

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

### **Asset Management Services, LLP**

2205 Cahaba Valley Drive, Suite 200  
Birmingham, Alabama 35242  
Telephone: 205-408-9596

April 7, 2021

This brochure provides information about the qualifications and business practices of Asset Management Services, LLP. If you have any questions about the contents of this brochure, please contact us at 205-408-9596 or Tom@assetmgmtservicesllp.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.

Additional information about Asset Management Services, LLP also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 108932.

Asset Management Services, LLP is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2     Material Changes

This Firm Brochure provides you with a summary of Asset Management Services, LLP's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31, 2020. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates
  - any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The following summarizes new or revised disclosures based on information previously provided in our Firm Brochure dated March 12, 2020:

- No Material Changes to report.

### **Item 3     Table of Contents**

Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	7
Item 6	Performance-Based Fees and Side-By-Side Management	9
Item 7	Types of Clients	10
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	10
Item 9	Disciplinary Information	13
Item 10	Other Financial Industry Activities and Affiliations	13
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	13
Item 12	Brokerage Practices	15
Item 13	Review of Accounts	18
Item 14	Client Referrals and Other Compensation	19
Item 15	Custody	19
Item 16	Investment Discretion	19
Item 17	Voting Client Securities	19
Item 18	Financial Information	20

## Item 4 Advisory Business

Asset Management Services, LLP (hereafter AMS) is a SEC-registered investment advisor based in Birmingham, Alabama, and organized under the laws of the state of Alabama. Asset Management Services, LLP began conducting business in 1998.

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

- Thomas Edward Powell, Partner
- Benny G Paternostro, Partner

AMS manages \$190,000,000 (as of 12/31/2020) on a discretionary basis and \$0 assets on a non-discretionary basis.

**AMS offers the following advisory services to our clients:**

### WEALTH MANAGEMENT SERVICES for INDIVIDUALS and FAMILIES

Since 1998 AMS has been committed to building and protecting the wealth of individuals and families. We listen to the client and when we understand our client's objectives, we build a portfolio for them. In designing a portfolio, we consider financial assets, cash flow needs, and any and all unique situations. We understand the difference between our clients who are building wealth and those living from the wealth they have built. Communication is critical. We always want our clients to understand every decision we make on their behalf. We employ both passive and active investment styles that are complementary in nature. AMS takes an unbiased approach as we manage the portfolio. We continuously review the portfolio and the strategies used to build it while keeping focused on the overall portfolio objective. The primary record used to guide the portfolio construction is the Client Risk Profile which memorializes the facts and opinions of the client. Working directly with other fee-only professionals, such as CPAs and estate attorneys, AMS fully involves the frame work of the client's financial life.

For those clients who choose to do so, AMS offers financial planning services. These services would include review of a client's net worth statement, risk management (insurance) review, educational planning for children and dependents, retirement planning, income tax planning, estate planning, and resource optimization. Financial planning work is comprehensive and to be successful must be collaborative. To facilitate this work, we ask that clients provide timely, accurate and complete information and reasonable assistance. AMS is not an accounting, tax advisory and it should be noted that we are not attorneys and do not prepare legal documents.

### Unified Managed Account Program

We offer discretionary investment management services in a managed account program through an Overlay Manager (the "UMA Program"). This UMA Program consists of model portfolios comprised of individual equity securities, mutual funds and/or exchange-traded funds ("ETFs") to represent different possible investment strategies for managing your account. Each of these investment strategies are intended to meet a specific goal. At all times we will continue to be your financial advisor, with the fiduciary responsibility to you. You will not have a direct contractual relationship or be in contact with the Overlay Manager, or any other Third-Party Service Provider – these are all service providers to us which we employ on your behalf.

Prior to investing in the UMA Program, you will execute a discretionary investment management agreement with us setting forth the terms and conditions of our management of your investments within the UMA Program. Depending on the management services you select, you will grant us discretionary authority to manage your account through selection of an overlay manager (“Overlay Manager”) and, optionally, a third-party strategist (“Strategist”) and/or third-party managers (“Managers”; collectively, “Third-Party Service Providers”). If utilized for your account(s), we will separately provide you with the firm brochure (Part 2 of Form ADV) for the applicable Third-Party Service Provider(s) which includes information about their services, model portfolios, and investment strategies. It is our responsibility to monitor the performance of these Third-Party Service Providers will maintain the authority to replace any Strategist and/ or Manager associated with your account(s) when we deem doing so is in your best interest.

In addition, you will authorize the custodian to follow our instructions as well as instructions given by Overlay Manager to effect transactions, deliver securities, deduct fees and take other actions with respect to your account(s).

The timing of trades in your account(s) will primarily depend upon the model portfolio or changes in the model portfolio and, generally, will not take into consideration how long you may have held the position indicated by the model portfolio – unless the optional tax overlay management services are elected. Tax Overlay Management is available only to U.S. account holders. By default, accounts are managed without Tax Overlay Management services unless specifically elected by you.

### Tax Overlay Management Services

Tax overlay management services are available as an option for accounts utilizing the UMA Program through the Overlay Manager. If you elect tax overlay management services, the portion of your fee paid as the management fee on your account will increase. The Overlay Manager will develop a tax strategy for your account based on the information and instructions provided by us on your behalf. Tax overlay management services in an investment account offer benefits and limitations, as described below. The tax strategy developed for you by the Overlay Manager is provided solely in connection with your account and the Overlay Manager does not provide general tax planning services. If you do elect the tax overlay management services option, please consider the following:

- The Overlay Manager will implement tax overlay management services based on the information and instructions provided by us for your account(s).
- The Overlay Manager does not provide general tax advice, tax return preparation or tax planning services.
- The Overlay Manager will seek to reduce the overall tax burden of the account while seeking to maintain the risk and return characteristics of the model portfolios received from Strategists and/or Managers.
- When providing tax overlay management services to the account, short-term gains are avoided where possible, but long-term gains are not limited unless you have requested a mandate to limit realized long-term gains.

The Overlay Manager will provide tax overlay management services with the assumption that the Overlay Manager will continue to provide services to the account for an entire tax year. The termination or removal of the tax overlay management services before the completion of an entire tax year may result in adverse tax consequences, including without limitation realization of short-term capital gains. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

## INSTITUTIONAL MANAGEMENT

For more than 20 years, AMS has provided leadership to investment committees, boards of non-profit organizations as well as businesses, municipalities and retirement plans. We assist our clients in the portfolio design, implementation, and supervision of their employees' retirement assets or their organization's foundation, endowment or company assets. For all our institutional clients, we recognize the significant fiduciary duty each committee member must exercise, and we are committed to helping them execute it with care, prudence, and confidence.

### Investment Advisory Services for Endowments and Foundations

We strive to understand the key investment principles to successfully serve our institutional clients. Every entity is different. From a university endowment to a hospital foundation to a family's private foundation, we create and design portfolios to meet specialized needs or other specific goals. AMS works closely with investment committees, boards, and family members to craft comprehensible portfolio solution to meet the entity's unique needs. It begins with ensuring each member has a voice and then bringing the group to a common objective for the portfolio. We educate clients on the impact of a spending policy through cash flow analysis. Quarterly consolidated reporting helps measure success and brings the group together for regular and healthy exchange.

### Investment Advisory Services for Pooled Retirement Plans

When Plan Sponsors have direct investment responsibility for Plan assets, unbiased council is mission critical. Our process begins with a detailed review of the Plan's assumptions and interviews with the overall committee, individual committee members, and management. This initial step helps to ensure the investment portfolio is best designed to meet the specific needs and objectives of the client within a framework incorporating specific risk tolerances, objectives, and constraints. We believe the best approach for establishing successful strategic asset allocation guidelines begins with a quantitative analysis of historical data (returns, risk, and correlation) as well as quantitative analysis of possible future results. Following the initial review, and completion of the Client Risk Profile, potential asset classes and strategies to be included in the portfolio are identified and defined based on their functional attributes (e.g., debt versus equity, domestic versus international, liquid versus illiquid, inflation sensitive versus deflation sensitive) in order to identify those asset classes and strategies we believe offer the characteristics required for long-term investment success relative to the unique needs/objectives and risk tolerance of the client.

### Participant Directed Retirement Plan Consulting

As a co-fiduciary, AMS provides leadership to the investment committee and assists them with everything from drafting investment policy statements to selecting and monitoring investment management options to negotiating fees with vendors. Vendor management is increasingly critical to a successful participant directed investment plan offering. Many times, the missing piece of the retirement plan puzzle is proper fiduciary oversight required by the plan sponsor to select and monitor appropriate investment alternatives for its employees. In addition, fees can be hidden and difficult to parse out of the maze of documentation.

For retirement plan clients with individual plan participants exercising control over assets in their own account ("participant-directed plans"), we may also provide educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT

provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

## Participant Directed Retirement Plan ERISA Investment Fiduciary Services

As a plan sponsor you may want to appoint as qualified investment firm to serve as the named Investment Fiduciary for your plan to minimize your fiduciary responsibility regarding the investments available to your plan participants. AMS may serve as the named Investment Fiduciary to a qualified retirement plan which may include being an "investment manager" within the meaning of ERISA Section 3(38) and a "fiduciary" within the meaning of ERISA Section 3(21). AMS will acknowledge our fiduciary status and duties in writing. The primary clients for these services will be pension, profit sharing and 403(b) and 401(k) plans that provide for participant directed investments ERISA Investment Fiduciary Services are comprised of three distinct services. Clients may choose to use any or all of these services.

**Authority and Responsibility of the Investment Fiduciary.** The Investment Fiduciary shall have the following discretionary authority and responsibility:

- (i) to manage the investment of the Trust Fund using only the investment options available through the recordkeeper, products and/or platforms chosen by Plan Sponsor;
- (ii) to appoint and remove one or more investment managers;
- (iii) to establish, revise from time to time, and communicate to the Trustee and/or Investment

Manager(s), assist in building an investment policy for the Plan. We will meet with your and/or you plan committee (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

## IMPLEMENTATION PROCESS FOR

Wealth Management Services for Individuals and Families

Investment Advisory Services for Endowments and Foundations

Investment Advisory Services for Pooled Retirement Plans

We create a portfolio using strategies consisting of one or all of the following: exchange traded funds, individual stocks, bonds, other investment products, and no-load or load-waived mutual funds. We allocate the client's assets among various investments taking into consideration the overall risk tolerance, time horizon and income needs as described in the Client Risk Profile. The mutual funds are selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors is determined by each client's individual needs and circumstances. Clients have the opportunity to place reasonable restrictions on the types of investments made on the client's behalf. Clients retain individual ownership of all securities.

In addition to the statement provided by the client's custodian, each client receives a quarterly statement with a description of all account holdings, performance and activity.

When appropriate to the needs of the client, we may utilize an adaptive risk allocation strategy to build and manage the client portfolio. The strategy is managed and administered by AMS and sub-advised by CLS Investment Firm, LLC (hereinafter CLS). The strategy uses risk budgeting, fundamental, statistical and relative strength analysis of multiple families of no-load and load mutual funds available at Net Asset Value (NAV), exchange traded funds, Folios (folios are baskets of stocks or individual securities), and/or other types of securities to diversify the portfolio among different asset classes according to the client objectives expressed in the Client Risk Profile. The strategy may utilize Affiliated Funds of CLS. Up to 100% of the portfolio may be

invested in shares of funds that are advised or otherwise managed by CLS. CLS will receive a management fee from the Affiliated Funds. This fee is paid by the Affiliated Fund to CLS and AMS does not receive and is not responsible for the collection or payment of the fee. AMS is responsible for the continuing supervision of the portfolio and the actions of CLS in its role as sub-adviser in connection with the portfolio and the client's account. AMS is responsible for payment of the advisory fee or other charges of CLS with respect to the management of the portfolio. Use of CLS as sub-adviser does not impact the fee AMS charges the client.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and time horizon as described in the Client Risk Profile.

## Item 5 Fees and Compensation

The specific manner in which fees are charged by AMS is established in a client's written agreement with AMS. All fees may be subject to negotiation. Advisory fees paid by clients are generally based upon a percentage of assets under management and are billed in arrears at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value) or in advance of each calendar quarter based upon the value (market value or fair market value in the absence of market value) of the client's account at the end of the previous quarter. Clients may choose to be billed directly for fees or authorize AMS to directly debit fees from their accounts. AMS's fees are exclusive of broker commissions, transaction fees and other related cost expenses, which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third parties, custodial fees, odd lot differentials, transfer taxes, wire transfers and electronic fund fees, and other fees and taxes on broker's accounts and security transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are in addition to the AMS fee. AMS does not receive any portion of these commissions, fees and costs.

### Fees For Wealth Management Services for Individuals and Families Investment Advisory Services for Endowments and Foundations Investment Advisory Services for Pooled Retirement Plans

#### Portfolios containing stocks, bonds and ETFs

	Assets Under Management	Annual Fee
First	\$250,000	1.85%
Next	\$250,000	1.50%
Next	\$500,000	1.25%
Next	\$1,000,000	1.00%
Next	\$5,000,000	0.75%

Portfolios over \$7,000,000 are priced on a case by case basis.

#### Mutual Fund Portfolios

Assets Under Management	Annual Fee
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First	\$250,000	1.25%
Next	\$750,000	0.90%
Next	\$1,000,000	0.75%
Portfolios over \$2,000,000 are priced on a case by case basis		

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and associated persons of our firm.

### Participant Directed Retirement Plan Consulting and ERISA Investment Fiduciary Services Fees

Generally, our fees for Participant Directed Retirement Plan Consulting and ERISA Fiduciary Services are based on a percentage of assets under advisement, as follows:

We charge an annual fee for Participant Directed Retirement Plan Consulting or ERISA Investment Fiduciary Services which ranges from 0.10% to 1.25% of plan assets depending on the services requested and the size of the plan.

We offer several fee options. We may be compensated based on an annual percentage of plan assets for services involving ongoing reviews, or it may be compensated by an hourly fee or fixed fee. Alternatively, these different types of fees may also be combined as appropriate for the different types of services requested by the client.

Typically, the annual fee ranges from 0.10% to 1.25% of plan assets depending on the services requested and the size of the plan. Fees will be based upon the value of the plan at the end of the previous period. Fees will not be adjusted based on additions and withdrawals during the calendar quarter.

AMS's hourly charges range from \$85 to \$185 per hour. A fixed fee may be quoted based on an estimate of hours for the services requested. We may request a retainer for hourly and fixed fee arrangements. The amount of a requested retainer will never exceed the fee for services to be provided within the first six months of an engagement.

### Financial Planning Fees

AMS's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client. We offer two fee options for Financial Planning services. Fees may be calculated and charged on an hourly basis, ranging from \$85 to \$185 per hour. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate of the total hours at the start of the advisory relationship.

Fees may be calculated and charged on a fixed fee basis, typically ranging from \$500 to \$5,000, depending on the specific arrangement reached with the client. We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$1,200 for work that will not be completed within six months. The balance is due upon completion of the plan.

The client is billed quarterly or monthly in arrears based on actual hours accrued.

## General Information

**Termination of the Advisory Relationship:** Clients may terminate investment advisory services obtained from AMS, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with AMS. The client is responsible for any fees and charges incurred by the client from third parties as a result of maintaining the account such as transaction fees for any securities transactions executed and account maintenance or custodial fees. Thereafter, a client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded based on the time worked or remaining in the current billing cycle.

**Mutual Fund Fees:** All fees paid to AMS for investment advisory services are separate and distinct from the fees and expenses charged by mutual 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, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**ERISA Accounts:** AMS is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, AMS only charges fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisors for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

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

AMS does not charge performance-based fees and does not manage any hedge funds; therefore side-by-side management is not an issue.

## Item 7 Types of Clients

AMS provides advisory services to the following types of clients:

- ☐ Individuals (other than high net worth individuals)
- ☐ High net worth individuals
- ☐ Pension and profit-sharing plans (other than plan participants)
- ☐ Charitable organizations
- ☐ Corporations or other businesses not listed above
- ☐ Trusts and Endowments

In general, a minimum of \$100,000 is required to open and maintain an advisory account. At our discretion, we may waive the minimum account size based upon certain circumstances.

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

### METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis -** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Cyclical Analysis -** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**Quantitative Analysis -** We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

**Qualitative Analysis** - We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

**Asset Allocation** - Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of stocks, fixed income, cash and other assets suitable to the client's investment goals and risk tolerance.

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

**Mutual Fund and/or ETF Analysis** - We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

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 may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Third-Party Money Manager Analysis** - We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

**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.

**Other - Trend-Correlation analysis** - This method of analysis is intended to assist in reducing the risk of the client participating in large market downturns. This process has been used effectively in reducing portfolio volatility when markets move down. A risk of this method of analysis is it may also reduce the client's level of participation in market up swings. This analysis is best implemented for portfolios intended to be invested for periods of at least 5 years.

## INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this asset 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 that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Tactical Allocation - When utilizing this strategy, we allocate assets to various broad asset classes based on the correlation of asset classes to each and current economic conditions. The purpose of this strategy is to limit participation in broad market declines while attempting to improve participation in markets as they rise. This strategy poses risks should the correlation trend change direction and then reverse again in a very short period of time. This situation may require additional allocation changes which could result in more frequent trading than does a longer-term strategy, and may result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Adaptive Risk Allocation - The risk associated with various specific asset classes like stocks, bonds, cash and other assets changes over time as market and economic conditions change. For example, in early 2007 the real estate and stock market were near their greatest historical value and their associated risk was elevated as well. By tracking the risk of various asset classes through time, we have a foundation for making allocation decisions to keep a client's portfolio in line with their chosen risk profile. As the value of an asset class rises over its' historical norm, the risk of owning that asset increases. To bring the risk of a portfolio back to the client's chosen risk level, some asset classes are reduced and others that have less risk based on historical norms are added or increased. This process does not rely on predicting the direction of the markets. Even if the risk level for the client's portfolio is maintained at the chosen level, losses may still occur.

Risk of Loss - Securities investments are not guaranteed, and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for 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

One of our related persons hold a license to sell insurance products. They may receive commissions on insurance products purchased by our clients. In that instance, our clients are not required to purchase products through any of our related persons. Clients should evaluate recommendations of such products and consider the potential conflict of interest that exists if they choose to allow the related personnel to assist them in the purchase of insurance products.

The owners of our firm are not currently registered with any broker dealer.

Neither our firm nor its representatives are registered as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

## 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.

AMS and our personnel owe a duty of loyalty, fairness and good faith to 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 of Ethics.

Our Code of Ethics includes policies and procedures for the review of quarterly 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 an initial public offering. Our Code of Ethics also provides for oversight, enforcement and record-keeping provisions.

AMS's 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 our advisory clients and prospective clients. You may request a copy by email sent to [Tom@assetmgmtservicesllp.com](mailto:Tom@assetmgmtservicesllp.com), or by calling us at 205-408-9596.

Our Code of Ethics is designed to assure 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 may buy or sell for their personal accounts' securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

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.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts may be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. 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. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to termination.

## Item 12 Brokerage Practices

As our firm does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients must direct Asset Management Services, LLP as to the broker-dealer to be used.

AMS requests that clients direct us to place trades through TD Ameritrade or Charles Schwab (hereafter "Broker"). We have evaluated Broker and believe that it will provide our clients with a blend of execution services, commission costs and professionalism that will assist our firm to meet our fiduciary obligations to clients.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than Broker if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. In directing the use of Broker, it should be understood that AMS will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients (who may direct the use of another broker). Clients should note, while AMS has a reasonable belief that Broker is able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers. Not all advisors require clients to direct it to use a particular broker-dealer.

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, we may recommend the use of one of several brokers (including, but not limited to TD Ameritrade and Charles Schwab), provided that such recommendation is consistent with our firm's fiduciary duty to the client. Our clients must evaluate these brokers before opening an account. The factors considered by AMS when making these recommendations are the broker's ability to provide professional services, our experience with the broker, the broker's reputation, the broker's quality of execution services and costs of such services, among other factors. Clients are not under any obligation to execute trades through any recommended broker.

AMS will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Some broker/custodians charge based on the shares purchased at the account level. In that case cost may not be equal from one account to the next.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. AMS will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Our block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with AMS or our firm's order allocation policy.
- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit and will enable AMS to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.



- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- 8) AMS's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for that account.
- 9) Funds and securities for aggregated orders are clearly identified on AMS's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- 10) No client or account will be favored over another.

AMS may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. AMS is independently owned and operated and not affiliated with Schwab.

Schwab provides AMS with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit AMS but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- i. provide access to client account data (such as trade confirmations and account statements);

- ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab Institutional may make available, arrange and/or pay third-party vendors for the types of services rendered to AMS. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

AMS participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member SIPC ("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. AMS receives some benefits from TD Ameritrade through our participation in the program.

AMS participates in TD Ameritrade's Institutional customer program and we may 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, although 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; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); 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 with no transaction fees and to certain Institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to AMS by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by AMS's related persons.

Some of the products and services made available by TD Ameritrade through the program may benefit AMS but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by AMS through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by AMS or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our recommendation of TD Ameritrade for custody and brokerage services.

## Item 13    Review of Accounts

### Wealth Management Services for Individuals and Families Investment Advisory Services for Endowments and Foundations Investment Advisory Services for Pooled Retirement Plans

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts and Portfolio Management Accounts are continually monitored, these accounts are reviewed at least quarterly. 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, or the market, political or economic environment.

These accounts are reviewed by: Ben Paternostro or Thomas E. Powell

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer/custodian, we provide quarterly reports summarizing account performance, balances and holdings.

### Participant Directed Retirement Plan Consulting and ERISA Investment Fiduciary Services Fees

**REVIEWS:** AMS will review the client's Client Risk Profile whenever the client advises us of a change in circumstances regarding the needs of the plan. We will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur quarterly.

These accounts are reviewed by: Ben Paternostro or Tom Powell

**REPORTS:** These client accounts will receive reports as contracted for at the inception of the advisory relationship.

### Financial Planning Services

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

**REPORTS:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

**REPORTS:** These client accounts will receive reports as contracted for at the inception of the advisory engagement.

## Item 14 Client Referrals and Other Compensation

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

It is AMS's 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.

## Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

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. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement. In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Our firm does not have physical custody of client funds or securities.

## Item 16 Investment Discretion

Clients hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- ☐ determine the security to buy or sell; and/or
- ☐ determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide 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 may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our

principal place of business.

## Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. AMS has no such financial circumstances to report. AMS has not been the subject of a bankruptcy petition at any time.