

**Item 1: Cover Page**

**PART 2A OF FORM ADV  
FIRM BROCHURE**

**ASHFORD CONSULTING GROUP, INC.**

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This Brochure provides information about the qualifications and business practices of Ashford Consulting Group, Inc. If you have any questions about the contents of this brochure, please contact us at (302) 691-0228. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Ashford Consulting Group, Inc. is a registered Investment Adviser. Registration of an Investment Adviser does not imply a certain level of skill or training. The oral and written communications of an Adviser provides information to assist in the process of determining whether to hire or retain an Adviser.

Additional information about Ashford Consulting Group, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Material Changes**

This Brochure dated October 26, 2017 is an update to the Brochure dated November 29, 2016.

In the past year there have not been any material changes. We may further provide other ongoing disclosure information about material changes as necessary.

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

Currently, our Brochure may be requested by contacting the Operations Manager at (302) 691-0228 extension 171.

Additional information about Ashford Consulting Group, Inc. is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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#### **Item 4: Advisory Business**

Ashford Consulting Group, Inc. (ACG), a Delaware Corporation, was originally founded in November 1979 as a division of Ashford Capital Management, Inc. (ACM) by Theodore H. Ashford, the principal owner, Chairman and CEO. ACG was spun-off and formed as a separate corporation on March 31, 2004. There are four other employees with ownership, each of whom owns less than 25% of the company. ACG has one office in Wilmington, Delaware.

ACG provides customized investment consulting and advisory services to pension funds, endowments, foundations and other institutional investors. These services cover advice and recommendations on commingled investment vehicles, asset classes, including allocation levels and investment management firms who execute various strategies. In addition, the business involves overseeing recommendations to clients and analyzing investment performance results with clients. ACG generally does not provide advice on specific securities of any asset class. However, for certain clients, advice is given as it relates to limited partnerships and other private investment vehicles which invest in private equity, venture capital, long short equities, multi-strategy, and other alternative investment strategies. Occasionally, advice may be given for a specific client relating to exchange traded funds or notes (ETFs or ETNs).

Advisory Services are provided for Client accounts based on a client's needs and expectations. A strategy is developed from, but not limited to, understanding a client's liability responsibilities, risk tolerance, return expectations, liquidity requirements and investment guidelines. Clients may impose restrictions on investing in certain securities or types of securities.

As of September 30, 2017, ACG advised on assets of \$14,855,877,000 on a consulting basis and managed client assets of \$223,004,000 on a discretionary basis.

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

ACG is compensated for its consulting and advisory services through a combination of fixed fees and a percentage of assets based on the size and relative complexity of the client relationship. Advisory fees are negotiable and may vary according to the client's investment objectives, investment strategy, the dollar amount of assets managed, the scope of services provided, and other competitive factors.

Clients are billed directly for fees incurred either monthly or quarterly in advance depending on the negotiated terms of the contract. All accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Termination notice requirements are negotiated on a contract by contract basis. If a client terminates a contract prior to the end of a billing period, any prepaid unearned fees will be refunded.

**Other Fees/Expenses**

ACG's fees exclude brokerage commissions, transaction fees, and other related costs and expenses, which are borne by the client. Clients will incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by managers, custodial fees, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and security transactions. Mutual funds, exchange traded funds or notes, and alternative investment vehicles also charge internal management fees, which are disclosed in a fund's offering documents. Such charges, fees and commissions are exclusive of and in addition to ACG's fee, and ACG shall not receive any portion of these commissions, fees and costs. ACG works with client's service providers to minimize these fees.

**Item 6: Performance-Based Fees and Side-By-Side Management**

Ashford Consulting Group, Inc. does not receive any performance based fees.

**Item 7: Types of Clients**

ACG provides investment advice to pension funds, endowments, foundations and other institutional investors.

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

ACG is engaged in the business of providing investment consulting services and advice to large institutional investors. ACG provides advice on risk management, asset class selection and asset allocation, separate account investment manager selection and monitoring, commingled and illiquid investment vehicle manager selection and monitoring, alternative asset strategies, and the likely interaction among these investment types.

ACG's philosophy is that asset allocation is the primary driver of investment performance and the appropriate allocation mix is unique to each client. The ACG investment approach focuses on controlling risk within a client-agreed definition of risk tolerance, while striving to achieve superior long term returns – in other words, better long term results on a risk adjusted basis.

ACG's process utilizes forward looking estimates of long term returns for a wide array of asset classes and strategies, while tracking estimates of the contributors to overall portfolio risk from each of the total fund's existing and potential investments. Capital is opportunistically allocated towards asset classes with attractive risk-return characteristics utilizing continuous analysis and forward looking risk and return assessments.

Analytical methods employed for investment opportunities include a complete review of an investment manager's management organization, in-depth research on the investment opportunity to be pursued, the merits of the investment methods to be used to generate returns and the suitability of the investment terms. Any investment to be recommended to clients takes into account each client's investment objectives, risk tolerance, time horizon and comfort level with respect to an investment's role in overall portfolio diversification.

Any investment in securities involves the risk of loss of interest and/or initial capital and clients should be prepared to bear any such losses. Some of the principal risks involved include but are not limited to: market risk, business risk, stock risk, credit risk, portfolio or asset class risk and illiquid investment risk. Below is a brief description of these risks.

*Market Risk:*

The value of any investment may fluctuate daily based on global economic conditions, changes in interest rates, inflation and currency rates and movements in public market exchanges.

*Business Risk:*

An investment in any company has the possibility of incurring loss from its operations from factors or circumstances beyond its control. This includes competition, adverse economic conditions, changes in regulation, financing arrangements, internal conflicts and disruption or damage from potential failure of its information technology systems.

*Stock Risk:*

The potential for loss in the value of an investment due to market wide movements from massive volume-based buying and selling by institutions, political events, earnings releases and perceived earnings strength.

*Credit Risk:*

Fixed Income investments in a company can fluctuate in value due to changing corporate circumstances (balance sheet, cashflow and earnings) and from changes in investor demand for similar credit investments.

*Portfolio Risk:*

Any group of investments has the potential of failing to meet its financial objectives and expected rate of return.

*Illiquid Investment Risk:*

Alternative assets such as limited partnerships, real estate and other private investment vehicles may be illiquid or subject to lockups, and are not governed by the same regulatory requirements as registered investment vehicles. Since these investments do not have readily available markets, clients should anticipate holding such investments for the life of the investment vehicle or until the next available opening, as laid out in the governing documents of the vehicle. As a result, these investments involve longer term exposures to the above risks, in addition to the risk of adverse changes in the investment management organization sponsoring the illiquid investment. Clients must understand that they will face all of these risks for the duration of each illiquid investment. To the extent that illiquid investments require funding drawn at the discretion of the manager, clients also need to manage their available liquidity to meet such draws.

## **Item 9: Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Ashford Consulting Group, Inc. or the integrity of ACG's management. ACG has no information to disclose related to this item.

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

Theodore H. Ashford, Chairman and CEO of ACG, is also Chairman of Ashford Capital Management, Inc. (ACM), a registered investment adviser providing discretionary investment management services. A conflict could arise if ACG recommended ACM as a discretionary investment manager to its clients. However, it is the policy of ACG to strictly prohibit the recommendation of ACM to its clients.

ACG has in the past recommended to a client a venture capital investment fund whose managing partner is an advisory director to and an investor in Ashford Capital Partners, L.P. (ACP), and an investor in Osprey Investment Partners, L.P. (OIP). ACP and OIP are investment partnerships, whose investment adviser is ACM; an entity related to ACG by virtue of Theodore H. Ashford's voting control of both entities. In this situation where principals have another role through common affiliations, an incentive to favor the venture fund may exist. However, ACG has implemented policies and procedures to ensure that ACG performs its duties in a manner that is fair and appropriate to the firm's investment strategy and client investment guidelines. These include the fiduciary duty to the client, the fiduciary duty of a client's investment committee to its organization, the approval of ACG's investment recommendations by a client's investment committee, monitoring client investments and objectives, etc. It is always the intention of ACG to perform its duties in a manner that is in the best interests of its clients.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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ACG has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, and personal securities trading procedures. All supervised persons at ACG must acknowledge the terms of the Code of Ethics annually, or as amended. ACG's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the Chief Compliance Officer at (302) 691-0228, extension 102.

A principal of ACG may from time to time buy interests in limited partnerships that ACG recommends to consulting clients. This could create an opportunity for preferential treatment if not monitored. The principal is required to disclose any such transaction in advance to the client and the transaction must be on the same terms as are generally available to other

investors. Additionally, all such security transactions must be pre-approved by the Chief Compliance Officer and reported to the Chief Compliance Officer on a quarterly basis. While ACG does not generally engage in the trading of exchange-traded securities on behalf of its clients (except for occasional use of ETFs and ETNs for a specific client), ACM does, and a common affiliation exists between the two companies. Additionally, ACG utilizes the shared services of certain ACM administrative personnel and the two companies are located in the same building. Therefore, ACM's Code of Ethics is considered to be an integral part of ACG's Code of Ethics and must be followed by all personnel of ACG.

Because of the aforementioned relationship, ACG recognizes that a conflict may arise in that its employees may invest in securities recommended to ACM clients. Employees of ACG could potentially have a direct or indirect position of interest in securities recommended by ACM to its clients. Subject to satisfying the code of ethics policy of both companies and applicable laws, officers, directors and employees of ACG and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for ACM's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of ACG will not interfere with (i) making decisions in the best interest of ACM advisory clients and (ii) implementing such decisions which, at the same time, allows employees to invest for their own accounts. The Code requires pre-clearance of most transactions, and restricts trading in close proximity to ACM client trading activity. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of ACM's clients. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between ACG employees and ACM clients.

### **Item 12: Brokerage Practices**

ACG does not generally engage in the activity of trading exchange-traded securities. However, for a specific client, ACG occasionally trades ETFs and ETNs. All such trades are executed through the client's trust account utilizing electronic exchanges that place the trades with the best price available.

### **Item 13: Review of Accounts**

Account reviews are conducted by the President and COO, and the firm's three Vice Presidents. Performance results for all portfolio managers and a client's total fund are reviewed monthly for accuracy and relative to appropriate index benchmarks. On at least a quarterly basis, each client's investment managers are evaluated against benchmarks and a peer group and a detailed review takes place for each investment manager. This includes risk-adjusted return analysis, style analysis, and a review of each investment firm and covers: organization, portfolio contents and changes, personnel changes, legal and guideline compliance. In the event that performance of a manager does not meet expectations, or if there are developments within a



firm, such as key personnel changes, the firm is placed on the Exception Manager list. This list is followed up with a more in-depth review, involving detailed information gathering with respect to the exception issue and is generally followed up with a face-to-face meeting or at minimum a conference call.

Written reports to clients consist of a detailed quarterly report reviewing investment market conditions, total account results and adherence to long term investment objectives, total account risk measures, the account's asset class and manager distribution, an attribution of total fund returns, and a review of each investment manager and their returns relative to peers, benchmark and objectives on a nominal and risk-adjusted basis.

In addition to detailed monthly information provided directly by a client's custodian, clients can, depending on their negotiated service level, receive monthly reports on their account that summarize asset distribution and monthly results, risk attributes and adherence to long term objectives. Other quarterly reports that can be made available to clients, as applicable, include, but are not limited to, a private equity investment summary (if applicable), a hedge fund review, the firm's detailed Manager Analytics performance measurement reports and a derivatives summary.

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

ACG does not provide any economic benefit nor compensate any person, directly or indirectly, for client referrals.

#### **Item 15: Custody**

ACG does not have physical custody of any client assets and all funds and securities are held with third party trustees or qualified client custodians. Additionally, ACG does not have any discretionary authority for all but two clients. For those clients where it does have investment discretion, the authority only extends to the ability to instruct the client's custodian to invest funds in commingled investment vehicles, occasionally ETFs or ETNs, or with investment management firms who manage certain asset class exposures or strategies. ACG is not deemed to have custody under any circumstances.

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

ACG primarily serves in an advisory capacity and does not manage client assets. For two clients, ACG's discretionary authority is to manage asset class exposures via commingled investment vehicles, occasionally ETFs or ETNs, or with investment management firms who manage certain asset class exposures or strategies. There is a signed advisory agreement with the client and allocation/investment discretion is exercised consistent with the stated investment guidelines as part of the contract. Subsequent to ACG Investment Committee approved recommendations, any investment instructions require two ACG officer's/shareholder's

approval. All investing activity for discretionary clients is limited to issuing trading instructions to the client's trustee or custodian.

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

As a matter of practice, ACG does not have any authority to vote proxies on behalf of advisory clients for which ACG does not have discretionary authority. The responsibility to receive and vote proxies remains with each such client.

However, ACG does vote mutual fund proxies for its discretionary clients. ACG intends to vote such proxies in the best interests of its clients. The firm will usually vote with management on routine proposals such as the approval of auditors and election of directors and vote against management on corporate governance proposals such as poison pills and golden parachutes. Non-routine proposals are subject to the review of the firm's President and COO to determine the effect on the issuer's business practices, management and client's risk and return exposure. Due to the nature of the advisory services provided by ACG, the occurrence of any material conflict of interest is highly unlikely. If ACG becomes aware of any material conflict of interest between the client and the firm, ACG will send the client a conflict notice with, (i) a description of the conflict, (ii) how the firm proposes to vote, (iii) indicate the client has the ability to withdraw consent to permit the firm to vote as disclosed.

Clients may obtain information from ACG on how proxies were voted on behalf of their account(s). Additionally, a copy of ACG's proxy voting policies and procedures are available upon request.

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

ACG does not bill its clients more than 3 months in advance. ACG is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has never been the subject of a bankruptcy proceeding.