

Disclosure Brochure

September 8, 2011

Ascent Wealth Partners, LLC

a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of Ascent Wealth Partners, LLC (hereinafter "Ascent" or the "firm"). If you have any questions about the contents of this brochure, please contact Nancy Trella at (315) 624-7300. 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. Additional information about Ascent Wealth Partners, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Ascent Wealth Partners, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

This Item discusses only the material changes that have occurred since Ascent's last annual update. Since this is Ascent's initial Disclosure Brochure, there are no material changes to report.

Item 3. Table of Contents

Firm Disclosure Brochure

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Supervised Person Brochure Supplements

Item 4. Advisory Business

Ascent provides financial planning and investment management services. Prior to engaging Ascent to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with Ascent setting forth the terms and conditions under which Ascent renders its services (collectively the “*Agreement*”).

Ascent has been in business since September 2011 and is owned by Scott McCartney, Brad Kowalczyk, and Martin Moshier. Since Ascent has just registered as an investment adviser, the firm does not have any assets under management.

This Disclosure Brochure describes the business of Ascent. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of Ascent’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Ascent’s behalf and is subject to Ascent’s supervision or control.

Wealth Management and Investment Management Services

Ascent generally provides clients with wealth management services, which includes a broad range of comprehensive financial planning services as well as the discretionary and/or non-discretionary management of investment portfolios. These services are generally (but not exclusively) provided through the firm’s wrap fee program, as discussed below. The firm’s financial planning services are tailored to the individual needs of the client, but may include retirement projections, estate planning, and/or education planning.

For 401(k) plans, Ascent provides investment management services, which includes consulting services (such as participant education programs) as agreed to between the firm and the client.

Ascent primarily allocates clients’ investment management assets among individual debt and equity securities, mutual funds, and/or exchange-traded funds (“ETFs”) in accordance with the investment objectives of the client. Ascent also provides advice about any type of investment held in clients’ portfolios.

Ascent tailors its advisory services to the individual needs of clients. Ascent consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients’ investment needs. Ascent ensures that clients’ investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify Ascent if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon Ascent’s management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in Ascent’s sole

discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

Sponsor / Manager of Wrap Program

Ascent is the sponsor and manager of the Ascent Management Wrap Program (the “*Program*”), a wrap fee program. In the event the client participates in the *Program*, Ascent provides its investment management services and arranges for brokerage transactions under a single annualized fee. Participants in the *Program* may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. A complete description of the *Program*’s terms and conditions (including fees) are contained in the *Program*’s wrap fee brochure.

Item 5. Fees and Compensation

Ascent offers its services on a fee basis based upon assets under management. Additionally, certain of Ascent's *Supervised Persons*, in their individual capacities, may offer securities brokerage services and insurance products under a commission arrangement.

Fee for Assets in the *Program*

Ascent generally offers its comprehensive wealth management services to participants of the *Program*, whereby Ascent charges an annual fee, based upon the amount of the assets under its management. The *Program's* fee is inclusive of all financial planning expenses, brokerage commissions, transaction fees, and other related costs, as explained in depth in the wrap fee brochure.

Fee for Assets outside the *Program*

In circumstances the firm manages assets outside the *Program*, Ascent provides its wealth management services for an annual fee based upon a percentage of the market value of the assets being managed by Ascent. Ascent's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Ascent does not, however, receive any portion of these commissions, fees, and costs.

For wealth management services, Ascent's annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Ascent on the last day of the previous quarter. The annual fee depending upon the market value of the assets under management, as follows:

<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
up to \$2,000,000	1.00%
next \$3,000,000	0.75%
above \$5,000,000	0.60%

For 401(k) plans, Ascent provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by Ascent. Ascent's annual fee of 0.50% is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Ascent on the last day of the previous quarter.

Ascent, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

Fees Charged by Financial Institutions

As further discussed in response to Item 12 (below), Ascent generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("*Fidelity*") for investment management accounts.

Ascent may only implement its investment management recommendations after the client has arranged for and furnished Ascent with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Fidelity*, any other broker-dealer recommended by Ascent, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Ascent's fee.

Ascent's *Agreement* and the separate agreement with any *Financial Institutions* may authorize the *Financial Institution* to debit the client's account for the amount of Ascent's wealth management fee and to directly remit that management fee to Ascent. Any *Financial Institutions* recommended by Ascent have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Ascent. Alternatively, clients may elect to have Ascent send an invoice for payment.

Fees for Management During Partial Quarters of Service

For the initial period of investment management services, the fees are calculated on a *pro rata* basis. If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the quarter.

The *Agreement* between Ascent and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. Ascent's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to Ascent's right to terminate an account. Additions may be in cash or securities provided that Ascent reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Ascent, subject to the usual and customary securities settlement procedures. However, Ascent designs its portfolios as long-term investments and the

withdrawal of assets may impair the achievement of a client's investment objectives. Ascent may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Commissions or Sales Charges for Recommendations of Securities

Clients can engage certain persons associated with Ascent (but not Ascent) to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Ascent. Under this arrangement, clients may implement securities transactions through certain of Ascent's *Supervised Persons* in their respective individual capacities as registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), an SEC registered broker-dealer and member of FINRA. PKS may charge brokerage commissions to effect these securities transactions and thereafter, a portion of these commissions may be paid by PKS to such *Supervised Persons*. Prior to effecting any transactions clients are required to enter into a new account agreement with PKS. The brokerage commissions charged by PKS may be higher or lower than those charged by other broker-dealers. In addition, certain of Ascent's *Supervised Persons* may also receive ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment. Ascent does not charge an advisory fee on the same assets for which its *Supervised Persons* receive commissions.

A conflict of interest exists to the extent that Ascent recommends the purchase of securities where Ascent's *Supervised Persons* receive commissions or other additional compensation as a result of Ascent's recommendations. Ascent has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients.

For accounts covered by ERISA (and such others that Ascent, in its sole discretion deems appropriate), Ascent provides its investment advisory services on a fee-offset basis. In this scenario, Ascent may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by Ascent's *Supervised Persons* in their individual capacities as registered representatives of PKS.

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

Ascent does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

Ascent provides its services to individuals, pension and profit sharing plans (including defined benefit plans), trusts, estates, charitable organizations, corporations and business entities.

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

Methods of Analysis

Ascent's primary method of analysis is fundamental, but the firm may also look to technical indicators.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. Ascent will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Ascent will be able to accurately predict such a reoccurrence.

Investment Strategies

Ascent is a blue-chip investment manager, primarily focusing on investing in high-grade individual equities and fixed income. To balance out client portfolios, the firm may also incorporate mutual funds and ETFs.

For smaller clients and retirement plans, Ascent primarily allocates (or recommends the assets be allocated where the firm is not directly managing the assets) among various mutual funds and ETFs.

When managing retirement plans, Ascent may act on a discretionary and/or non-discretionary basis. The firm will generally make recommendations to the plan as to which securities should be offered to participants in the plan. Once the plan accepts the recommendations, Ascent implements those recommendations to make those investment options available to participants. Ascent then manages a series of model portfolios on a discretionary basis within the plan's sphere of investment options that participants can choose to invest in. At least annually, Ascent will hold participant education and enrollment seminars on behalf of the plan.

Risks of Loss

Market Risks

The profitability of a significant portion of Ascent's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Ascent will be able to predict those price movements accurately.

Mutual Funds and Exchange Traded Funds (ETFs)

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Options

Options allow investors to buy or sell a security at a contracted "strike" price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options

contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Management Through Similarly Managed Accounts

Ascent may manage portfolios by allocating portfolio assets among various securities on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as “*investment strategy*”). In so doing, Ascent buys, sells, exchanges and/or transfers securities based upon the *investment strategy*.

Ascent's management using the *investment strategy* complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the *investment strategy*, with a safe harbor from the definition of an investment company.

Securities in the *investment strategy* may be exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to Ascent's clients may be limited. As further discussed in response to Item 12B (below), Ascent allocates investment opportunities among its clients on a fair and equitable basis.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Item 9. Disciplinary Information

Ascent is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Ascent does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

Ascent is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Ascent has described such relationships and arrangements below.

Registered Representatives of Broker Dealer

As discussed above in Item 5, certain of Ascent's *Supervised Persons* are registered representatives of *PKS*.

Receipt of Insurance Commission

Certain of Ascent's *Supervised Persons*, in their individual capacities, are licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While Ascent does not sell such insurance products to its investment advisory clients, Ascent does permit its *Supervised Persons*, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that Ascent recommends the purchase of insurance products where Ascent's *Supervised Persons* receive insurance commissions or other additional compensation.

Referrals to Related Attorneys

One of Ascent's *Supervised Persons*, Brad Kowalczyk, is a licensed practice attorney admitted to the Bar of the State of New York and serves as *Of Counsel* to the law firm Kowalczyk Tolles Deery & Hilton LLP ("*KTDH*"). Mr. Kowalczyk's role as an attorney is separate and distinct from the firm's wealth management services. No portion of the financial plan or any other services rendered by Ascent to clients should be interpreted as legal advice. Rather, clients should defer to the advice of their own attorney.

Ascent may, from time to time, recommend certain of its clients utilize the services of *KTDH* for various legal services. *KTDH* renders these services independently of Ascent, and Ascent does not receive any portion of the fees charged (referral or otherwise) by *KTDH* for the services rendered.

Item 11. Code of Ethics

Ascent and persons associated with Ascent (“Associated Persons”) are permitted to buy or sell securities that it also recommends to clients consistent with Ascent’s policies and procedures.

Ascent has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws (“*Code of Ethics*”). In accordance with Section 204A of the Investment Advisers Act of 1940 (the “Advisers Act”), its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by Ascent or any of its associated persons. The *Code of Ethics* also requires that certain of Ascent’s personnel (called “*Access Persons*”) report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in Ascent’s *Code of Ethics*, none of Ascent’s *Access Persons* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Ascent’s clients.

When Ascent is purchasing or considering for purchase any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Ascent is selling or considering the sale of any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Ascent to request a copy of its *Code of Ethics*.

Item 12. Brokerage Practices

As discussed above, in Item 5, Ascent generally recommends that clients utilize the brokerage and clearing services of *Fidelity*.

Factors which Ascent considers in recommending *Fidelity* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Fidelity* enables Ascent to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Fidelity* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by Ascent's clients comply with Ascent's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where Ascent determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Ascent seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other *Financial Institutions* with whom Ascent and the *Financial Institutions* have entered into agreements for prime brokerage clearing services. Ascent periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct Ascent in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and Ascent will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by Ascent (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Ascent may decline a client's request to direct brokerage if, in Ascent's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless Ascent decides to purchase or sell the same securities for several clients at approximately the same time. Ascent may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Ascent's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently.

Under this procedure, transactions will generally be averaged as to price and allocated among Ascent's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Ascent determines to aggregate client orders for the purchase or sale of securities, including securities in which Ascent's *Supervised Persons* may invest, Ascent generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Ascent does not receive any additional compensation or remuneration as a result of the aggregation. In the event that Ascent determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Ascent may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Ascent in its investment decision-making process. Such research generally will be used to service all of Ascent's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Ascent does not have to produce or pay for the products or services.

Commissions or Sales Charges for Recommendations of Securities

As discussed above, certain *Supervised Persons* in their respective individual capacities, are registered representatives of *PKS*. These *Supervised Persons* are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless *PKS* provides written consent. Therefore, clients are advised that certain *Supervised Persons* may be restricted to conducting securities transactions through *PKS* unless they first secure written consent from *PKS* to execute securities transactions through a different broker-dealer. Absent such written consent or separation from *PKS*, these *Supervised Persons* are prohibited from executing securities transactions through any broker-dealer other than *PKS* under *PKS*'s internal supervisory policies. Ascent is cognizant

of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

Software and Support Provided by Financial Institutions

Ascent may receive from *Fidelity*, without cost to Ascent, computer software and related systems support, which allow Ascent to better monitor client accounts maintained at *Fidelity*. Ascent may receive the software and related support without cost because Ascent renders investment management services to clients that maintain assets at *Fidelity*. The software and related systems support may benefit Ascent, but not its clients directly. In fulfilling its duties to its clients, Ascent endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Ascent's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Ascent's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, Ascent may receive the following benefits from *Fidelity* through the Fidelity Institutional Wealth Services Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Institutional Wealth Services Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

Item 13. Review of Accounts

For those clients to whom Ascent provides investment management services, Ascent monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom Ascent provides financial planning as part of its wealth management services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of Ascent’s investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Ascent and to keep Ascent informed of any changes thereto. Ascent contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom Ascent provides investment advisory services will also receive a report from Ascent that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance as clients may request from time to time. Clients should compare the account statements they receive from their custodian with those they receive from Ascent.

Item 14. Client Referrals and Other Compensation

Ascent is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. Ascent may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

In addition, Ascent is required to disclose any direct or indirect compensation that it provides for client referrals. Ascent does not provide compensation for client referrals.

Item 15. Custody

Ascent's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize Ascent through such *Financial Institution* to debit the client's account for the amount of Ascent's fee and to directly remit that management fee to Ascent in accordance with applicable custody rules.

The *Financial Institutions* recommended by Ascent have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Ascent. In addition, as discussed in Item 13, Ascent also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from Ascent.

Item 16. Investment Discretion

Ascent is generally given the authority to exercise discretion on behalf of clients. Ascent is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Ascent is given this authority through a power-of-attorney included in the agreement between Ascent and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Ascent takes discretion over the following activities:

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

Item 17. Voting Client Securities

Ascent may vote client securities (proxies) on behalf of its clients. When Ascent accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully- described in Ascent's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in Ascent's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact Ascent to request information about how Ascent voted proxies for that client's securities or to get a copy of Ascent's Proxy Voting Policies and Procedures. A brief summary of Ascent's Proxy Voting Policies and Procedures is as follows:

- Ascent has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee will generally vote proxies according to Ascent's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, Ascent devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct Ascent's vote on a particular solicitation but can revoke Ascent's authority to vote proxies.

In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that Ascent maintains with persons having an interest in the outcome of certain votes, Ascent takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

Item 18. Financial Information

Ascent does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, Ascent is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Ascent has no disclosures pursuant to this Item.

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