ascensus Group, LLC.

**Investment Management Process:** AIA's advisory services are limited to providing non-discretionary investment-related services to State Administrators. AIA's provides two levels of service to State Administrators:

- **Investment Oversight Only:** AIA will monitor the investments and advise investment partners of quantitative and qualitative analyses of the underlying investment options where AIA believes investment managers are not meeting expectations. AIA may also make non-discretionary recommendations to state administrators and investment partners on the underlying investment options.
- **Comprehensive Investment Management Services:** AIA is responsible for all aspects of managing the Plan's investments including manager search and recommendations, portfolio construction, investment monitoring and performance reporting. All investments must be selected, monitored and overseen in compliance with the applicable Plan's investment policy. Ultimately, all investment decisions are made by the Plan's State Administrators who are not bound to AIA's recommendations. .

AIA advises Plan sponsors on investment lineups contained within the Plan. A Plan's investment lineup may generally consist of one or more of the following options:

- **Age-Based Options (529 Plans):** An Age-Based investment lineup consists of a series of portfolios which are assigned to different beneficiary age bands. These portfolios become more conservative as the beneficiary ages and gets closer to college enrollment. The portfolios themselves remain static in terms of asset allocation with the participant moving from portfolio to portfolio as they age.
- **Year of Enrollment (529 Plans):** A year of enrollment portfolio allows the investor to select a targeted college enrollment year. In this option, the participant does not move from portfolio to portfolio. Rather, the portfolio's asset allocation is automatically adjusted over time to hold more conservative investments as the targeted enrollment year approaches.
- **Target Date Options (SSRP Plans):** A target date portfolio allows the investor to select a targeted retirement age. In this option, the participant does not move from portfolio to portfolio. Rather, the portfolio's asset allocation is automatically adjusted over time to hold more conservative investments as the targeted retirement age approaches.
- **Individual Portfolios (529 and SSRP Plans):** An individual portfolio allows the investor to select a single investment versus an allocated portfolio of multiple investments.
- **Risk-Based Asset Allocation Portfolios (529 and ABLE Plans):** A blend of investments typically designed to match a risk tolerance such as *Aggressive*, *Moderate*, or *Conservative*. These portfolios are static and do not adjust their allocations over time.

The underlying investments contained within the investment portfolios or investment options can be a combination of mutual funds, exchange traded funds, separately managed accounts and insurance company products. Although a portfolio or investment option may invest in a particular security, the investor does not own shares of that security. The investor owns units of the Plan's investment portfolio.

**Manager Search and Selection:** The State Administrator will create an investment policy for the Plan. AIA will work with the State and any investment partners to help design investment options and make recommendations for appropriate underlying investments that will meet the Plan's needs in accordance with the investment policy. When selecting investment managers and underlying investment products, AIA utilizes a five-parameter evaluation process called PROVE. These parameters are:

- Performance
- Risk
- Operations
- Volatility
- Expense

This process gives weight to the quantitative and qualitative metrics we consider when analyzing a fund or an investment process. The team reviews 30,000 mutual funds and ETFs quarterly for funds with greater than 5 years of performance history. The process uses different metrics for equity and fixed income products based on the strongest predictors of success. Each metric is measured against multiple time periods. The time periods are weighted to give more importance to metrics that are representative of both long-term and short-term track records. For example, a metric measured over 5 years would have more weight in the scoring process than a statistic that was only measured over 1 year (only showing short term), or a metric measured over 10 years (which may include results from economic conditions that do not exist today). While each metric may hold a different weight in the overall score, each of the five parameters holds an equal 20% weight.

Through this process, the Investment Management Team develops 'Best of List' comprised of the top 4-10 products in each category. The list is used as a reference when recommending new investment lineups or underlying investments.

**Investment Monitoring and Oversight:** AIA's Investment Team will monitor all investments in accordance with our investment monitoring process.

Monthly, the team will review the output of AIA's monitoring process which includes over 180 products contained within the Plans. The system codes the funds green or red (stop light methodology). Every month the team reviews and discusses any funds coded red and makes a determination regarding the need to place any of those funds on a formal watch list. Funds are coded red when their performance falls outside their tolerance bands. For an actively-managed fund, the tolerance band is a combination of the difference between the average return of its peer group and its primary benchmark. The tolerance also contains a floor (equity funds, 1.00% and fixed-income funds, 0.50%), and a ceiling (equity funds, 5.00% and fixed-income funds, 3.00%). Tolerances for passively-managed funds allow for the funds to trail their appropriate benchmarks by their net expense ratios plus 0.15%.

Funds coded red are discussed for potential inclusion on a watch list. The length of time that a fund appears on a watch list will determine if

it will be moved to the Action list. The Action list triggers a deeper analysis that requires AIA to further analyze the investment manager to understand the performance issues. If AIA is satisfied with the investment manager's response, AIA will leave the fund/product on the watch list. If AIA is unsatisfied with the investment manager's response, AIA will discuss that particular product with the investment partner. In instances where AIA is unable to gain comfort concerning the product's performance, AIA will bring it to the state's attention for further discussion.

If AIA is providing comprehensive investment services, AIA may recommend another investment to replace the current investment. That decision will be based upon AIA's assessment that another investment option better meets the needs of the Plan and the requirements of the investment policy.

If AIA is providing investment oversight only, it may suggest other investment options that may better meet the needs of the Plan and investment policy requirements..

The firm currently provides non-discretionary advisory services for twenty-one (21) State-administered plans with approximately \$69.8B in assets as of December 31, 2017. Please see Item 10 for further information regarding the firm's corporate structure.

## **Item 5: Fees and Compensation**

In consideration for its advisory services, AIA is paid fees pursuant to a contract that it or an affiliate has entered into with a State Administrator. AIA and its affiliate(s) reserve the right to negotiate such terms at the onset of each relationship. Where AIA may offer services in tandem with one or more of its affiliated companies, each fee arrangement is subject to periodic review with respect to the underlying services offered. AIA's services to Plans vary from plan to plan such that AIA and/or its affiliate(s) may perform more services to a particular Plan administered by one State Administrator than another Plan administered by another State Administrator. Some arrangements may require the firm or its affiliate(s) to utilize its recordkeeping, investment selection, and/or program administration services while other Plans might call for more basic services. Each plan and the services to be performed therein are reviewed in detail prior to engagement and an appropriate fee is negotiated at that time with the respective State Administrator. Please refer to Item 10 for more information about the firm's affiliates.

The advisory fee may be based on a percentage of the value of the underlying Plan assets under administration by the firm, or as otherwise contractually agreed to by the relevant parties. This fee includes AIA's advisory services as well as other services provided by the firm and/or its affiliates, including the aforementioned recordkeeping and program administration services. Fees are generally calculated on a daily basis and due monthly via direct invoice or automatic deduction from an account held by the State Administrator. AIA may also receive administrative service and recordkeeping fees from mutual funds and investment managers.

Where the underlying investment selections consist of no-load or load-waived shares of mutual funds (or other investments without sales charges), there are no additional brokerage fees charged in connection with the investment transactions in a Plan. However, as a mutual fund shareholder, each Plan does bear its proportionate share of the fees and expenses of the funds in which it invests. For further information regarding brokerage, please see Item 12 of this document.

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

Certain investment advisers may experience a conflict of interest in connection with the side-by-side or competitive management of accounts with varying fee structures. AIA does not charge any performance fees or manage accounts on a side by side/competitive basis.

## **Item 7: Types of Clients**

AIA's client-base consists solely of various State Administrators as previously mentioned in Item 4 of this document. AIA does not maintain a firm/client relationship with any Plan participant account owner or any other investment managers.

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

On a routine basis, the firm evaluates the performance investment selections and that of any State Administrator-selected third party investment manager(s). AIA analyzes publicly available information, third-party data, and relevant information provided by the investment managers. The Plan investment options generally fall into the following categories:

- **Age-Based Options (529 Plans):** An Age-Based investment lineup consists of a series of portfolios which are assigned to different beneficiary age bands. These portfolios become more conservative as the beneficiary ages and gets closer to college enrollment. The portfolios themselves remain static in terms of asset allocation with the participant moving from portfolio to portfolio as they age.
- **Year of Enrollment (529 Plans):** A year of enrollment portfolio allows the investor to select a targeted college enrollment year. In this option, the participant does not move from portfolio to portfolio. Rather, the portfolio's asset allocation is automatically adjusted over time to hold more conservative investments as the targeted enrollment year approaches.
- **Target Date Options (SSRP Plans):** A target date portfolio allows the investor to select a targeted retirement age. In this option, the participant does not move from portfolio to portfolio. Rather, the portfolio's asset allocation is automatically adjusted over time to hold more conservative investments as the targeted retirement age approaches.

- **Individual Portfolios (529 and SSRP Plans):** An individual portfolio allows the investor to select a single investment versus an allocated portfolio of multiple investments.
- **Risk-Based Asset Allocation Portfolios (529 and ABLE Plans):** A blend of investments typically designed to match a risk tolerance such as *Aggressive*, *Moderate*, or *Conservative*. These portfolios are static and do not adjust their allocations over time.

With respect to age-based options, year of enrollment and risk-based asset allocation portfolios, AIA may utilize investment analysis methods/philosophies including Capital Asset Pricing Theory and Mean Variance Optimization in its development of asset allocation recommendations to a State Administrator. In regards to manager search and selection as it pertains to underlying investments and individual portfolio recommendations, AIA reviews and analyzes a manager's long-term performance, investment management tenure, peer group comparisons, active returns relative to benchmark, expense ratios, historical risk and return characteristics, exposures to sectors and individual issuers, fee structure, and any other factors considered relevant. The firm may employ the services of third party investment managers and other consultants for their advice/management. Such information is generally disclosed at the onset of a relationship or as otherwise required by contract.

**Potential Future Changes to a Plan:** When applicable, each State Administrator reserves the right, in its sole discretion, to discontinue a Plan or to change any aspect of a Plan. For example, a State Administrator may, change a certain Plan's fees and charges; add or merge portfolios; close a portfolio to new investors; or change the underlying investments or target asset allocations of a portfolio. In addition, the firm may make changes, as mutually agreed upon by the firm and the State Administrators, to adjust for performance and/or overall cost.

On occasion, a State Administrator may request a change in the investment line-up of a Plan. During the transition from one underlying investment to another, a portfolio may be temporarily un-invested, therefore lacking market exposure to an asset class. During such a transition period, a portfolio may temporarily hold a basket of securities to the extent that the underlying investment from which it redeems chooses to satisfy the portfolio's redemption out of such investment on an in-kind basis. In such an event, a State Administrator will seek to liquidate the securities received from the underlying investment as promptly as possible to ensure that the proceeds are promptly invested in the replacement investment. The transaction costs associated with such liquidation, as well as any market impact on the value of the securities being liquidated will be borne by the portfolio and the accounts invested in such portfolio. An underlying investment from which a portfolio redeems may impose certain redemption fees. In such an event, the portfolio, and accounts invested therein, will bear such redemption costs.

**Change in Status of Federal and State Law and Regulations Governing a Plan:** Federal and state law and any underlying regulations therein that govern the administration of Plans are subject to change. It is possible that Congress, the Treasury Department, the IRS, and/or federal or state courts may take action that will affect the tax treatment of Plan contributions, earnings, withdrawals, or the availability of state tax deductions. In addition, federal and state laws on related matters, such as the funding of higher education expenses, treatment of financial aid, and tax rules, are subject to change. It is unknown what effect these kinds of changes could have on Plans.

**Securities Investment-Related Risks:** Each portfolio has its own principal investment strategy and, as a result, its own risk and performance characteristics. A portfolio's risk and potential return are functions of its relative weightings of equity, fixed income, and money market investments. In general, greater exposure to equity investments creates a higher risk (especially short-term volatility) and potential for higher returns over the long-term. The more exposure a portfolio has to fixed income and money market investments, the lower its risk and its potential long-term returns. There are also variations in risk/return levels within the equity and fixed income categories. For example, international equities typically have higher risk levels than domestic equities.

**ETF and Mutual Fund Risk:** : Exchange traded funds ("ETFs") and mutual funds are subject to investment advisory and other expenses, which will be indirectly paid by clients. As a result, the cost of our investment strategies will be higher than the cost of investing directly in ETFs or mutual funds, as there are two levels of fees. ETFs and mutual funds are subject to specific risks, depending on the nature of the fund.

ETFs and mutual funds are professionally managed pooled vehicles that invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. Fund managers trade fund investments in accordance with fund investment objectives. Risk can be significantly increased for funds concentrated in a particular sector of the market, or that primarily invest in small cap or speculative companies, use leverage (i.e., borrow money) to a significant degree, or concentrate in a particular type of security (i.e., equities), rather than balancing the fund with different types of securities.

ETFs can be bought and sold throughout the day like stocks, and their price can fluctuate throughout the day. During times of extreme market volatility, ETF pricing may differ from the actual underlying asset values. This difference usually resolves itself in a short period of time (usually less than one day); however, there is no guarantee this relationship will always occur.

**No Guarantee of Principal or Earnings; Not Insured:** The value of a Plan account may increase or decrease over time based on the performance of the portfolio(s) selected. It is possible that, at any given time, a Plan account's value may be less than the total amount contributed. Neither the Plan nor any of its associated persons make any guarantee of, or have any legal obligations to ensure, a particular level of investment return.

**Limited Investment Direction:** An account owner/participant may not direct the underlying investments of a portfolio. The ongoing money management is the responsibility of the respective State Administrator.

**Limited Liquidity:** Investments in a Plan, are considered less liquid than other types of investments (for example, investments in mutual fund shares), because the circumstances in which an account owner may withdraw money from a Plan account without a penalty or adverse tax consequences are significantly more limited. Investment allocations are reviewed on a routine basis by the firm's investment analysis group and its investment committee. Any rebalancing/reallocation or other substantive change in plan or fund disposition is reported to clients on an immediate basis. Existing/prospective participants, and other interested parties are strongly encouraged to review the most current program description for each Plan of interest. Such information may be obtained via the internet or by contacting the firm directly.

#### **Item 9: Disciplinary Information**

AIA and its personnel have not been involved in any legal or disciplinary actions that a) require disclosure and/or b) might otherwise be deemed material to one's evaluation of the firm or the integrity of its personnel. Such information would otherwise be reported herein. Further information regarding the firm, its personnel, and its affiliates may be obtained by visiting the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), FINRA's BrokerCheck website at <http://brokercheck.finra.org>, and/or the SEC's Electronic Data Gathering, Analysis, and Retrieval System (EDGAR) website at [www.sec.gov/edgar/searchedgar/companysearch.html](http://www.sec.gov/edgar/searchedgar/companysearch.html) and searching by firm name. Such information may also be obtained by contacting the firm directly.

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

AIA is affiliated with the following entities:

**Ascensus Broker Dealer Services, LLC** ("ABD"): ABD is a SEC-registered broker-dealer and has been a member of FINRA since July 1994. ABD is also a member of the Municipal Securities Rulemaking Board ("MSRB"), the Securities Investor Protection Corporation ("SIPC"), and National Securities Clearing Corporation ("NSCC"). ABD is authorized to engage in the business of a municipal securities broker with respect to the sale of securities issued by Internal Revenue Code Section Plans, which are pooled investment funds established as trusts by state or local government entities and higher education savings plan and or ABL trusts established by states.

**Ascensus College Savings Recordkeeping Services, LLC** ("ACRS"): ACRS is a SEC-registered transfer agent. The firm was registered in January 2013. ACRS provides certain recordkeeping and other administrative services in tandem with AIA and ABD. These services include maintaining participant-related account records, processing of account-related paperwork and other instructions, and communication/coordination with business partners and clients with respect to daily business and transaction-based activity. Further information regarding the firm, its management, and its services may be obtained by visiting the SEC's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) website <http://www.sec.gov/edgar.shtml>.

**Ascensus Financial Services, LLC** ("AFS"): AFS is a wholly owned subsidiary of ExpertPlan, Inc., which is a wholly owned subsidiary of Ascensus, Inc., which operates as a broker-dealer. Although both AFS and ABD are regulated broker-dealers, AFS operates separate and apart from ABD, AIA, and ACRS. There is no affiliation between AFS and AIA (and its affiliates) other than through common ownership.

**Ascensus Trust Company** ("ATC"): ATC is an Ascensus, Inc. wholly owned trust company specializing in the support of employee benefit plans. The firm is regulated by the North Dakota Department of Financial Institutions. ATC operates separate and apart from ABD, AIA, and ACRS. There is no affiliation between ATC and AIA (and its affiliates) other than through common ownership.

Although the firm may recommend the services of and maintain relationships with certain third party investment managers, such arrangements do not carry any additional fee arrangements or pose any known conflicts of interest.

#### **Item 11: Code of Ethics/Participation/Interest in Client Transactions/Personal Trading**

Pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, the firm has adopted a Code of Ethics which requires firm personnel to maintain certain standards of ethics and which reflects the firm's fiduciary duties and obligations to clients. Firm personnel must provide written acknowledgement of the Code of Ethics to the firm.

Although the firm and its personnel may maintain certain securities holdings that are similarly held by the various Plans, the firm monitors the personal securities transactions of certain personnel in an effort to identify and resolve any potential conflicts of interest. A review copy of the firm's Code of Ethics may be obtained by request.

## Item 12: Brokerage Practices

AIA does not select broker-dealers for clients. However, the firm will recommend the services of certain third party broker-dealers, investment advisers, and/or investment companies ('third party service companies') where/when appropriate. These recommendations may be made where the firm has a pre-existing relationship with, or knowledge of, the third party service company's capabilities and offerings. The firm does not make such recommendations on the basis of any monetary or other compensation-based arrangement which could create the potential for conflict of interest.

The selection of any third party service company remains the sole decision of the State Administrator and their selected investment manager(s). Such decisions may incur greater (or lesser) costs than expected. Where the majority of securities transactions for a Plan involve open-end investment company (mutual fund) shares, such transactions are often a major operational component of the selected investment manager and/or any vendors it has contracted with. Accordingly, AIA cannot make recommendations or guarantees relative to the quality or pricing of execution or cost per share basis.

As the underlying funds will incur various administrative and other service-based fees, each Plan is expected to absorb such costs. AIA will not benefit in any way from such charges or costs. AIA does not receive research or participate in any transaction-based exchange for services (*soft dollars*) with any third party service company. As mentioned previously, any and all brokerage arrangements remain the exclusive domain of the State Administrator and/or the selected investment manager(s) of record.

## Item 13: Review of Accounts

Each Plan portfolio is monitored and reviewed on a regular basis by the firm's investment analysis group (which may include third party investment managers/advisers) in coordination with the firm's investment committee. The underlying portfolios are reviewed in detail quarterly or more often as necessary. The firm will also hold regular meetings with the respective State Administrators on any necessary changes/concerns. On a quarterly basis, the firm will review a number of reports designed to identify underlying investments and those portfolios that are outside the expected ranges for returns, have exposure to certain asset classes, and those with exposure to certain industry sectors. Additional portfolio review may be triggered if the market, political, or economic environment changes materially. The investment committee is convened on a quarterly basis (or more often as needed) to review performance, client requests, and future goals/needs.

**Review of Asset Allocations and Portfolios:** On an annual basis, AIA reviews the percentage allocations for each Plan's portfolio (as defined in the applicable Plan management agreement) and the selection of underlying funds (also as defined in the applicable program management agreements). After performing such reviews, AIA recommends to the state Plan administrator changes, if appropriate, to the percentage allocations for each portfolio and/or the addition, retention or elimination of specific underlying funds. In particular, AIA, in cooperation with the relevant investment managers, conducts a quantitative and qualitative evaluation of the underlying funds, which may include, among other things, their composition, performance, asset classes, fees and charges. AIA may also conduct a review of the selected investment managers/advisers' skills, knowledge, experience, personnel, capital and financial condition. After each evaluation of an underlying fund, AIA determines whether to recommend changes to the matrix of underlying funds for each portfolio in light of the investment objective(s) of the portfolio. AIA also evaluates current market conditions to determine whether to recommend changes to the percentage allocations for each portfolio. All recommendations are proposed to the State Administrators of record for approval

**Monitoring and Review of Performance and Underlying Funds:** AIA conducts periodic reviews of underlying fund performance and monitors underlying funds for any significant or material events. If any unpredicted activity is detected, the underlying fund will be put under more extensive watch and scrutiny to ensure that said fund is managed according to its prospectus and in keeping with the Plan's objectives. The firm will promptly inform the applicable State Administrator of any findings and make recommendation(s) on what actions to take to remedy the issues.

**Review Industry Trends:** AIA periodically reviews industry trends in terms of fee structure and available investment options and reports the findings to the State Administrator, if warranted.

**Rebalancing:** Taking into account any factors that it deems appropriate, AIA may rebalance a Plan's portfolios in accordance with the approved allocations provided by the State Administrator and the investment policy statement for the particular Plan. All recommendations are subject to the State Administrator's approval.

**Interaction with State Administrators:** As part of its responsibilities, AIA periodically consults with the State Administrator regarding the percentage allocations for each of its plan portfolios and the condition and outlook of each underlying fund. In addition, AIA, when requested, will prepare and deliver operational performance measurement reports for the preceding calendar quarter and a similar report for the preceding program year.

## Item 14: Client Referrals and Other Compensation

AIA does not receive any economic benefits from non-clients in connection with the provision of investment advice or other advisory services to State Administrators. The firm does not compensate third parties for client referrals.

### **Item 15: Custody**

All Plan assets for which AIA provides advisory and/or other services are held in custody by unaffiliated banks and other financial institutions (“qualified custodians”) pursuant to a custodial agreement. The firm does not maintain possession of client cash or securities. However and where AIA may act as an agent on behalf of the program’s State Administrator and thus direct the movement of funds in support of the recordkeeping and administrative responsibilities delegated to it under the applicable Plan program agreement, AIA is considered to have indirect custody of client assets.

Assets held in such a fashion are subject to a surprise examination by an independent public accounting firm on an annual basis. Both the accounting firm and AIA are subject to statutory and ethical constraints which require the utmost care and concern with respect to the assets under management. Accordingly, the firm requires each qualified custodian and any other participating entities to prepare and send account statements on quarterly basis. These statements and any other reporting should be reviewed carefully and compared to other account information for consistency. Questions and/or concerns regarding such material may be addressed directly with the firm.

### **Item 16: Investment Discretion**

Except in connection with periodic rebalancing transactions made pursuant to a Plan’s investment policy statement, AIA does not exercise investment discretion in connection with assets in the Plans it provides services. AIA does not have any discretionary authority to create, alter, or eliminate holdings within a Plan, but may recommend investment strategies and changes to the underlying funds offered. All management authority regarding the investments-options in a Plan remains the responsibility of the State Administrator or their designated authority.

### **Item 17: Voting Client Securities**

In accordance with its fiduciary duty to its State Administrator clients and Rule 206(4)-6 of the Investment Advisers Act (1940), AIA has adopted and implemented written policies and procedures governing the voting of securities held within the various Plan programs. All proxies received by AIA are treated in accordance with these policies and procedures. State Administrators generally reserve the right to vote their own proxies. It is AIA’s general policy that the decisions on voting of shares of all underlying funds in the Plan program portfolios are made by the respective State Administrators. In the event that AIA does not receive direction from a State Administrator, AIA will contact the State Administrator for clarification.

Upon a written request from the State Administrator or their designee, AIA shall provide consultation with respect to specific matters relating to the exercise of voting. In some instances, AIA will physically vote the proxies for securities held in a Plan program per the State Administrator’s specific instruction. In such cases, AIA will then provide an annual report to the State Administrator or its designee detailing how the proxies were voted for securities held in the program during that year. AIA will only vote after consultation with the State Administrator. State Administrators may also take responsibility for voting their own proxies at any time. The firm will provide a copy of its proxy voting policies and procedures upon request.

Please note if the underlying investment product is a separately managed account holding equities, AIA will work with the State Administrator to delegate proxy voting to the separately managed accounts investment manager.

### **Item 18: Financial Information**

AIA does not require or solicit the prepayment of service fees. The firm has never filed for bankruptcy or been subject to any similar financial condition(s) that might impair its ability to administer Plan program assets. Questions related to the firm’s financial condition may be addressed directly with senior management.

### **Miscellaneous**

As an investment adviser, AIA is deemed to hold a fiduciary obligation to its clients. Accordingly, the firm has mandated several policies regarding the treatment of plans, assets, accounts, and the security of any non-public or personal information therein. AIA prohibits the release of any client-related non-public or personal information to third parties unless authorized by the client or as otherwise required by law. In addition to this policy, the firm has also implemented a business continuity plan to ensure the rapid resumption of business in the event of a disruptive event. The firm remains committed to its advisory business and welcomes any requests regarding copies of the firm’s privacy and/or business continuity planning practices.

This document has been prepared in accordance with state and federal disclosure requirements. Questions and/or concerns regarding its content or requests for further information about the firm and/or its personnel may be addressed directly with the firm.



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95 Wells Avenue, Suite 160  
Newton, MA 02459

Phone: 617-454-6400

Fax: 617-454-6353

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

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*This supplemental portion of the Form ADV Part 2 disclosure brochure provides information about the qualifications and business practices of Ascensus Investment Advisors, LLC ("AIA"), its executive management, and other key personnel. Please see Item 2 of this supplement for a complete listing of these individuals by name, their educational background, and business experience. Questions about the contents of this brochure may be addressed directly with the firm by phone at 617-454-6400. Where this brochure may reference the firm's status as being registered, please note that registration by itself does not require any qualification. The information in this brochure has not been approved or verified by the SEC or by any state securities regulatory authority. Additional information about the firm is also available on the US Securities and Exchange Commission's ("SEC") Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2: Educational Background and Business Experience

Ascensus Investment Advisors, LLC (“AIA”) maintains strict standards with respect to the professional background of those that represent the firm. These standards include certain educational and/or business experience requirements that reflect a strong commitment to professional development. Each of the following individuals has demonstrated their compliance with these requirements.

**Kevin D. Cox, *President/Chief Executive Officer*:** Mr. Cox (born 1971) is responsible for the vision, strategy, leadership, and growth of Ascensus’ government savings division. He joined Ascensus in 2003 and has nearly 25 years of operational and relationship management experience in the financial services industry. Since joining Ascensus, Cox has served in a variety of roles; he has been instrumental in leading and developing the organization throughout the company’s rapid growth for the past decade. Cox holds a bachelor’s degree in Economics and English from Lehigh University and graduated with honors from the Boston College Carroll Graduate School of Management master’s program. He also holds his FINRA Series 26, 7, and 63 licenses.

**George Ducasse, *Senior Vice President Client Relationship Management*:** Mr. Ducasse (born 1969) leads the firm’s Client Relationship Management team that helps maintain the relationships between the Firm and state Plan administrators. Mr. Ducasse joined the Firm in 2007 and has over 25 years financial services industry experience. Prior to joining the Firm, Mr. Ducasse worked for Voya Financial as a Senior Relationship Manager for the states of Michigan, Hawaii and Georgia in support of their 457 and 401(k) retirement programs. Mr. Ducasse’s career began in the United States Marine Corps, where he served in the Reserves for six years. Mr. Ducasse earned a B.S. from Bridgewater State University and an M.B.A. from Suffolk University.

**Sandra I. Madden, *General Counsel/Senior Vice President/Secretary*:** Ms. Madden (born 1966) is the general counsel of the firm. She is responsible for the delivery of legal services to the company. This includes management of the legal department, which provides legal support in connection with state-based savings plan launches, conversions, and day-to-day state-based savings plan operations. Madden joined Ascensus in 2012 and brings extensive knowledge of securities laws, corporate governance, and compliance issues related to investment companies, investment advisors, and investment-related service providers. She has been an attorney in the financial services industry for the past 20 years. Prior to joining Ascensus, Madden was general counsel for registered investment advisor Quantitative Investment Advisors, Inc., where she provided legal advice relating to the Investment Advisers Act of 1940 and Investment Company Act of 1940, the in-house transfer agent, and broker-dealer. She was also responsible for all aspects of mutual fund board governance and filings with the SEC. In addition, she oversaw the relationship with the Board, provided presentations to the Board, and led Board meetings. She also acted as corporate secretary of the Fund and was a member of the valuation committee of the Fund. Madden received her Juris Doctor degree from Suffolk University Law School and her undergraduate degree in Business Administration from the University of Massachusetts at Amherst. She is a member of the Massachusetts and New York Bar Associations.

**Margaret B. Creonte, *Senior Vice President-Business Development*:** Ms. Creonte (born 1966) is responsible for new business development, expansion of services for the current client base, and strategic corporate partnerships. Ms. Creonte has held a variety of essential roles with the firm including those related to systems analysis and investment platform management. She has led the firm’s Plan conversion process from data conversion to plan implementation and custom platform development for clients. Prior to joining the firm in 2004, Ms. Creonte managed internal business systems for Advanced Micro Devices. Her responsibilities included oversight of business systems for manufacturing quality, finance, and human resources. Ms. Creonte holds a B.S. in Electrical Engineering from Tufts University and an M.B.A. from Cornell University.

**Michael R. Folmer, *Treasurer/Vice President, Tax and Finance*:** Mr. Folmer (born 1956) joined the firm in 2015 and concurrently serves as Vice President and Tax Director. Mr. Folmer is responsible for taxation for both the firm and its affiliated entities and is a licensed CPA. Folmer holds a degree in Business Administration and Accounting from Penn State University, a master’s degree in Taxation from Villanova University, and an MBA from Mount Saint Mary’s University.

**Robert B. Kaplan, *Chief Compliance Officer*:** Mr. Kaplan (born 1957) joined the firm since June 2018 and currently serves as chief compliance officer at the corporate level and across multiple lines of business, including 529 college savings plans and other government-sponsored savings plans. He is also responsible for the broker-dealers (Ascensus Financial Services, LLC and Ascensus Broker Dealer Services, LLC); the investment advisor (Ascensus Investment Advisors, LLC); the transfer agent (Ascensus College Savings Recordkeeping Services, LLC); the trust companies (Ascensus Trust Company and Provident Trust Group); and the development of a corporate program to ensure compliance with applicable regulations. In a career that spans more than 30 years, Kaplan was most recently associated with FINRA, where he served for 11 years as vice president and district director for the FINRA district office located in Philadelphia. He initially joined FINRA in 2000, serving as deputy director and acting director of the New York district office. Prior to his association with FINRA, Kaplan served as the first counsel and chief compliance officer for Fiserv Securities, Inc. (“FSI”) f/k/a/ BHC Securities, Inc. and in a variety of senior management positions culminating with his appointment as senior vice president in 1999. In addition to his duties at FSI, Kaplan was secretary of BHC Financial, Inc., the publicly traded parent company of BHC Securities, Inc. until its acquisition by Fiserv, Inc. in 1997. He also served as secretary of Fiserv Investor Services, Inc., the retail brokerage affiliate of FSI. In that capacity, he was responsible for oversight of their compliance program. Kaplan holds a B.A. in History from Temple University and a Juris Doctor from Villanova University School of Law. He also attended the FINRA Institute at the Wharton School of the University of Pennsylvania, where he was designated a Certified Regulatory and Compliance Professional.

**Paul Souppa, ChFC<sup>®</sup>, Investment Analyst:** Mr. Souppa (born 1975) joined the firm in January 2017. He has spent more than 18 years working in the financial services industry. He began his career at State Street in 1998 where he spent 5 years working in the Fund Accounting and the Performance and Analytics Groups. After a couple years working for BBR Partners and Deutsche Bank, he began working in the Institutional Investment Services Group at the company that later became Voya Financial, where he spent more than 11 years. Mr. Souppa was responsible for Investment and Performance Analysis for more than 100 Institutional 401k clients in the Small/Mid and Large Corporate Markets. Mr. Souppa holds a FINRA Series 6 license, a BA in Finance from the University of Massachusetts-Amherst, an MBA from the McCallum School of Business at Bentley University, as well as the ChFC<sup>®</sup> designation.

### **Item 3: Disciplinary Information**

Firm personnel are subject to the firm's Code of Ethics and policies regarding business conduct. Each representative must conduct their activities to the highest degree of professionalism and remain free of any legal or disciplinary issues/events that could be deemed material to one's evaluation of the firm and/or its personnel. The firm conducts regular screening of such persons to ensure consistency with this policy.

### **Items 4 & 5: Other Business Activities & Additional Compensation**

Firm personnel may participate in any number of unrelated business activities on a compensated or voluntary basis. However, such persons are subject to a strict disclosure requirement. These disclosures are carefully vetted by the firm's compliance department to mitigate any conflicts of interest and/or unethical practices.

Although firm personnel may carry licenses as registered representatives with the firm's affiliated broker-dealer, such persons do not participate in any investment related commission-based compensation arrangements or receive any similarly appointed financial benefits of any kind. The firm's management personnel devote one hundred percent (100%) of their time to firm business.

### **Item 6: Supervision**

Firm personnel are subject a strict policy of supervision. Each representative must regularly report to their supervisor and remain available for review by senior management. Supervisors and senior management host regular meetings to discuss performance, new requirements, and other issues related to firm representatives. Any and all issues related to the conduct of firm personnel may be addressed directly with the firm's Chief Compliance Officer and/or other members of senior management.

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