

## **AGH Wealth Advisors, LLC**

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**July 9, 2014**

### **Form ADV Part 2A Brochure**

AGH Wealth Advisors, LLC ("AGHWA") is an investment advisor registered with the Securities and Exchange Commission ("SEC"). An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This Disclosure Brochure provides information about the qualifications and business practices of AGHWA. If you have any questions about the contents of this brochure, please contact us at (316) 267-3220. The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority.

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

**Material Changes - Item 2**

The purpose of this page is to inform you of any material changes since the previous version of this Disclosure Brochure.

On March 31, 2014, we submitted our annual updating amendment for fiscal year 2013 and amended Item 4 of our Form ADV Part 2A Brochure to reflect total assets under management of \$146,901,335.

We review and update our brochure at least annually to make sure that it remains current.

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#### Advisory Business - Item 4

AGH Wealth Advisors, LLC ("AGHWA") is a limited liability company formed under the laws of the State of Kansas and based in Wichita. We are licensed with the SEC as an investment adviser, and have been providing investment advisory services since 2008.

Allen, Gibbs & Houlik, L.C. is the sole owner of AGHWA, and Paul S. Allen, Managing Member, Donald J. Glenn, Executive Vice President, Steven A. Houlik, Executive Vice President and Brad J. Bechtel, President/Chief Compliance Officer are the principals and management persons of the firm.

Currently, we offer the following investment advisory services, personalized to each individual client:

- **Asset Management**
- **General Consulting**
- **Pension Consulting**

The paragraphs below describe what we do and what we charge. Each investment advisory service is listed below and describes how we tailor our advisory services to your individual needs. Also, you may see the term "Associated Person" throughout this Disclosure Brochure. As used in this Disclosure Brochure, this term refers to anyone from our firm who is an officer, employee, and any individual providing investment advice on behalf of our firm. Such persons are properly registered as Investment Adviser Representatives ("IARs") in all required jurisdictions.

#### **Asset Management Services**

Asset management refers to the management of money, including investments. Assets are usually held in what is called a portfolio. Determining the types and quantities of securities to hold in a portfolio is referred to as asset or portfolio management.

#### LPL Programs

AGHWA is a portfolio manager to several asset management programs sponsored by LPL Financial Corporation ("LPL"). These programs include:

- Strategic Asset Management Account ("SAM");
- Optimum Market Portfolios ("Optimum");
- Personal Wealth Portfolios ("PWP");
- Model Wealth Portfolios ("MWP"); and
- Money Management Program ("Manager Select").

Clients who participate in these programs will receive LPL's separate disclosure statement or Form ADV Part 2, and a separate LPL contract. In addition, if the recommended asset management program is a wrap fee program, the client will also receive the ADV Part 2A Appendix 1 Brochure provided by LPL.

#### Direct Asset Management

AGHWA offers direct asset management services to certain pension and profit sharing plans and participants. Such services may be offered on a discretionary or a non discretionary basis. Under these

arrangements, AGHWA may customize a portfolio for the client based the goals and risk determined during the information gathering process, or we might use a predetermined strategy rather than choosing individual securities.

Discretionary portfolio management means we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions would be made based upon your stated investment objectives. Non-discretionary portfolio management means we will contact you before a trading decision is taken.

Our investment advice is tailored to meet your needs and investment objectives. If you decide to hire our firm to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and decide how much risk you should take in your investments. Strategies are then developed and implemented through an optimal combination of investments that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

AGHWA mainly uses the following types of securities in its asset management programs: domestic and foreign equity securities; exchange traded funds; investment company products; corporate securities; municipal securities; U.S. government securities; option contracts on securities; and partnerships that invest in real estate and oil and natural gas.

However we construct your investment portfolio, we will monitor your portfolio's performance on an ongoing basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

As outlined above, discretionary portfolio management services means that once the portfolio has been agreed upon, the ongoing supervision and management of the portfolio will be our responsibility. This authority is granted to us by you in a written agreement. This allows our firm to decide on specific securities, the quantity of the securities and placing buy or sell orders for your account without obtaining your approval for each transaction. This type of authorization is done using either the investment advisory agreement you sign with our firm, a limited power of attorney agreement, or trading authorization forms. You may limit this authority if you wish by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. The non-discretionary portfolio management service means that we must obtain your approval prior to making any transactions in your account.

For MWP accounts, the client authorizes LPL to act on a discretionary basis to purchase and sell mutual funds (including in certain circumstances, exchange traded funds), and to liquidate previously purchased securities in MWP accounts. The client will also authorize LPL to effect the rebalancing for MWP accounts.

#### **General Consulting Services**

AGHWA provides general consulting services that focus on the specific needs and concerns of the client. Advisory consulting services may include giving advice on investment and investment related matters. These services include the identification of financial goals and objectives, collection and assessment of all relevant data, identification of financial problems and formulation of solutions, and the preparation of a financial plan in the form of specific written recommendations. The services we provide will

typically focus on one or more of the following areas:

*Retirement Planning*

Retirement Planning is a process of determining retirement income goals and the actions and decisions necessary to achieve those goals. Retirement planning includes identifying sources of income, estimating expenses, implementing a savings program and managing assets. Future cash flows are estimated to determine if the retirement income goal will be achieved.

*Tax Planning*

The goal of tax planning is to arrange your financial affairs so as to minimize your taxes. There are three basic ways to reduce your taxes, and each basic method might have several variations. You can reduce your income, increase your deductions, and take advantage of tax credits.

*Investment Planning*

The goal of investment planning is to determine the investment mix and policy, matching investments to objectives, asset allocation for individuals and institutions, and balancing risk against performance. The process realizes strengths, weaknesses, opportunities and risks in the choice of debt vs. equity, domestic vs. international, growth vs. safety, and many other tradeoffs encountered in the attempt to maximize return at a given risk.

Financial plans are based on your financial situation and the financial information you provide to our firm. If your financial situation, goals, objectives, or needs change, you must notify us promptly.

You may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so either through our firm or by using the advisory/brokerage firm of your choice.

**Pension Consulting Services**

AGHWA provides several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, AGHWA will also offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Pension consulting services are comprised of four distinct services. Clients may choose to use any or all of these services.

*Investment Policy Statement Preparation*

AGHWA will meet with the client to determine investment needs and goals. AGHWA will prepare a written Investment Policy Statement ("IPS") stating those needs and goals and creating a policy to help achieve these goals. The IPS will also list the criteria for selection of investment vehicles and the procedures and timing interval for monitoring of investment performance.

*Selection of Investments*

AGHWA will review various investments, consisting of one or all of the following: individual equities, bonds, other investment products and mutual funds (both index and managed) to determine which of these investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

*Investment Performance Monitoring*

Client investments will be monitored continuously based on the procedures and timing intervals outlined in the IPS. Although AGHWA will not be involved in any way in the purchase or sale of these investments, AGHWA will supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

#### *Employee Communications*

For pension, profit sharing and 401(k) plans where the individual account participant exercises control over assets in his/her own account ("self-directed plans"), AGHWA also provides educational support and investment workshops designed for the Plan participants. The nature of the topics to be covered will be determined by AGHWA and the client under the guidelines established in ERISA Section 404(c).

The educational support and investment workshops will also provide Plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

Other pension consulting services are available on request. All of our pension consulting services, whether general or customized, will be outlined in an agreement that shows exactly which services will be provided and at what fee for those services.

All client pension plans are regulated under the Employee Retirement Income Securities Act ("ERISA"). AGHWA will provide consulting services to the plan fiduciaries as described above. Typically, the named plan fiduciary must make the ultimate decision as to retaining the services of such investment advisers as the firm recommends. The plan fiduciary is free to seek independent advice about the appropriateness of any recommended services for the plan.

#### **Assets Under Management**

As of December 31, 2013, we manage \$45,037,188 in client assets on a discretionary basis, and \$101,864,147 in client assets on a non-discretionary basis.

### Fees and Compensation - Item 5

AGHWA charges a percentage of assets under management and an hourly fee for our advisory consulting services.

#### **Asset Management Services Fees**

##### LPL Programs

For asset management services, compensation is derived as fee income based upon the percentage of assets under management. The compensation method is agreed upon in advance of any services rendered. For a single fee, clients receive asset allocation advice, money management services and in the case of wrap fee programs, execution of orders, and custody of assets. The annual management fee schedule for SAM, Optimum, PWP, MWP and Manager Select accounts range up to 3.00%. The amount of the fee is negotiated on a case-by-case basis with the client, and is determined based upon a number of factors including the amount of work involved, the assets placed under management, and the attention needed to manage the account.

AGHWA's fee is paid to and retained by LPL. AGHWA is not responsible for collecting its advisory fees. LPL is responsible for compensating AGHWA for its services as the portfolio manager.

#### Direct Asset Management

For direct asset management services, AGHWA will charge an annual fee based upon a percentage of the market value of the assets being managed. On an annualized basis, the asset management fee ranges from 0.30% to 1.25% of assets under management. Fees may be negotiable depending on factors such as the amount of assets under management, range of investments, and complexity of the client's financial circumstances, among others. Since this fee is negotiable, the exact fee paid by the client will be clearly stated in the advisory agreement signed by the client and the firm.

AGHWA will either bill clients directly for payment of fees or the fees will be deducted from the client's account, provided the client provides written authorization permitting the fees to be paid directly from the client's account held by the custodian. AGHWA does not have access to client funds for payment of fees without client consent in writing. Fees are billed quarterly, in advance, and are based on the amount of the assets under management on the last day of the prior quarter.

Our annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which will be incurred by the client. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs.

The Advisory Agreement between LPL and the client will continue to be in effect until either party terminates the Agreement in accordance with the terms of the Agreement.

#### **Pension Consulting Services Fees**

Advisory and pension consulting services are offered based on the firm's negotiable hourly rate of \$250. Fees are payable as invoiced. AGHWA will not have access to client funds for payment of fees without the client's written consent.

AGHWA or the client may terminate the Consulting Agreement in accordance with the terms of the Agreement. Refunds are not applicable as fees are payable in arrears.

#### **Additional Fees and Expenses**

The fees AGHWA charges may be negotiable based on the amount of assets under management, complexity of client goals and objectives, and level of services rendered. Our fees are charged as described above, and are not based on a share of capital gains of the funds of an advisory client.

All fees paid to AGHWA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

You could invest in a mutual fund directly, without our services. In that case, you would not receive the services provided by AGHWA which are designed, among other things, to assist you in determining



which mutual fund or funds are most appropriate to your financial condition and objectives. Accordingly, you should review both the fees charged by the funds, and the fees charged by AGHWA, to fully evaluate the advisory services provided and the total amount of fees.

**Compensation for the Sale of Securities or Other Investment Products**

Persons associated with AGHWA are registered representatives of LPL Financial Corporation ("LPL"), a licensed full service securities broker-dealer and investment adviser under federal and state securities laws, located in San Diego, California. LPL is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). As a registered representative, such associated persons of AGHWA may receive commission-based compensation for buying and selling securities, including 12b-1 fees (trails) for the sale of mutual funds or annuity products. This commission compensation is separate and in addition to AGHWA's advisory fees.

AGHWA's advisory clients are not obligated to purchase the products or services of LPL. You may purchase or sell securities apart from your advisory account at the brokerage firm of your choice. The sale of mutual funds, annuity contracts, insurance instruments and other commissionable products offered by Associated Persons of AGHWA through LPL are intended to compliment AGHWA's advisory services. However, a conflict of interest exists due to the receipt of dual forms of compensation. Principals of AGHWA regularly review client transactions to ensure that AGHWA is acting in the best interest of its clients.

AGHWA recommends many types of securities, including mutual funds to its advisory clients. In situations outside of AGHWA's advisory accounts where an Associated Person, acting in the capacity of a registered representative of LPL, recommends a mutual fund, both no-load and 'loaded' funds options will be presented to the client. It may be the case that AGHWA will receive advisory fees in addition to commissions and/or markups on securities.

All conflicts of interest between you and our firm, and Associated Persons of our firm, are outlined in this Disclosure Brochure. If additional conflicts arise in the future, we will notify you in writing or supply you with an updated Disclosure Brochure.

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

Performance based fees are based on a share of capital gains on or capital appreciation of the client's assets. AGHWA and its Associated Persons do not accept performance based fees.

**Types of Clients - Item 7**

We offer investment advisory services to individuals, banks and thrift institutions, pension and profit

sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

Asset management programs sponsored by LPL have the following account requirements:

- Strategic Asset Management accounts require a minimum of \$25,000;
- Optimum Market Portfolios require a minimum of \$15,000;
- Manager Select and Model Wealth Portfolios require a minimum of \$100,000; and
- Personal Wealth Portfolios require a minimum of \$250,000

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

The following are different methods of analysis that we may use when providing you with investment advice:

- Fundamental Analysis – attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its future prospects. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.
- Technical Analysis – relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall.
- Third Party Research – AGHWA may also rely on research and analysis provided by third parties.

We, may use one or more of the following investment strategies when advising you on investments:

- Long Term Purchases – securities held for over a year.
- Short Term Purchases – securities held for less than a year.
- Trading – securities sold within 30 days.
- Margin Transactions – allow an investor to purchase securities on credit and to borrow on securities already in their custodial account. Interest is charged on any borrowed funds for the period of time that the loan is outstanding.
- Short Sales –sale of a security that is not owned by the seller, but is promised to be delivered.
- Covered Options – an investor writes an option contract while owning an equivalent number of shares of the underlying stock.

The asset management service provided, together with the strategies suggested by AGHWA, will vary depending on each client's specific financial situation and goals. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationships into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed will be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not

insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments for investment.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions. If the currency in which a security is denominated appreciates against the U.S. dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

**Futures and Options in Funds:** Funds may invest in options and futures on securities, indices and interest rates for the purpose of efficient portfolio management. Also, Funds may invest in futures, options or forward foreign exchange contracts to hedge market and currency risks. Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the

seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

**Sector Risk:** Funds which concentrate their portfolio in a specific sector may carry a higher degree of risk due to lower diversification and sector-specific risks. Because these investments are limited to a relatively narrow segment of the economy, the funds' investments are not as diversified as most funds. This means that these funds tend to be more volatile than other funds and their portfolio values can increase or decrease more rapidly. The performance of each Fund may differ in direction and degree from that of the overall stock market.

**Small Capitalization:** Funds which include smaller capitalization companies, may involve greater risk than funds investing in larger, more established companies. For example, small capitalization companies may have limited product lines, markets and financial or managerial resources. As a result, price movements in securities of smaller capitalization companies may be more volatile. Transaction costs in securities of smaller capitalization companies can be higher than those of larger capitalization companies and there may be less liquidity.

#### Disciplinary Information - Item 9

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. There is no history of legal or disciplinary events by our firm, our principals or advisory representatives.

#### Other Financial Industry Activities or Affiliations - Item 10

Allen, Gibbs & Houlik, L.C., the parent company of AGHWA, is a full service certified public accounting firm providing a wide range of accounting services to individuals and business clients. Certain Associated Persons of AGHWA are separately employed as accountants by Allen, Gibbs & Houlik, L.C.

These individuals, and other employees of Allen, Gibbs & Houlik, L.C, may recommend AGHWA to their clients, and conversely Allen, Gibbs & Houlik, L.C may be recommended to advisory clients of AGHWA. As such, clients should be aware that a conflict of interest is inherent in such an arrangement. However, clients of one firm are not required to use the services of any affiliated firm.

Insight Wealth Strategies, LLC, is a licensed independent insurance agency affiliated with AGHWA through common control and ownership. Agents of Insight Wealth Strategies, LLC can offer life insurance and fixed annuities from a variety of product sponsors. Associated Persons of AGHWA who are licensed insurance agents can effect transactions in insurance products for their clients and earn commissions for these activities. The firm expects that clients to whom it offers advisory services may

also be clients for whom Insight Wealth Strategies, LLC acts as an insurance agency. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned by Insight Wealth Strategies, LLC, for placing the client in insurance products. Clients to whom the firm offers advisory services are informed that they are under no obligation to use Insight Wealth Strategies, LLC or its associated persons for insurance services.

Associated Persons of AGHWA are registered representatives, licensed to sell securities through LPL Financial, ("LPL"), an investment adviser and securities broker/dealer registered with the Securities and Exchange Commission and Financial Industry Regulatory Authority. In this capacity, Associated Persons of the firm are involved in the sale of securities of various types, including, but not limited to, stocks, bonds, and mutual funds. Associated Persons of AGHWA may receive compensation on the sale of securities, including 12b-1 distribution fees from investment companies (mutual funds) in connection with the placement of clients' funds into investment companies, through their capacities as registered representatives of LPL. A conflict of interest may be present when an Associated Person of AGHWA recommends that a client invests in a security which results in a commission being paid to the Associated Person.

Additionally, AGHWA has an advisory relationship with LPL, wherein AGHWA serves as a third party portfolio manager for LPL's SAM programs. Details of the advisory accounts offered are described in LPL's Form ADV and relevant schedules. This presents a conflict of interest to the extent that Associated Persons of AGHWA recommend that a client open an account in which compensation is received by such Associated Persons in their capacities as registered representatives of LPL.

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

##### **Description of Our Code of Ethics**

AGHWA has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes AGHWA's policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

You can request a copy of our Code of Ethics by calling us at (316) 267-3220 or mailing us a request at our principal office address.

**Personal Trading Practices**

At times AGHWA and/or its Associated Persons may take positions in the same securities as clients, which may pose a conflict of interest with clients. AGHWA and its Associated Persons will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

**Brokerage Practices – Item 12****Suggestion of Broker**

Principals and Associated Persons of the firm are registered representatives LPL, an unaffiliated broker/dealer. If a client chooses to implement advice through us, the broker/dealer used for client accounts is LPL. LPL performs "due diligence" on mutual funds, limited partnerships, and insurance products. Only those investments that meet firm requirements will be on LPL's "approved product list" and be offered for sale to clients.

Where AGHWA provides direct asset management services to pension and profit sharing plans and participants, AGHWA will generally recommend Mid Atlantic Trust Company or Matrix Financial Solutions Inc., for brokerage and/or custodial services.

Clients may utilize the broker/dealer of their choice and have no obligation to purchase or sell securities through such broker as AGHWA recommends.

**Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers and custodians in which we have an institutional advisory arrangement. Also, we do not receive other benefits from a broker-dealer in exchange for client referrals except as described above.

**Research and Other Soft Dollar Benefits**

Although not considered "soft dollar" compensation, AGHWA may receive benefits from LPL for research services to include reports, software, and institutional trading support. See the LPL disclosure above.

AGHWA understands its duty for best execution and considers all factors in making recommendations to its clients. These research services may be useful in servicing all AGHWA clients, and may not be used in connection with any particular account that may have paid compensation to the firm in providing such services. While AGHWA may not always obtain the lowest commission rate, AGHWA believes the rate is reasonable in relation to the value of the brokerage and research services provided.

**Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers and custodians in which we have an institutional advisory arrangement. Also, we do not receive other benefits from a broker-dealer in exchange for client referrals.

**Directed Brokerage**

Associated Persons who are registered representatives of LPL are subject to FINRA Conduct Rule 3040 that restricts these registered individuals from conducting securities transactions away from LPL unless LPL provides the representative with written authorization. Therefore, AGHWA reserves the right to not accept a client account if the client wishes to select a broker or dealer/custodian other than LPL. Due to the nature of its advisory services, AGHWA does not have the authority to negotiate commissions or obtain volume discounts, although AGHWA will attempt, to achieve best execution of transactions.

**Review of Accounts - Item 13**

**Asset Management Account Reviews**

AGHWA monitors the individual investments within AGHWA's portfolio management program each day the market is open. Portfolio performance is reviewed on a continuous basis. AGHWA offers asset management clients an in-person portfolio review meeting on an annual basis.

Paul S. Allen, Managing Member, Donald J. Glenn, Executive Vice President, Steven A. Houlik, Executive Vice President and Brad J. Bechtel, President/Chief Compliance Officer monitor the portfolios and financial plans for investment objectives and other supervisory review.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis. The financial plan is a snapshot in time and no ongoing reviews are conducted. We recommend clients engage us on an annual basis to update the financial plan.

**Client Referrals and Other Compensation - Item 14**

Apart from the research and other benefits received from LPL, as disclosed in the Research and Other Soft Dollar Benefits section of Item 12 above, we do not receive economic benefits from third parties in exchange for providing investment advice or other advisory services to our clients. We and our Associated Persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for client referrals.

#### Custody - Item 15

AGHWA is deemed to have custody of client funds solely because of the fee deduction authority granted by the client in the asset management agreement.

Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. Clients are urged to compare custodial account statements against invoices prepared by AGHWA for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

#### Investment Discretion - Item 16

Clients grant the firm discretion over the selection and amount of mutual fund shares to be purchased or sold without obtaining their prior consent or approval. For all other transactions, the firm will seek client approval prior to placing an order. However, the firm's investment authority may be subject to specified investment objectives, guidelines and/or conditions imposed by the client. Full details regarding discretionary authority are contained in LPL's Form ADV Part 2 and the SAM program client agreement

In a non-discretionary account, an Associated Person of AGHWA recommends the purchase or sale of securities for review and approval by their clients. AGHWA will only purchase or sell securities which have been approved by clients in advance.

You may limit our discretionary authority if you wish by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section, Item 4 above in this Disclosure Brochure for more information on our discretionary management services.

#### Voting Client Securities - Item 17

##### **Proxy Voting**

AGHWA will not vote proxies on behalf of client accounts. Although, at the client's request, AGHWA may offer clients advice regarding corporate actions and the exercise of proxy voting rights and/or materials.

Questions about proxies may be made via the contact information on the cover page.



#### Financial Information - Item 18

AGHWA does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Additionally, AGHWA does not have discretionary authority or custody of client funds or securities. Therefore, AGHWA is not required to present a balance sheet.

AGHWA does not have reportable financial disclosures – i.e., disclosures in which AGHWA's financial condition would impair AGHWA's ability to meet contractual commitments to clients.

#### Requirements of State-Registered Advisers - Item 19

This section is intentionally left blank since our firm is SEC registered.

#### Miscellaneous

##### **Class Action Lawsuits**

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. AGHWA has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the firm has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where the firm receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials, to the client. Electronic mail is acceptable where appropriate, and the client has authorized contact in this manner.

##### **Trade Error Correction Procedures**

On infrequent occasions, an error may be made in a client account. For example, a security may be erroneously purchased for the account instead of sold. In these situations, the firm generally seeks to rectify the error by placing the client account in a similar position as it would have been had there been no error. Depending on the circumstances, various corrective steps may be taken, including among others canceling the trade or adjusting an allocation. Any gains or losses resulting from error correction will be placed in AGHWA's error correction account.

**Privacy Policies**

AGHWA views protecting its customers' private information as a top priority and, pursuant to the requirements of the Gramm-Leach-Bliley Act, the firm has instituted policies and procedures to ensure that customer information is kept private and secure.

AGHWA does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client account, AGHWA may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

AGHWA restricts internal access to nonpublic personal information about its clients to those employees who need to know that information in order to provide products or services to the client. AGHWA maintains physical and procedural safeguards that comply with state and federal standards to guard a client's nonpublic personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be the firm's policy never to sell information about current or former customers or their accounts to anyone. It is also the firm's policy not to share information unless required to process a transaction, at the request of the client, or as required by law.

A copy of the firm's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the Advisory Agreement. Thereafter, the firm will deliver a copy of the current privacy policy notice to its clients on an annual basis. If you have any questions on this policy, please contact Brad J. Bechtel, President/Chief Compliance Officer, at (316) 267-3220.