



**Ascende Wealth Advisers, Inc.**

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# **Client Brochure**

**March 11, 2015**



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# ASCENDE WEALTH ADVISERS, INC.

## CLIENT BROCHURE

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*This Brochure provides information about the qualifications and business practices of Ascende Wealth Advisers, Inc. If you have any questions about the contents of this Brochure, please contact us at (713) 629-9666 or via email at [rob.massa@ascende.com](mailto:rob.massa@ascende.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities' authority.*

*Ascende Wealth Advisers, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.*

Additional information about Ascende Wealth Advisers, Inc. is also available on the SEC's Web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Ascende Wealth Advisers, Inc. SEC number is: 801-72091

The firm's CRD number is: 155768

**2700 Post Oak Boulevard, 25<sup>th</sup> Floor**

**Houston, Texas 77056**

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**March 11, 2015**



## ITEM 2: MATERIAL CHANGES

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This item discusses only specific material changes that are made to the Brochure since the Firm's last annual update. It will also reference the date of the last annual update of the brochure. Since the Firm's last annual update dated March 1 2014, one employee has left the Firm and two others have joined the Firm.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year, which is December 31. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, Ascende Wealth Advisers, Inc. ("AWAI" or "Firm") Brochure may be requested by contacting Rob Massa, CCO, by phone at (713) 629-9666 or via email at [rob.massa@ascende.com](mailto:rob.massa@ascende.com). Additional information is available on the AWAI section of Ascende's Web site at [www.ascende.com](http://www.ascende.com).



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\* The SEC requires all investment advisers to organize their disclosure documents according to specific categories listed above, some of which may not pertain to AWAI's business. When a required category is not relevant to our business, we list the category and state that it does not apply.



## ITEM 4: ADVISORY BUSINESS

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### A. FIRM DESCRIPTION

AWAI was formed in October 2010 and is owned by Ascende, Inc. (“Ascende”) f.k.a. Employee Benefits Solutions, Inc. (“EBS”) which is, in turn, owned by James Watt.

### B. TYPES OF ADVISORY SERVICES

The Firm provides investment advisory services on a discretionary and nondiscretionary basis to qualified retirement plans. AWAI provides fiduciaries to Qualified and Nonqualified retirement plans assistance and guidance in establishing plan objectives and criteria for selecting appropriate asset classes. Further, it assists in the selection and ongoing performance monitoring of the specific investment options offered under the plan. AWAI will tailor asset allocation strategies for ERISA defined contribution, defined benefit, and international savings plans to meet the requirements of the plan and to satisfy the fiduciary obligations of the trust. AWAI may provide Plan fiduciaries with support and assistance in explaining the plan to the plan participants and providing some basic educational information to participants regarding asset classes and asset allocation.

### C. CLIENT TAILORED SERVICES AND CLIENT IMPOSED RESTRICTIONS

AWAI provides tailored advisory services to each of its plan sponsors based upon information provided by such sponsors. It does not tailor services at the participant level. The Firm will allow restrictions on types of securities to be imposed in writing by the sponsors.

### D. WRAP FEE PROGRAMS

AWAI does not sponsor or manage a wrap fee program.

### E. AMOUNTS OF ASSETS UNDER MANAGEMENT

As of December 31, 2014, the Firm has \$2,592,263,791 in assets under management, of which \$2,585,135,393 are managed on a non-discretionary basis and \$7,128,398 are currently managed on a discretionary basis.



# ITEM 5: FEES, COMPENSATION AND TERMINATION OF SERVICES

## A. DESCRIPTION OF COMPENSATION AND BASIC FEE SCHEDULE

AWAI offers two basic fee schedules, a Flat Advisory Fee or an Asset Based Advisory Fee. The Flat Advisory fee is billed in advance while the Asset Based Advisory Fee may be billed in advance or arrears. Both fees are normally billed on a quarterly basis. Fees are negotiable depending upon the facts and circumstances of each client. Below are AWAI's basic fee schedules.

### ***OPTION #1: Flat Advisory Fee***

Annual amount for Adviser	Frequency of Payment	Annual Fee Schedule Based on Plan Assets	Special Considerations
Flat fee based on the value of plan assets.	Quarterly	<ul style="list-style-type: none"><li>◆ \$0 - \$250,000,000 \$160,000 maximum</li><li>◆ Above \$250,000,000 Negotiable</li></ul>	8% cost of living adjustment on a bi-annual basis. First adjustment effective on the second anniversary.

### ***OPTION #2: Asset Based Advisory Fee (billing in advance or arrears)***

Asset based fees will be invoiced on a quarterly basis. The applicable amount due will be computed by applying the following applicable annual percentage rate to the market value of the assets of the Plan based upon whether the Plan has chosen to be billed in advance or arrears:

Annual amount for Adviser	Frequency of Payment	Annual Fee Schedule Based on Plan Assets
Asset based fees based on the value of the plan assets	Quarterly	<ul style="list-style-type: none"><li>◆ \$0 - \$250,000,000 .01% - .75% maximum</li><li>◆ Above \$250,000,000 Negotiable</li></ul>



## B. PAYMENT OF FEES

AWAI bills the plan sponsors for the fees directly and sponsors may choose to pay the fees directly or authorize AWAI to deduct them directly from the accounts at the custodian. As stated above, the Flat Advisory fee is billed in advance while the Asset Based Advisory Fee may be billed in advance or arrears. For Plans billed in arrears, if a reduction of Account assets during a calendar quarter representing substantially all of Account assets occurs, the quarterly fee, prorated to the date of such reduction, shall become payable immediately. Prorated fees shall be determined by computing the average of the value of Account assets subject to this Agreement on the last business day of the preceding calendar quarter, and on the business day immediately prior to the reduction date. The fee rate shall be determined by multiplying the quarterly fee rate times the ratio of the number of days in the quarter prior to the reduction to the number of days in the quarter.

## C. OTHER FEES

AWAI may also perform additional services for clients that may include those listed below. As each client relationship is different, the fees for the additional services will be determined based upon the facts and circumstances of each relationship. The specific fees will be established in each client's Retirement Plan Advisory Services Agreement.

### ***Investment Committee Formation***

Assist Trustees in establishing guidelines for the operation of the Plan Investment Committee. This will include:

1. Drafting written documentation regarding the formation of the Investment Committee including: the committee's purpose, powers, structure, limits of authority, policies and procedures; and assistance in appointing members.

Act as Secretary for Investment Committee. This will include:

1. Recording committee minutes;
2. Maintaining committee record; and
3. Attending quarterly investment committee meetings.

### ***Conduct informational/educational meetings.***

Conduct informational/educational group meetings with Plan participants at the initial installation of the Plan, and periodically thereafter as mutually agreed between client and AWAI regarding:

1. General investment concepts;
2. Investment objectives and performance of selected investments; and



3. Investment allocations and strategies available to meet various investment objectives.

***Provide individual or group education to Plan Participants.***

Provide individual or group education to client's Plan participants in the scope and at the times mutually agreed upon between client and AWAI. Such education shall not include specific investment recommendations to any participant.

To the extent mutual funds are selected to fill components of the overall investment strategy, the annual advisory fee set forth above does not include the customary fees and expenses associated with investing in mutual funds or other costs of establishing and maintaining an account with mutual funds including Rule 12b-1 fees and expenses. Client is advised, that, in addition to the annual advisory fee set forth above, each mutual fund in which assets are invested will incur separate investment advisory fees and other expenses for which client will bear a proportionate share. Additionally, the advisory fee does not include certain costs or charges associated with securities transactions with or through a broker/dealer including brokerage commissions and dealer mark-ups or mark-downs in principal transactions or stock exchange fees, transfer taxes or other charges mandated by law, which will be separately charged to the client's account. AWAI will not receive any portion of either the mutual fund investment advisory fee or any transaction based fees, unless the client, at their sole direction, elects to use any such revenue as may be available to pay AWAI's invoice.

## **D. PREPAYMENT OF FEES**

Clients normally pay fees in advance but may choose to pay in arrears in certain circumstances. Contracts will normally be able to be terminated with ninety days advance written notice and thus no refund of prepaid fees will be applicable. In the event that the notice of cancellation is received during a quarterly period, the next period's fee will be prorated to the termination date.

## **E. OTHER COMPENSATION**

Neither AWAI nor any of its supervised persons receive compensation for the sale of securities or other investment products including asset based sales charges or service fees on mutual funds.





## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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AWAI does not charge any performance-based fees based on a share of capital gains or on capital appreciation of the assets of a client.



## ITEM 7: TYPES OF CLIENTS

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AWAI provides investment advisory services to qualified retirement plans on a discretionary or nondiscretionary basis. AWAI requires Plan Sponsors to have at least \$1,000,000 in assets, or at least \$250,000 in projected annual contributions in the plan in order to enter into an agreement. This requirement may be adjusted by AWAI based upon the facts and circumstances of each client relationship.



## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

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### A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

AWAI uses a proprietary screening and tracking methodology focused around the concepts of risk-adjusted return to develop its investment recommendation. Since our principal clients are qualified retirement plans, our strategies are built around long-term investment assumptions designed at helping employees to accumulate assets for their retirement years. The first step in our process is to understand the employer sponsoring the plan, the plan's design and the general dynamics of the employee population. From this information, we create an investment lineup for the plan that covers a broad variety of asset and sub-asset classes with varying investment correlations. We evaluate investments by reviewing their three year, five year and ten year investment returns on an average annual return, their risk-adjusted returns as determined using their Sharpe Ratio, Information Ratio, Sortino Ratio, as well as their risk levels measured by standard deviation and beta. We also evaluate a fund's expense ratio, style drift from its stated objectives and the level of asset turnover. Furthermore, we regularly visit with representatives of the investment manager via conference call, Webinar, face-to-face visits inside AWAI's offices and site visits to their locations to better understand their philosophies, methods and strategies. Members of the plan's investment committee are regularly informed about the potential risks associated with each investment option, including the risk of loss, in part or in whole. Where AWAI may conduct educational meetings directly with plan participants, the participants are also educated on the various risks associated with each investment, including the risk of part or all of their invested amounts.

Our strategies are based primarily on the investment managers we recommend, select and monitor to offer as underlying investments in the qualified plans of our advisory clients. AWAI does not directly control the assets or underlying securities of the mutual funds, common collective trust funds, insurance separate accounts or separately managed accounts that are recommended to our advisory clients. We utilize our knowledge and experience to help select, monitor and replace the investment managers based on the needs of the plan, the employer who sponsored the plan and, most importantly, the plan participants who invest in them.

Investing in securities involves risk of loss that clients should be prepared to bear.



## B. MATERIAL RISKS

The strategies outlined under Item 8.A. above, do not carry any specific material risks inherent to the strategies. All investments carry some amount of risk. AWAI's investment strategies may be subject to the following principal investment risks:

**Credit Risk** – The risk that the portfolio could lose money if the issuer or guarantor of a fixed-income security, or the counter-party to a derivative contract, is unable or unwilling to meet its financial obligations.

**Counter-Party Risk** – A portfolio may incur a loss if the other party to an investment contract, such as a derivative, fails to fulfill its contractual obligation.

**Currency Risk** – The risk that foreign currencies will decline in value relative to the US dollar and affect a portfolio's investments in foreign (non-US) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-US) currencies.

**Debt Securities Risk** – The issuer of a debt security may fail to pay interest or principal when due, and changes in market interest rates may reduce the value of debt securities or reduce the portfolio's returns.

**Derivatives Risks** – The use of derivatives such as futures, options and swap agreements can lead to losses, including those magnified by leverage, particularly when derivatives are used to enhance return rather than offset risk.

**Emerging-Markets Risk** – Foreign investment risks are typically greater for securities in emerging markets, which can be more vulnerable to recessions, currency volatility, inflation and market failure.

**Equity Risk** – The risk that the value of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.

**ETF Risk** – A portfolio will be exposed indirectly to all of the risks of securities held by an ETF.

**Foreign Investment Risk** – Foreign investments face the potential of heightened illiquidity, greater price volatility and adverse effects of political, regulatory, tax, currency, economic or other macroeconomic developments.

**High-Yield Securities Risk** – High-yield securities have a much greater risk of default or of not returning principal and tend to be more volatile than higher-rated securities of similar maturity.

**Interest-Rate Risk** – The risk that fixed income securities will decline in value because of an increase in interest rates.



**Issuer Risk** – The value of a security may decline because of adverse events or circumstances that directly relate to conditions at the issuer or any entity providing it credit or liquidity support.

**Issuer Non-Diversification Risk** – The risks of focusing investments in a small number of issuers, industries, or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.

**Leverage Risk** – The risk that certain portfolio transactions may give rise to leverage, causing the portfolio to be more volatile than if it had not been leveraged.

**Liquidity Risk** – A security may not be able to be sold at the time desired or without adversely affecting the price.

**Market Risk** – The market price of securities held by a portfolio may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries.

**Mortgage and Asset-Backed Securities Risk** – These securities may decline in value when defaults on the underlying mortgage or assets occur and may exhibit additional volatility in periods of changing interest rates. When interest rates decline, the prepayment of mortgages or assets underlying such securities may require the reinvestment of money at lower prevailing interest rates, resulting in reduced returns.

**Regulatory Risk** – The risk that changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

**Short Sale Risk** – The risk of entering into short sales includes the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to a portfolio.

**Private Securities Risk** – Private securities contain the risks of their respective public securities, but these risks can be magnified due to their illiquidity and lack of public knowledge on the business. These securities are inherently more risky.

**Real Estate Risk** – The real estate market has experienced some large swings recently. Due to changes in interest rates, the lending market, economic policy, and supply and demand, in addition to illiquidity, real estate investments can carry a great deal of risk.

## C. CERTAIN RISK FACTORS

Primarily, the Firm recommends mutual funds, common collective trust funds, insurance separate accounts or separately managed accounts to our retirement plan clients. The investment types, while offering less risk exposure than singular securities, are exposed to many of the types of risk commonly associated with investing which are outlined above under Item 8.B.



## ITEM 9: DISCIPLINARY INFORMATION

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of AWAI or the integrity of AWAI's management. AWAI had no information applicable to this Item.



# ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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## A. REGISTRATION AS A BROKER/DEALER OR BROKER/DEALER REPRESENTATIVE

Neither AWAI nor its representatives are registered as a broker/dealer or a registered representative of a broker/dealer.

## B. REGISTRATION AS A FUTURES COMMISSION MERCHANT, COMMODITY POOL OPERATOR OR A COMMODITY TRADING ADVISER

Neither AWAI nor its representatives are registered as a FCM, CPO or a CTA.

## C. REGISTRATION RELATIONSHIPS MATERIAL TO THIS ADVISORY BUSINESS AND CONFLICTS OF INTEREST

The principal executive officers and other employees of AWAI are also employees of the parent company of AWAI, Ascende. The advisory activities of AWAI, which include recommending and monitoring the performance of mutual funds, common collective trust funds, separate investment accounts, etc. are supervised by the SEC. Neither AWAI, nor Ascende officers, or their employees will be responsible for the deposit to or withdrawal and disposition from any plan of any cash or securities. The trading of plan assets will be executed either by the fiduciaries employed by the Plan Sponsor, or by AWAI under the express consent, authorization, and direction of the Plan fiduciaries, or directly by the plan participants under a self-directed defined contribution plan. All trades under the plan will be executed via a Web site or other method as prescribed by the plan's designated Trustee/Custodian or Recordkeeping Administrator, as service providers for the Plan previously selected by the Plan Sponsor outside the purview of AWAI.

Ascende employees, including certain individuals also employed by AWAI, provide consulting services on the administration and operation of plans to comply with IRC Section 401(a) and the reporting and disclosure requirements under the ERISA. These employees may also act as a consultant and be paid a separate fee by the Plan Sponsor or the Plan for information and assistance compliance with IRS and DOL rules regarding the administration, operation and evaluation of the Plan, including, but not limited to the following:

1. Plan baseline and administrative requirements analysis;
2. Plan compliance with the Internal Revenue Code and ERISA;



3. Vendor management and due diligence visits;
4. Vendor searches and implementation;
5. Employee retirement plan communications review;
6. Mergers and acquisition due diligence
7. Special projects (Data remediation, EPCRS/VFC assistance); and
8. Annual program management calendars.

#### **D. SELECTION OF OTHER ADVISERS OF MANAGERS AND HOW THIS ADVISER IS COMPENSATED FOR THOSE SELECTIONS**

AWAI does not currently recommend or select other investment advisers for its clients and thus has nothing to disclose in this Item.





# ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

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## A. CODE OF ETHICS

AWAI has adopted a Code of Ethics to ensure that securities transactions by AWAI employees are consistent with AWAI's fiduciary duty to its clients and to ensure compliance with legal requirements and AWAI's standards of business conduct. The Firm requires transaction confirmation and quarterly reporting of such transactions. A written copy of AWAI's Code of Ethics is available upon request.

AWAI anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which AWAI has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which AWAI, its affiliates and or clients, directly or indirectly, have a position of interest. AWAI's employees and persons associated with AWAI are required to follow AWAI's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of AWAI and its affiliates may trade for their own accounts in securities which are recommended to and or purchased for AWAI's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of AWAI will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based on a determination that these would materially not interfere with the best interest of AWAI's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics, in some circumstances, would permit employees to invest in the same securities as clients, there is a possibility, albeit unlikely, 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 and to reasonably prevent conflicts of interest between AWAI and its clients.

AWAI's clients or prospective clients may request a copy of the Firm's Code of Ethics by contacting Rob Massa at (713) 629-9666 or via email at [rob.massa@ascende.com](mailto:rob.massa@ascende.com).



## **B. RECOMMENDATIONS INVOLVING MATERIAL FINANCIAL INTERESTS**

Neither AWAI nor any of its related persons, recommend to clients, or buy or sell for client accounts, securities in which it or a related person has a material financial interest.

## **C. INVESTING IN THE SAME SECURITIES AS CLIENTS**

Neither AWAI nor any of its related persons invests in the same securities (or related securities, e.g., warrants, options or futures) that it or a related person recommends to clients.

## **D. TRADING THE SAME SECURITIES AS CLIENTS' SECURITIES**

Neither AWAI nor any of its related persons recommends securities to clients, or buys or sells the same securities for its own (or the related person's own) account.



## ITEM 12: BROKERAGE PRACTICES

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### A. SELECTING BROKERAGE FIRMS

#### *Research and Other Soft Dollar Benefits*

AWAI does not currently receive research or soft dollar benefits from any providers.

#### *Brokerage for Client Referrals*

AWAI does not consider the possibility of client referrals in determining whether to recommend broker/dealers to its clients.

#### *Directed Brokerage*

In certain accounts, AWAI has discretionary authority to determine securities to be bought or sold; the total amount of securities to be bought and sold; the brokers/dealers through whom securities are to be bought and sold; and the commission rates at which securities transactions are to be affected. AWAI will be responsible for any losses with regard to trading errors.

### B. AGGREGATION OF SECURITIES FOR MULTIPLE CLIENT ACCOUNTS

Due to the types of securities it utilizes, AWAI does not aggregate the purchase or sale of securities for various client accounts.



# ITEM 13: REVIEW OF ACCOUNTS

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## A. PERIODIC REVIEWS

AWAI does not manage client accounts but provides investment advice to Retirement Plan Sponsors regarding the investment alternatives to be offered by the Plan. As such, the Firm, through its advisers.

., reviews the accounts with the Plan Sponsors no less frequently than quarterly to assess current market and economic conditions, the overall performance of the Plan's portfolio and the individual performance of the various investments offered by the Plan. As appropriate, the Firm may also recommend changes to the investment alternatives in the Plan.

## B. FACTORS THAT WILL TRIGGER NON-PERIODIC REVIEWS

AWAI will review plans on more frequent basis if it feels economic or political circumstances dictate. The Firm will also review plans on request by the Plan sponsor.

## C. REPORTS PROVIDED TO CLIENTS

Plan sponsors will receive formal performance reports on a quarterly basis. Plan participants will receive reports reflecting deposits and withdrawals from the account and investment performance from the Plan custodians.



# ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

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## A. THIRD PARTY COMPENSATION

Neither AWAI, nor any of its Supervised Persons receives any economic benefits from any persons or entities who are not clients.

Neither AWAI, nor its Supervised Persons receive or accept commissions, bonuses, sales awards or other prizes from any third party company or vendor for the purpose of promoting or offering their services to its advisory clients. Occasionally, vendors request the Firm to visit their facilities solely as a matter of due diligence on their products, management philosophy and/or services and may offer to pay for the costs of the visit. Where this is prudent and valid business reason exists to conduct such a visit, the offer may be accepted. AWAI, however, clearly states that such offer is not to be interpreted as a promise to utilize the products or services of the vendor. It is solely for the purpose of gathering qualitative information on the vendor. Furthermore, it is against company policy for an employee of AWAI to accept any offers of entertainment, such as sporting events, theater tickets, etc. from a vendor that might create any conflict of interest or influence their judgment away from the best interests of AWAI's advisory clients.

## B. REFERRALS

Neither AWAI, nor any of its Supervised Persons directly or indirectly compensate any person or entity for client referrals.



## ITEM 15: CUSTODY

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AWAI does not maintain custody of its clients' funds or securities. Clients should receive at least quarterly statements from the broker/dealer, bank or other qualified custodian that holds and maintains clients' investment assets. AWAI urges clients to carefully review such statements and compare such official custodial records to the account statements that may be provided. Statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Clients should always rely on statements from the custodian and/or the Plan Sponsor and should contact the Firm or the custodian directly to resolve any discrepancies.



## ITEM 16: INVESTMENT DISCRETION

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AWAI may accept limited discretionary authority via the investment advisory agreement as to the asset allocation of a client's portfolio. Actual holdings within the portfolio are discussed with AWAI's clients and approval is obtained from the client prior to addition or removal of any existing asset within the portfolio. However, AWAI maintains discretion of the weighting of the portfolio within the context and guidelines specified in the client's written Investment Policy Statement.

In certain instances, AWAI may be granted discretionary trading authority via the initial contract between the client and AWAI. In cases where the clients have granted AWAI discretionary authority, the Firm normally has the authority to determine securities to be bought or sold; the total amount of securities to be bought and sold; the brokers or dealers through whom securities are to be bought and sold; and the commission rates at which securities transactions are to be affected. AWAI strives to ensure that such discretion is exercised in a manner consistent with the stated investment objectives and investment policy statements for the particular client account. Such objectives and policy statements are required to be provided by the client in writing.



## ITEM 17: VOTING CLIENT SECURITIES

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It is the general policy of AWAI to not take any action or render any advice in reference to the voting of proxies for those securities held in all client accounts. The proxies are delivered from the custodian to client for voting and AWAI does not keep any record of how or if the proxies are voted.





## ITEM 18: FINANCIAL INFORMATION

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### A. BALANCE SHEET

AWAI does not require nor solicit prepayment of investment advisory fees which would result in custody issues. Therefore, the Firm is not required to include a balance sheet with this brochure.

### B. FINANCIAL CONDITIONS

AWAI is well capitalized and has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.

### C. BANKRUPTCY PETITIONS

AWAI has not been the subject of a bankruptcy petition in the last ten years.



# PRIVACY POLICY

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Ascende's privacy policy applies to consumers who register for its advisory services. Throughout the policy, the Firm refers to information that personally identifies its Clients or Clients' accounts as "personal information." Below is a summary of the Firm's Privacy Policy.

- ◆ The Firm does not sell its clients' personal information to anyone.
- ◆ The Firm does not disclose personal information to third parties, unless one of the following limited exceptions applies:
  - The Firm discloses personal information to companies that help it process or service its clients' transactions or account(s), including companies that print and mail account statements.
  - The Firm has contracts with these companies that prohibit them from using personal information for their own purposes.
  - The Firm may disclose or report personal information in limited circumstances where it believes in good faith that disclosure is required or permitted under law, for example, to cooperate with regulators or law enforcement authorities, resolve consumer disputes, perform credit/authentication checks, or for institutional risk control.
  - Outside of these exceptions, the Firm will not share personal information with third parties unless the client has specifically asked it to do so, that is, has opted-in.
- ◆ The Firm collects personal information in the normal course of business to administer accounts and serve its clients better.
  - Application and registration information. The Firm collects information that is provided to it when clients open an account or register for one of its services. The information collected may include name, address, phone number, email address, social security number and information about interests, investment, and investment experience.
  - In compliance with the Anti-Money Laundering Act, the Firm collects identifying information on new accounts to verify client identity.
  - Web site usage. The Firm does not collect information on its Web site through the use of "cookies."



- Transaction information. Once a client has an account with the Firm, to administer the account and provide better service, the Firm collects and maintains personal information about your transactions, including balances, positions, and history, and may include client name or other data in an internal client list that reflects activities at the Firm.
- ◆ The Firm uses personal information to fulfill its regulatory and audit obligations and to help it deliver the best possible service to its clients.
- ◆ The Firm protects the confidentiality and security of personal information.
  - Companies the Firm hires to provide support services are not allowed to use personal information for their own purposes and are contractually obligated to maintain strict confidentiality. The Firm limits their use of personal information to the performance of the specific service requested.
  - The Firm restricts access to personal information to its employees and agents for business purposes only. All employees are trained and required to safeguard such information.
  - The Firm maintains physical, electronic and procedural safeguards to guard personal information.
- ◆ The Firm continues to evaluate its efforts to protect personal information and make every effort to keep personal information accurate and up to date. If a client identifies any inaccuracy in personal information or needs to make a change to that information, the client should contact the Firm so that it may promptly update its records.
- ◆ The Firm will provide notice of changes in its information-sharing practices.

If, at any time in the future, it is necessary to disclose any personal information in a way that is inconsistent with this policy, the Firm will give clients advance notice of the proposed change so that they will have the opportunity to opt-out of such disclosure.

