



**Part 2A of Form ADV: *Firm Brochure***

**Astoria Strategic Wealth**

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This brochure provides information about the qualifications and business practices of Astoria Strategic Wealth. If you have any questions about the contents of this brochure, please contact us at 512.215.4009, or [b.cox@astoristrategicwealth.com](mailto:b.cox@astoristrategicwealth.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. Astoria Strategic Wealth is registered with the Securities and Exchange Commission. Registration with a regulatory body does not imply any special skills or training.

Additional information about Astoria Strategic Wealth is available on the SEC's website at <https://adviserinfo.sec.gov/>

## Item 2    Material Changes

The firm has made the following material changes since its last annual updating amendment filed on March 8, 2019:

1. As of 2017, the firm no longer offers Capital Management Services to new clients. However, we still have legacy clients receiving these services. These clients should refer to their client agreement for a description of the services and fees.
2. As of 2020, the firm is now able to block trade client accounts under certain circumstances.

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## Item 4 Advisory Business

Astoria Strategic Wealth, Inc. ("ASW") is a registered investment advisor with its principal place of business located in Texas. Astoria Strategic Wealth, formerly known as Pauley Financial Services, Inc. began conducting business in 1996.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of the company).

- Kimberly Victoria
- Brian A. Cox

Astoria Strategic Wealth offers the following services:

### FINANCIAL CONSULTING SERVICE (BRONZE, SILVER, GOLD, OR PLATINUM)

ASW offers planning services designed to meet the specific needs of clients. Clients may select the level of service they need from the services offered below.

Investment services are provided on a discretionary and non-discretionary basis. Discretion is agreed upon at inception of the client relationship. For non-discretionary accounts, no transactions will be made without the client's prior approval.

While the advisor can recommend various insurance products to the client, the advisor does not engage in the sale of insurance products nor does the advisor receive commissions from the sale of insurance products.

### **BRONZE**

This service includes (all or part of this list depending on client needs and complexity):

- Net Worth Analysis
- Emergency Fund/Short-Term Needs Analysis
- Debt Management and Cash Flow Planning
- Goal Planning and Analysis with Access to Advanced Planning Software
- Risk Tolerance Evaluation
- Recommended Target Allocation with a list of Recommended Investment Options
- Qualified Account Recommendations (Traditional IRA, Roth IRA, 401(k), etc)
- General Insurance Recommendations (Life, Disability, Umbrella and Long-Term Care Insurance)
- Recommended Estate Planning Document Set (documents to be provided by external attorney – above fees do not cover cost of engaging an estate planning attorney)
- Annual Goal Plan Update

## **SILVER**

This service includes (all or part of this list depending on client needs and complexity):

- Net Worth Analysis
- Emergency Fund/Short-Term Needs Analysis
- Debt Management and Cash Flow Planning
- Goal Planning and Analysis with Access to Advanced Planning Software
- Risk Tolerance Evaluation
- Recommended Target Allocation with a list of Recommended Investment Options
- Investment Recommendations for Existing Brokerage Accounts
- Qualified Account Recommendations (Traditional IRA, Roth IRA, 401(k), etc.)
- Tax Return Review with Recommendations
- General Insurance Recommendations (Life, Disability, Umbrella and Long-Term Care)
- Recommended Estate Document Set (documents to be provided by external attorney – above fees do not cover cost of engaging an estate planning attorney)
- Account Titling and Beneficiary Designation Review
- Annual Goal Plan Update

## **GOLD**

This service includes (all or part of this list depending on client needs and complexity):

- Net Worth Analysis
- Emergency Fund/Short-Term Needs Analysis
- Debt Management and Cash Flow Planning
- Goal Planning and Analysis with Access to Advanced Planning Software
- Risk Tolerance Evaluation
- Recommended Target Allocation
- Account Consolidation, Investment Policy Statement and Portfolio Implementation
- Quarterly Reporting
- Household Portfolio Rebalancing
- Tax Gain/Loss Harvesting
- Tax Return Review
- Tax Planning and Preparation Reports
- Required Minimum Distributions (RMDs), Roth Conversions
- Charitable Gifting of Appreciated Securities
- General Insurance Recommendations (Life, Disability, Umbrella and Long-Term Care)
- Recommended Estate Document Set (documents to be provided by external attorney – above fees do not cover cost of engaging an estate planning attorney)
- Account Titling and Beneficiary Designation Review

- Annual Goal Plan Update

## ***PLATINUM***

This service includes (all or part of this list depending on client needs and complexity):

- Net Worth Analysis
- Emergency Fund/Short-Term Needs Analysis
- Goal Planning and Analysis with Access to Advanced Planning Software
- Risk Tolerance Evaluation
- Recommended Target Allocation
- Account Consolidation, Investment Policy Statement and Portfolio Implementation
- Quarterly Reporting
- Household Portfolio Rebalancing
- Tax Gain/Loss Harvesting
- Tax Return Review
- Tax Planning and Preparation Reports
- Required Minimum Distributions (RMDs), Roth Conversions
- Charitable Gifting of Appreciated Securities
- General Insurance Recommendations (Life, Disability, Umbrella and Long-Term Care)
- Recommended Estate Document Set (documents to be provided by external attorney – above fees do not cover cost of engaging an estate planning attorney)
- Account Titling and Beneficiary Designation Review
- Annual Goal Plan Update
- Additional Services based on your needs and complexity to include:
- Cash Flow and Debt Management Strategies
- Employee Equity Strategies
- Coordinated Tax Planning and Preparation Meetings with CPA
- Current Estate Plan Review
- Coordinated Estate Plan Meetings
- Current Insurance Analysis
- Insurance Broker Coordination
- Business Succession Planning and Coordination
- Alternative Investment Initial Due Diligence and Analysis

## **HOURLY FINANCIAL PLANNING SERVICE (HOURLY SERVICE)**

This is an hourly consultation service billed at \$300/hour on a monthly basis in arrears.

For clients who are seeking a retirement plan solution, we offer the following range of services:

## **RETIREMENT DEFINED CONTRIBUTION PLAN INVESTMENT ADVISORY CONSULTING**

This service includes:

- Recommending a diverse selection of exchange traded funds and/or mutual funds with different expected volatility and return levels
- Selecting, monitoring and changing exchange traded funds and/or mutual funds included in the investment options offered to Plan Participants
- Assisting the Plan Representatives in establishing a relationship with an independent, qualified record-keeper on behalf of the Plan (the “Record-Keeper”)
- The advisor shall serve as an investment manager of the Plan as defined in Section 3(21) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), when it is providing the services described above and acknowledges that it is a fiduciary to the Plan in providing such services
- Meet with Plan Participants on a biannual basis to answer questions about the selection of funds provided and to help employees onboard to the Plan

## **RETIREMENT DEFINED BENEFIT PLAN INVESTMENT ADVISORY CONSULTING**

This service includes:

- Advise the Plan Representatives with respect to investments in exchange traded and/or mutual funds to be made in the Account.
- Recommend, monitor and change exchange traded funds and/or mutual funds included in the investment options from time to time as determined by the advisor with input from the Plan Representatives.
- Assist the Plan Representatives in establishing a relationship with an independent, qualified record-keeper on behalf of the Plan.
- Meet periodically with the Employer and the Plan Representative, at such times as may be reasonably requested by them, concerning the Account.
- Participate in portfolio and performance review meetings with the Employer and the Plan Representatives at least twice yearly, unless otherwise determined by the Employer and the Plan Representatives.

## **Assets Under Management**

As of 12/31/2019, we have regulatory assets under management in the amount of \$178,838,470, with \$162,458,182 under discretionary management and \$16,380,288 under non-discretionary management.

## Item 5 Fees and Compensation

Under certain circumstances and at the sole discretion of the Advisor, fees are negotiable.

### FINANCIAL CONSULTING SERVICE (BRONZE, SILVER, GOLD, OR PLATINUM)

For clients who select one of our Financial Consulting Service planning levels, the fees are as follows:

#### **BRONZE**

\$1,800 per year assessed \$450 per quarter in arrears from a taxable account at the firm's custodian for a minimum twelve-month period. Client to provide written authorization for the deduction of ASW's fees

Note fees are charged on a pro-rated basis from the date of all parties signing the client agreement.

#### **SILVER**

\$2,400 per year assessed as \$600 per quarter in arrears from at the firm's custodian for a minimum twelve-month period. Client to provide written authorization for the deduction of ASW's fees.

Note fees are charged on a pro-rated basis from the date of all parties signing the client agreement.

#### **GOLD**

\$3,600 per year assessed as \$900 per quarter in arrears. In addition, we charge 0.45% annually billed quarterly in arrears on your Assets Under Management (AUM) for a minimum twelve-month period. AUM includes assets that are held at the firm's recommended custodian and also any employer retirement accounts that we directly manage on an ongoing basis. AUM excludes any emergency fund or short-term cash, real property, 529 accounts and Health Savings Accounts. Client to provide written authorization for the direct deduction of ASW's fees from your accounts held at the firm's recommended custodian.

The account value for each account in the portfolio is determined by the account custodian(s) at market close on the last day of the quarter. Asset management fees and planning charges are payable quarterly in arrears. The planning fee assessed may change year over year as mutually determined by the client and ASW.

Note fees are charged on a pro-rated basis from the date of all parties signing the client agreement.



## **PLATINUM**

Planning fee per pricing schedule in the client agreement based on client needs and complexity plus 0.45% annually billed quarterly in arrears on your Assets Under Management (AUM) for a minimum twelve-month period. AUM includes assets that are held at the firm's recommended custodian and also any employer retirement accounts that we directly manage on an ongoing basis. AUM excludes any emergency fund or short-term cash, real property, 529 accounts and Health Savings Accounts. Client to provide written authorization for the direct deduction of ASW's fees from your accounts held at the firm's recommended custodian.

The account value for each account in the portfolio is determined by the account custodian(s) at market close on the last day of the quarter. Asset management fees and planning charges are payable quarterly in arrears. The planning charge fee can change levels as the needs of the client change. All clients will agree in writing prior to a change from one planning level to another.

Please note the planning fee portion is charged on a pro-rated basis from the date of all parties signing the client agreement.

## **FINANCIAL CONSULTING SERVICE (HOURLY SERVICE)**

This is an hourly consultation service billed at \$300/hour monthly in arrears.

## **RETIREMENT PLAN 401(K) AND DEFINED BENEFIT PLAN CONSULTING**

The annual fee for advisory services for plans shall be calculated as follows:

<b>Plan Assets</b>	<b>Annual Fee Paid Quarterly in Arrears</b>
401k Plan and/or Defined Benefit Assets Under Management	0.15% - 0.65% depending on plan size and complexity

All fee calculations will be based upon the market value of the plan assets at quarter-end.

***Termination of the Advisory Relationship – Financial Consulting Service:*** This Agreement will continue in effect until terminated by either party with 30 days written notice to the other. Termination of this Agreement will not affect (i) the validity of any action previously taken by Advisor under this Agreement; (ii) liabilities or obligations of the parties from transactions initiated before termination of this Agreement; Upon the termination of this Agreement, Advisor will have no obligation to recommend or take any action with regard to the financial plan and/or investments.

***Termination of the Advisory Relationship – Retirement 401(k) and Defined Benefit Plan Advisory Service:*** This Agreement may be terminated at any time, without penalty, by the Plan Representatives

or by the Advisor with 60 days' advance written notice to the other party. On termination of this Agreement, the Plan Representatives will issue to the Advisor written instructions regarding the Plan assets held in the Account, and the Plan Representatives shall be responsible for monitoring the assets in the Account. The Advisor will be under no obligation to the Plan to recommend any action after termination. This Agreement automatically will terminate in the event of its assignment, unless the Plan Representatives on behalf of the Plan consent to its assignment. In the event of a change in control or ownership of the Advisor that would constitute an "assignment" under the Investment Advisers Act of 1940, the Advisor will provide written notice to the Plan Representatives, and the Plan Representatives will be deemed to consent to the assignment on behalf of the Plan, absent written notice of termination of this Agreement by the Plan Representatives within 30 days from the date of such notice of assignment.

***Mutual Fund & Exchange Traded Fund (ETF) Fees:*** All fees paid to us for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, money market funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee and other fund expenses. You could invest in a mutual fund directly or an ETF through a brokerage account, without our services. In that case, you would not receive the services provided by our firm which are designed, among other things, to assist you in determining which mutual fund or ETF is most appropriate to your financial condition and objectives. Accordingly, you should review both the fees charged by the funds, trading fees, and our fees to fully understand the total amount of fees you would pay and evaluate the advisory services we provide.

***Additional Fees and Expenses:*** In addition to our advisory fees, you are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including, but not limited to, wire transfer and electronic fund fees, transfer fees and any transaction or commission charges imposed by a broker-dealer with which we effect transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

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

ASW does not charge performance-based fees nor engage in side by side management.

## **Item 7 Types of Clients**

ASW provides advisory services to the following types of clients:

- High net worth individuals and their families
- Individuals
- Charitable organizations
- Pension and profit-sharing plans
- Private businesses

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

### METHODS OF ANALYSIS

We work with Astoria Portfolio Advisors, LLC, a third-party investment advisory firm, which augments our research capabilities and assists us in building portfolios that are designed to align with our clients' risk and return profiles. Together, we use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of primarily exchange traded fund securities that represent asset classes to include equities, fixed income, commodities, alternatives and cash to meet clients' investment goals and risk tolerance.

Portfolios may be augmented with alternative asset classes including but not limited to real estate, private equity, and/or hedge funds. These asset classes may be added due to their low correlation to the performance of clients' core liquid portfolios. These investments may be purchased by clients meeting certain qualification standards. Investing in these involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity and performance volatility. In addition, these funds are not required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing important tax information. Clients should be aware that these funds are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the fund during the repurchase offer.

A risk of asset allocation is that you may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for your goals.

**Fundamental analysis.** Our analysis concentrates on factors that determine value. This strategy would normally encourage purchases in securities that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Quantitative analysis.** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Mutual Fund and/or ETF Analysis.** We utilize macroeconomic models to determine valuations across asset classes and seek to construct appropriate market exposures. Investment decisions are made using economic and fundamental data. We look at the track record of the mutual fund or ETF in an attempt to determine if that fund tracks appropriately with its index. A risk of mutual fund and/or ETF

analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager can deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for your portfolio.

***Risks for all forms of analysis.*** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## INVESTMENT STRATEGIES

Our advice generally includes recommendations regarding the following securities. We use the following investments in managing your account(s), provided that such investments are appropriate to your needs and consistent with your investment objectives, risk tolerance, and time horizons, among other considerations:

- Exchange-listed securities
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- Exchange-traded funds (ETFs)
- Variable life insurance and variable annuities<sup>1</sup>

***Exchange Traded Funds (ETFs).*** ETFs are typically investment companies that are classified as open-end mutual funds or Unit Investment Trusts. However, they differ from traditional mutual funds because ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company. ETFs may be closed and liquidated at the discretion of the issuing company. ETFs may carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. The risk of owning these types of holdings also reflects the risks of their underlying securities. For example, precious metal ETFs (e.g., Gold, Silver, or Palladium

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<sup>1</sup> Astoria Strategic Wealth does not sell or receive commissions on insurance products. However, we provide advice and recommendations for the best use of the products in client portfolios as part of our process or if requested.

Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, and/or (3) a significant change in the attitude of speculators and investors.

**Long-term purchases.** Typically, we purchase securities with the idea of holding them in your account for a year or longer, unless conditions allow for us to tax loss harvest in your taxable accounts. We otherwise seek to employ a long-term buy and hold strategy. We generally employ this strategy when we want exposure to a particular asset class over time, regardless of the current projection for this class. A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains. Moreover, a security may decline sharply in value before we make the decision to sell.

You are reminded that investing in any security entails risk of loss including but not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Our firm and our management personnel have no reportable Industry Activities nor Affiliations to disclose.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

ASW and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly personal securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or participation in an initial

public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Our Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to you and prospective clients upon request and at no charge.

Our Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of our employees 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.

Our firm and/or individuals associated with our firm buy and sell for their personal accounts securities identical to or different from those recommended to our clients. Either of these policies creates a conflict of interest with our clients, which we are mitigating through our personal trading policy and monitoring of personal securities trades.

To avoid the possibility of front-running, it is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

## **Item 12 Brokerage Practices**

ASW has elected to use a single custodian with which to serve clients, TD Ameritrade. Our decision is based on analysis of TD Ameritrade's discounted commission structure, the availability of mutual funds with no transaction fee, trading platforms, electronic reporting, online access for our clients, and financial stability. Not all investment Advisors require their clients to open their accounts with a specific custodian. Our choice of one custodian through which we execute our trades can affect our ability to achieve the most favorable execution of your transactions, potentially increasing costs. In recommending TD Ameritrade as custodian and as the securities brokerage firm responsible for executing transactions for your portfolios, we consider at a minimum:

- existing relationship with us,
- financial strength,
- reputation,
- reporting capabilities,
- execution capabilities,
- pricing, and
- types and quality of research.

The determining factor in the selection of a broker-dealer/custodian to execute transactions for your accounts is not the lowest possible transaction cost, but whether they can provide what is in our view the best qualitative execution for your account.

We participate in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC /NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers services to independent investment advisors which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the program.

We recommend TD Ameritrade to our clients for custody and brokerage services. There is no direct link between our firm's participation in the program and the investment advice we give to our clients. Along with you, we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds and Exchange Traded Funds with no transaction fees and to certain Institutional money managers; and discounts on compliance, marketing, research, and technology.

Some of the products and services made available by TD Ameritrade through the program benefit ASW and may not benefit our client accounts. These products or services assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. The benefits we receive through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that our receipt of economic benefits creates a conflict of interest and indirectly influences our recommendation of TD Ameritrade for custody and brokerage services. Unless directed otherwise by a client, ASW migrates client accounts to custody their assets at TD Ameritrade and these client accounts are profitable to TD Ameritrade.

TD Ameritrade is a discount broker-dealer independent of an unaffiliated with Advisor and there is no employee or agency relationship between TD Ameritrade and ASW.

ASW's receipt of these benefits does not diminish our duty to act in the best interests of our clients, including seeking best execution of trades for client accounts.

ASW may, in its sole discretion, elect to combine or "bunch" (also known as a block trade) an order entered for clients with orders entered for the same security for other clients of ASW to secure certain efficiencies and results with respect to execution, clearance and settlement of orders. Commissions are not currently assessed for Exchange Traded Funds (ETFs). However, if trading commissions are



assessed they will be computed as if the order entered for the client was not bunched. ASW in its sole discretion may use the average price at which a security is bought or sold for the clients involved in the transaction when a bunched order is executed in parts at different prices, or when two or more separate orders for the same security are entered at approximately the same time and are executed at different prices. If a bunched order is not executed in its entirety a client may buy or sell less of a security than if the order was not bunched. Similarly, when price averaging is used some clients will get a better price and some clients will get a worse price than they would have received if price averaging was not used. ASW will act in a manner it believes is equitable for its clients as a group when bunching and price averaging. The overarching principle is that no client is intentionally favored over another client that is similarly situated.

## **Item 13    Review of Accounts**

### **FINANCIAL CONSULTING GOLD/PLATINUM SERVICE**

**REVIEWS:** While the underlying securities within all of our FCS Gold and Platinum client accounts are monitored on an ongoing basis, client accounts are reviewed quarterly at a minimum. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, the market, and the political or economic environment. Additionally, we are happy to review the client's portfolio at any time upon his/her request. These accounts are reviewed by one of our Advisors.

**REPORTS:** In addition to the written or electronic monthly statements and confirmations of transactions that FCS Gold and Platinum clients receive from their financial institutions, we provide access to MoneyGuidePro, a software platform that allows clients to view their account balances and holdings as those institutions have reported to us. We have also added Orion, a software platform that provides our clients with account overviews in various formats. Orion also provides direct access to MoneyGuidePro and Citrix ShareFile.

### **FINANCIAL CONSULTING BRONZE/SILVER SERVICE**

**REVIEWS:** When needed, we conduct an annual review for Financial Consulting Service Bronze and Silver clients and update their financial goal plan as appropriate.

**REPORTS:** In addition to the written or electronic monthly statements and confirmations of transactions that Bronze and Silver clients receive from their financial institutions, we provide access to MoneyGuidePro, a software platform that allows clients to view their account balances and holdings as those institutions have reported to us.



## RETIREMENT PLAN INVESTMENT ADVISORY CONSULTING

**REVIEWS:** While the underlying funds within all of our Retirement Plan Investment Advisory Consulting plans are monitored on an ongoing basis, retirement plans are reviewed at least annually. More frequent reviews may be triggered by material changes in the funds, the market, and the political or economic environment. Additionally, we are happy to review the plan upon the request of company management.

These accounts are reviewed by one of our Advisors.

**REPORTS:** Reports are to be provided by the plan participant record keeper.

### Item 14 Client Referrals and Other Compensation

It is our policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is our policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients other than benefits discussed above in Item 12.

### Item 15 Custody

An investment advisory firm has custody of client funds or securities when it has the authority to access either. We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts, giving us a nominal form of custody of our clients' funds. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

In addition to the periodic written statements that clients receive directly from their custodians, we also provide written account reports directly to our Financial Consulting Service (FCS) Gold and Platinum clients on a quarterly basis. We advise clients to carefully compare the information provided on these reports with statements the clients receive from their custodian to ensure that all account transactions, holdings and values are correct and current.

In certain circumstances, clients have granted us online access to accounts not custodied at TD Ameritrade. We have these accounts reviewed annually through surprise exam by a non-related third-party Public Accounting Oversight Board standard accounting firm. The types of accounts included in this practice include:

- Client 401(k) or 403(b)/457 plans so that we can better manage these accounts.
- Clients may provide login information to us or directly link other accounts (not managed by ASW) to their financial plan which allows them access directly to these accounts via their

MoneyGuidePro login. Liabilities and account balances are updated periodically. Client accounts linked in this manner are not managed by ASW and are not included in the strategic asset allocation. Clients retain sole responsibility for the management of these linked accounts.

Additionally, ASW has custody of client assets, in certain circumstances when a client provides us with a Standing Letters of Authorization to initiate transfers between accounts or to send wires. Whether we have custody is dependent on multiple factors including the destination, sender/recipient, frequency, amount, and variability. ASW follows the guidance provided by the SEC such that it is not required to have a surprise examination of these assets.

## **Item 16 Investment Discretion**

As previously disclosed in Item 4 of this brochure, our firm provides discretionary and non-discretionary asset management services. Clients grant us discretionary authority when they sign our advisory agreement and their custodial agreement.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm provides investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues.

## **Item 18 Financial Information**

- A. We do not require or solicit prepayment of \$1,200 in fees per client, six months or more in advance.
- B. The firm has no financial conditions to disclose that are reasonably likely to impair our ability to meet our contractual commitments to clients.
- C. The firm has not been the subject of a bankruptcy petition.