

**Item 1 – Cover Page**

**ADVISED ASSETS GROUP, LLC**

**Wrap Fee Program Brochure for:**

**EMPOWER MANAGED PORTFOLIOS**

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Telephone: 844-878-5454

March 30, 2021

This wrap fee brochure provides information about the qualifications and business practices of Advised Assets Group, LLC. ("AAG") If you have any questions about the contents of this brochure, please contact us at the phone number above. 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.

AAG is a registered investment adviser under the Investment Advisers Act of 1940 ("Advisers Act"). Registration of AAG does not imply any level of skill or training.

**Item 2 – Material Changes**

This section of the Brochure highlights and discusses any changes that were made since AAG's last update dated March 30, 2020.

This Brochure was updated to address any out-of-date information. Additionally we made other changes throughout the document in order to provide information clearly and concisely. There were no material changes to this Brochure from its last filing.

Additional information about AAG is also available via the SEC's web site or at [www.advisedassetsgroup.com](http://www.advisedassetsgroup.com). The SEC's web site also provides information about any person affiliated with AAG who is registered, or are required to be registered, as an investment adviser representative with AAG.

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#### **Item 4 – Advisory Business**

##### **Description of Advisory Firm**

AAG is a registered investment adviser under the Advisers Act since 2000. It submits notice filings with state securities divisions in all 50 states, the District of Columbia, Guam, US Virgin Islands, and Puerto Rico. AAG offers investment management and advisory services primarily to plan sponsors of employer-sponsored retirement plans such as 401(a), 401(k), 403(b) and 457 plans, including government entities and their participants, and to all account holders of the Empower Retirement IRA (“IRA holder,” “account holder”). AAG also offers investment management services to retail brokerage account holders. AAG does not choose the investments offered in employer-sponsored retirement plans. AAG serviced plans receive recordkeeping services through Empower Retirement, LLC (“Empower Retirement”), the recordkeeping entity affiliated with AAG. In addition, AAG offers Empower Managed Portfolios (the “MP Service”) to account holders of Empower Brokerage accounts. More information about AAG’s services, including an applicable brochure, can be obtained by contacting AAG at the number provided on the cover page of this brochure or by visiting AAG’s website at [www.advisedassetsgroup.com](http://www.advisedassetsgroup.com). AAG’s principal place of business is located in Greenwood Village, CO.

AAG is a wholly-owned subsidiary of Great-West Life & Annuity Insurance Company (“GWLA”), an insurance company domiciled in the State of Colorado. GWLA is a direct wholly-owned subsidiary of GWL&A Financial Inc. (“GWL&A Financial”), a Delaware holding company. GWL&A Financial is a direct wholly-owned subsidiary of Great-West Lifeco U.S. LLC. (“Lifeco U.S.”) and an indirect wholly-owned subsidiary of Great-West Lifeco Inc. (“Lifeco”), a Canadian holding company. Lifeco is a subsidiary of Power Financial Corporation (“Power Financial”), a Canadian holding company with substantial interests in the financial services industry. Power Corporation of Canada (“Power Corporation”), a Canadian holding and management company, has voting control of Power Financial. The Desmarais Family Residuary Trust has voting control of Power Corporation, through a group of private holding companies that it controls.

##### **Types of Services:**

Empower Managed Portfolios (“MP Service”) is an Investment management service utilizing asset allocation models comprised mainly of Great-West Funds for customers with Empower Brokerage accounts.

Empower Managed Portfolios are created from the following Great-West Funds plus a cash alternative investment (the “Funds and the Cash Fund”):

<b>Fund Name</b>	<b>Symbol</b>	<b>CUSIP</b>
Great-West Core Strategies: U.S. Equity Fund	MXEBX	39137G264
Great-West Core Strategies: International Equity Fund	MXECX	39137G256
Great-West Core Strategies: Flexible Bond Fund	MXEDX	39137G249
Great-West Core Strategies: Short Duration Bond Fund	MXEEX	39137G231
Great-West Core Strategies: Inflation-Protected Securities Fund	MXEGX	39137G223

The fees, risks, account holder responsibilities and limitations for this service are discussed in greater detail in this Brochure. Fees and expenses of the Great-West Funds listed above are also fully explained in the prospectus and Statement of Additional Information materials that accompany each investment option, as applicable.

**There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.**

**Enrollment in the MP Service:**

To enroll in the MP Service, you must have a minimum amount of \$5,000 in assets in your account (“Account”) subject to the MP Service. The MP Service asks you to provide AAG with information about yourself, your financial situation, your investment objectives, and your investment risk preferences. This information is used by the MP Service to manage your Account, and is called your investment profile (“Investment Profile”).

Using your Investment Profile, AAG will make an initial investment allocation of your Account using AAG’s investment methodology. No tax advice is provided through the MP Service.

After enrolling in the MP Service, you can no longer make trades in the funds in your Account managed by the MP Service, although you can terminate participation in the MP Service as described below.

Each quarter, AAG will review your Account allocation in light of your Investment Profile and its investment methodology, and reallocate your Account if AAG deems it appropriate under the MP Service’s parameters. These rebalancing transactions will take place without consideration of the tax consequences of the transaction. You will be responsible for capital gains and losses associated with the reallocation activity.

It is important that you provide AAG with the information needed to populate your Investment Profile, and that you update your Investment Profile as information changes. This can be done by contacting AAG’s phone center, or by returning an updated profile questionnaire to AAG. If there is a change in the information you previously provided to AAG for your Investment Profile, it is your responsibility to contact AAG to update your Investment Profile. If you wish to terminate the MP Service relative to your Account, you should contact the AAG service center by telephone. If you terminate the MP Service, you may choose to transfer your assets in-kind to an Empower Investment account, a taxable brokerage account offered by Empower Retirement. If you do not choose this option, all of the assets in the Account will be moved into the cash alternative investment option, and there may be tax consequences associated with the movement out of the funds in the MP Service into the cash alternative investment. You may then receive your account balance or transfer the account balance to an Empower Investment account or other outside account to invest in other investment options.

**Assets Under Management**

The SEC adopted a uniform method for advisers to calculate assets under management for regulatory purposes, which it refers to as an adviser’s “regulatory assets under management.” Regulatory assets under management are generally an adviser’s gross assets, i.e., assets under management without deduction for outstanding indebtedness or other accrued but unpaid liabilities. AAG reports its regulatory assets under management in Item 5 of Part 1 of Form ADV, which is located at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

As of December 31, 2020:

Discretionary investment management among all services	\$58,486,761,787
Non-discretionary investment advisory services among all services in the amount of:	\$3,787,221,958
Total discretionary and non-discretionary investment management and advisory services in the amount of:	\$62,273,983,745

**Item 5 – Fees and Compensation**

AAG charges an investment service fee for providing the MP Service (the “Investment Service Fee”). The Investment Service Fee, shown below, is charged as an annual percentage of assets subject to the MP Service and held in your Account, and the Investment Service Fee is debited quarterly based on the number of days in the quarter you used the MP Service. The fees

are calculated on an average daily account balance and assessed in arrears. You authorize AAG or its designee to debit your Account for the Investment Service Fee. A deduction showing the Investment Service Fee will appear on your Account statements. If you stop using the MP Service, your Account will be charged for the portion of the calendar quarter when you used the MP Service. During your relationship with AAG, AAG's fees may change. You will be notified of fee changes and your continued use of the MP Service means that you accept any fee change.

The MP Service is a wrap fee program and the Investment Service Fee is a wrap fee, sometimes referred to as a unitary fee. This means that the Investment Service Fee includes your cost of several investment services and functions provided by AAG, its Great-West affiliates, and their subcontractors. These services and functions include the following:

- investment methodology to manage your Account;
- portfolio management services, including ongoing evaluation and reinvestment;
- trade execution, clearing and settlement services;
- custody services;
- reporting services, including tax reporting; and
- brokerage account services.

1. Investment Service Fee:

<b><u>Assets subject to the MP Service</u></b>	<b><u>Total Annual fee</u></b>	<b><u>Quarterly portion of Annual fee</u></b>
The first \$100,000	0.50%	0.125%
\$100,001 to \$250,000	0.40%	0.10%
\$250,001 to \$400,000	0.30%	0.075%
Over \$400,000	0.20%	0.05%

The Investment Service Fee does not include the cost of the Great-West Funds or the cash alternative investment, described above. For more information about the fees assessed by these investments, including information about the expense ratios and share class, please review the Fund prospectus. You will be provided with a Fund prospectus separately, upon AAG's investment of your Account in the Funds and the Cash Fund. You can also contact AAG for additional information.

2. Brokerage account fees applicable under the Service and not part of the Investment Service Fee:

<b><u>Type of service or event</u></b>	<b><u>Fee</u></b>
Outgoing account transfer (ACATs)	\$65 per account
Returned and voided checks	\$20 per event
Stop payment	\$10 per event
Fed funds wire	\$25 per event
Overnight/express mail- domestic	\$12 for weekday, \$18 for Saturday delivery

Other: AAG has authorized GWFS Equities, Inc. ("GWFS"), an affiliate of AAG, and its licensed agents and registered representatives who are Empower Retirement employees (collectively referred to as "Agents") to solicit, refer, and market AAG's services. In addition to their salary, such Agents may earn bonus compensation based upon engaging plan sponsors to

offer AAG's services. Other Agents and AAG representatives may be indirectly compensated through bonus compensation, in addition to their salary, for communication, education and/or assisting participants to enroll in AAG's Services. Compensation paid to Agents or AAG representatives does not increase the fees paid by the plan, plan sponsor, participants and/or account holders. AAG's representatives may recommend that you use the MP Service. If you elect to use the MP Service, AAG will earn additional compensation.

#### **Item 6 – Performance-Based Fees and Side –by Side Management**

AAG does not charge any performance-based or side-by-side management fees (fees based on investment performance or a share of capital gains on, or capital appreciation of, the assets of a client).

#### **Item 7 –Types of Clients**

AAG offers investment advisory and management services to employer-sponsored retirement plans. These include 401(a), 401(k), 403(b) and 457 plans, including government entities and their participants through arrangements with the plan's recordkeeper and to account holders of the Empower Premier IRA and Empower Brokerage Accounts. The MP Service is currently available only to those who have a retail Empower Brokerage Account.

#### **Item 8 – Methods of Analysis and Investment Strategies**

In providing investment management services, AAG relies on several approaches to select and manage asset allocation and underlying strategies. The asset allocation models are developed using a constrained mean-variance optimization approach. AAG uses capital market assumptions for the expected returns, standard deviations, and correlation between each asset class to optimize the maximum expected return per unit of risk at each pre-defined risk level, subject to reasonable investment management constraints. The models represent a range of equity/fixed income mixes such that each client can be individually assigned to a model.

Capital market assumptions are generated using an expected return approach and various asset class-specific risk premia. We currently target seven individual inputs into our capital market assumptions; four equity inputs, two fixed income inputs, and a risk-free rate:

1. **Risk-Free Rate:** The process typically starts with an assumption regarding the risk-free rate. The current risk-free rate is generally assumed to be the current yield on the three-month U.S. Treasury T-Bill. The historical risk-free rate is the average 30-day T-Bill yield since 1926.
2. **Equity Risk Premium (equity):** The equity risk premium is defined as the average return on large-cap U.S. equities using the longest time series available, less the historical risk-free rate.
3. **Country Risk Premium (equity):** The country risk premium for non-U.S. developed markets is a function of the volatility-adjusted equity risk premium for domestic large-cap equities. The country risk premium for non-U.S. emerging markets is a function of the volatility-adjusted equity risk premium for domestic large-cap equities.
4. **Value Premium (equity):** The value premium is calculated using the historical returns of the appropriate Russell® Value and Growth indices since their inception in 1979.
5. **Size Premium (equity):** Small-cap and mid-cap size premia are a function of the average annual returns associated with these types of investments, less the return of comparable large cap investments.
6. **Default Premium (fixed income):** The default premium is estimated using the historical excess returns generated by corporate bonds, relative to comparable government bonds over long-term periods.
7. **Horizon Premium (fixed income):** The horizon premium is estimated using the historical excess returns generated by longer-term government bonds, relative to comparable shorter-term government bonds over long-term periods.

Expected standard deviations and correlations between asset classes are based on long-term results from relevant securities indices associated with each asset class. Finally, minimum and maximum allocations to each asset class are established based on both absolute and relative positioning to ensure that mathematical-created allocations are not inappropriately weighted based on historical anomalies that AAG does not project into the future.

When assigning clients to particular portfolio, clients are asked to complete a risk tolerance questionnaire that assesses their tolerance and capacity for investment risk. Next, clients are assigned to the model that aligns most closely with their risk characteristics.

The risk tolerance questionnaire analyzes three factors:

1. Overall investment knowledge and capacity for investment risk;
2. Tolerance for investment risk; and
3. Time horizon for investment.

Each investor's results are scored and plotted against a preset matrix that determines which of the portfolios is most appropriate. For example, investors scoring low on risk tolerance and short on time horizon will be assigned to a Conservative Portfolio. Investors scoring high on risk tolerance and with a longer time horizon will be assigned to the aggressive portfolio.

AAG does not constrain itself to limited types of investments or methodologies. A variety of proprietary analytics and third-party data sources may be used in constructing the analyses supporting the investment decisions and subsequent monitoring and adjustments.

### **General Risks of Investing**

Investing in securities involves risk of loss that clients should be prepared to bear. **Neither AAG nor its affiliates can guarantee that negative returns can or will be avoided in the Great-West Funds. Past performance is no guarantee of future results.**

You should carefully consider the benefits of a well-balanced and diversified investment portfolio. Market or other economic conditions that cause one category of assets to perform very well often cause another asset category to underperform. Diversification does not guarantee investment returns and does not eliminate the risk of loss.

Below are some of the common risk factors that could produce a loss in a client's account, a specific investment product, or asset category:

- **Market Risk:** Stock and bond markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market or economic developments in the U.S. and in other countries. Market risk may affect a single company, a sector of the economy, a country or geopolitical region, or the market as a whole. Market risk may impact stock and or bond markets in unanticipated and different ways.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry.
- **Capitalization Risk:** Small-cap and mid-cap companies may be hindered due to limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.
- **Category or Style Risk:** During various periods of time, one category or style may underperform or outperform other categories and styles.
- **Credit Risk:** The risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and impact the performance of the issue along with any mutual fund or exchange-traded fund which holds it.
- **Interest Rate Risk:** The market value of a debt security is affected significantly by changes in interest rates. When interest rates rise the security's market value declines. When interest rates decline, market values rise. The longer bond maturity results in the greater risk and the higher yield. Conversely, the shorter bond maturity results in the lower risk and the lower yield.
- **Inflation Risk:** When any type of inflation is present, purchasing power may erode at the inflation rate.

- **Reinvestment Risk:** The risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This relates primarily to fixed income securities.
- **Exchange-traded funds:** Exchange-traded funds present market and liquidity risks because they are listed on a public securities exchange and are purchased and sold via the exchange at the listed price. The price will vary based on current market conditions and may deviate from the net asset value of the exchange-traded fund's underlying portfolio. There may also be an inactive market for certain funds, and/or losses from trading in secondary markets.
- **Target Date Funds:** Generally, the asset allocation of each target date fund will change on an annual basis with the asset allocation becoming more conservative as the fund nears the target retirement date. The target date is the approximate date when investors plan to start withdrawing their money. The principal value of the fund(s) in a plan's lineup is not guaranteed at any time, including at the time of target date and/or withdrawal.
- An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although some money market funds such as U.S. Government money market funds strive to preserve the value of the investment at \$1.00 per share, it is possible to lose money by investing in a money market fund. Additionally, other money market funds may operate under new rules and regulations permitting such funds to have a "floating" value per share. A floating value may be more or less than \$1.00 per share depending on market conditions and impose liquidity/redemption fees for large or frequent withdrawals.

For more complete information about any of the mutual funds or investment products available within the Account, please contact the phone number on page 1.

#### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of AAG or the integrity of AAG's management. AAG has no legal or disciplinary event to report relative to this Item.

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

AAG is not a registered broker-dealer. However, due to the organizational structure of AAG's parent company, Great-West, certain registered representatives of GWFS are also supervised persons of AAG and are required to comply with AAG policies and procedures when acting in that advisory capacity. AAG and its management persons are not, and do not have an application pending to register as, a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

#### **Other Financial Industry Affiliations**

AAG has arrangements that are material to its advisory business or its clients/participants/account holders with the related entities shown below. These related entities may receive certain fees that are unrelated to AAG's fees for its Services.

#### **Recordkeeping and Administrative Services Company**

*Empower Retirement, LLC ("Empower Retirement")* is a comprehensive administrative and recordkeeping services provider for financial institutions and employers, which include educational, advisory, enrollment, and communication services for employer-sponsored defined contribution plans and associated defined benefit plans under Internal Revenue Code Section 401(a), 401(k), 403(b), 408, and 457.

#### **Insurance Companies**

*Great-West Life & Annuity Insurance Company* is an insurance company domiciled in the State of Colorado ("GWLA"). AAG is a wholly-owned direct subsidiary of GWLA. GWLA, pursuant to various agreements, may provide investment products, recordkeeping and other administrative services through its affiliates.

*Great-West Life & Annuity Insurance Company of New York* is an insurance company domiciled in the State of New York ("GWL&ANY"). AAG is an affiliate of GWL&ANY through common ownership where GWLA is the sole owner of both AAG and



GWL&ANY. GWL&ANY, pursuant to a various agreements, may provide investment products and administrative services through its affiliate, Empower Retirement, to retirement plans for which AAG may also provide its services.

#### **Broker-Dealer**

*GWFS Equities, Inc. ("GWFS")*, an affiliate of AAG, is a registered broker/dealer, principal underwriter and distributor of Great-West Funds and wholly-owned subsidiary of GWLA. GWFS may provide wholesaling, direct sales, enrollment and/or communication services to retirement plans, their participants and to Empower Brokerage account holders for which AAG may also provide its services. Certain trades are executed through GWFS; however, trades for the MP Service are not executed through GWFS, but through a non-affiliated broker-dealer.

#### **Trust Company**

*Great-West Trust Company, LLC ("GWTC")* is a trust company and affiliate of AAG. GWTC is a wholly-owned subsidiary of GWLA. GWTC is chartered under the laws of the State of Colorado. GWTC may provide discretionary or directed trustee and/or custodial services for AAG's clients. GWTC also serves as the trustee for certain collective investment trusts which may be available as investment options and is the custodian of all Empower Retirement IRA accounts.

**Investment Company** *Great-West Funds, Inc.* is an investment company affiliated with AAG. It is registered under the Investment Company Act of 1940. Great-West Funds may provide investment products to retirement plans and IRAs for which AAG may also provide its services. Great-West Funds are managed by Great-West Capital Management, LLC as discussed below.

#### **Investment Advisers**

*Great-West Capital Management, LLC ("GWCM")*, an affiliate of AAG, is the investment adviser for Great-West Funds and is registered under the Investment Advisers Act of 1940 ("Advisers Act"). It is a wholly-owned subsidiary of GWLA. AAG provides managed account, guidance, and advice services to participants in certain defined contribution plans and to account holders of the Empower Retirement IRA which may have as investment options certain portfolios of Great-West Funds managed by GWCM. AAG also provides the MP Service, which has as its investment options five Great-West Funds managed by GWCM.

*Putnam Investment Management, LLC* is a registered investment adviser ("PIM"). AAG is under common control with PIM and is an affiliate of PIM. Shares of Putnam retail mutual funds may be available for purchase by retirement plans or by the Empower Premier IRA holders. PIM serves as a sub-adviser to certain funds in the the Great-West Core Strategies lineup.

*Irish Life Investment Managers Limited* – a Dublin, Ireland based, SEC registered investment adviser. ILIM is part of the Great-West Lifeco, Inc. ("GWL") group of companies; GWL has operations in Canada, the United States, Europe and Asia through ownership of various companies, including GWLA and PIM. AAG is wholly-owned subsidiary of GWLA, which is an indirect, wholly owned subsidiary of GWL controls ILIM. ILIM manages the index series of Great-West Funds.

*Personal Capital Advisors Corporation ("Personal Capital")*, an affiliate of AAG, is wholly-owned by Personal Capital Corporation, which is wholly-owned by Empower Holdings, LLC, a wholly-owned subsidiary of GWLA. Personal Capital is an investment adviser registered under the Investment Advisers Act of 1940 and provides discretionary investment management services and financial planning services to various clients.

#### **Branding**

The affiliated companies of AAG, GWCM, GWFS, GWLA, GWL&ANY, Great-West Funds, Empower Holdings, LLC, Empower Retirement, LLC, and GWTC operate under the multiple brands of Empower Retirement and Empower Institutional depending upon the products, services and retirement markets involved. These brands do not materially affect the internal structure of AAG or AAG's corporate ownership.

#### **Conflicts of Interest**

Investment models for the MP Service are comprised mainly of Great-West Funds. GWCM, an AAG affiliate, provides services to Great-West Funds, for administering, managing, and supervising the funds. Because participation in the MP Service will result in an allocation to one or more investment options managed by GWCM, use of the MP Service will result in an increase of the assets for which GWCM charges service fees. The fees paid to GWCM for management of the Great-West Funds are

included in the fund share price. AAG does not receive compensation from its parent company or any of its affiliates as a result of allocations to Great-West Funds.

*Representative Compensation.* AAG has authorized GWFS, an affiliate of AAG, and its licensed agents and registered representatives who are Empower Retirement employees (collectively referred to as “Agents”) to solicit, refer and market AAG’s services. In addition to their salary, Agents may earn bonus compensation based upon engaging plan sponsors to offer AAG’s services. Other Agents and AAG representatives may be indirectly compensated through bonus compensation, in addition to their salary, for communication, education and/or assisting participants to enroll in AAG’s Services. Compensation paid to Agents or AAG representatives does not increase the fees paid by the plan, plan sponsor, participants and/or account holders.

Agents and AAG representatives’ individual performance goals and their related incentive compensation is based on a combination of factors including the number and quality of customer engagements during the measurement period and the amount of customer assets retained as result of the engagements. The rate of incentive compensation considers the total amount of retained or accumulated assets, compared with the monthly asset goal, as determined by AAG on a periodic basis. The asset goal is generally set on an annual basis and may differ by product or account type. Additional factors include certain qualitative factors, such as leadership, teamwork, client experience, quality and efficiency of client interactions, and adherence to corporate policies and regulatory standards.

AAG’s affiliates may receive payments from other firms, non-proprietary investment funds or products, or providers, such as revenue sharing payments, in connection with the investments made pursuant to our recommendation or investment management.

#### **Other Business Activities**

Certain senior managers and officers of AAG may also serve as executive officers of AAG’s parent company, Great-West, and other affiliates of AAG.

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

##### **AAG’s Code of Ethics**

AAG has adopted a written Code of Ethics (the “Code”) in compliance with Rule 204A-1 of the Advisers Act. The Code sets forth standards of business conduct expected of advisory personnel and applies to AAG’s advisory personnel (referred to as “Supervised Persons”). AAG’s Supervised Persons are required to report their personal securities holdings and transactions in accordance with the Advisers Act. AAG’s Supervised Persons are required to comply with the Code. A copy of the Code will be provided to current or prospective clients, upon request. AAG’s Code includes provisions related to:

- Fiduciary responsibility to clients;
- Compliance with federal securities laws;
- Protection and safeguarding of confidential information;
- Giving and receiving gifts, gratuities and entertainment;
- Political contributions;
- Reporting and monitoring personal securities transactions;
- Avoiding and disclosing conflicts of interest; and
- Reporting violations of the Code.

##### **Personal Trading**

The Code requires pre-clearance of certain securities transactions. Officers, managers, and certain employees of AAG (collectively, “Access Persons”) may trade for their own personal accounts in securities that are recommended to and/or purchased for AAG’s advisory clients. As a result, trading is continually monitored in accordance with the Code and federal

securities laws. The Code is intended to ensure that the personal securities transactions and outside business activities of AAG's Access Persons do not interfere with making decisions in the best interest of advisory clients.

### **Principal Trading**

AAG has adopted a policy and practice not to engage in any principal transactions. AAG holds no investments for its own accounts which could be bought from, or sold to, an advisory client. In the event of any change in AAG's policy, any such change must be approved by management. Any principal transactions would only be permitted after meeting the review and approval requirements described under the anti-fraud section of the Advisers Act.

### **Participation or Interest in Client Transactions**

Registered representatives of GWFS may provide wholesaling, direct sales, enrollment, and/or communication services to retirement plans, their participants and to account holders for which AAG may also provide its services.

## **Item 12 – Brokerage Practices**

### **Brokerage Selection; Best Execution**

Transactions for the MP Service are processed by AAG's non-affiliated service provider, Lockwood Advisors, Inc. or its affiliates, including Pershing LLC.

### **Soft Dollar Practices**

As a matter of policy, AAG does not utilize research, or other products or services from third parties in connection with client securities transactions on a soft-dollar commission basis.

## **Item 13 – Review of Accounts**

At least annually, AAG personnel review the methodologies used to establish the managed portfolios. AAG does not assume responsibility for any incomplete or erroneous information provided by an account holder. Account holders should periodically review and update their information.

Each quarter, AAG will review your Account allocation in light of your Investment Profile and its investment methodology, and rebalance your Account if AAG deems it appropriate under the MP Service's parameters.

AAG's product oversight analysts will review a sample of client accounts quarterly to ensure that clients receive all appropriate documentation for their accounts. Review will also ensure initial account allocations are consistent with the Investment Profile and its investment methodology and that rebalancing is performed timely. If AAG becomes aware of a matter that requires the client's attention in order to resolve, AAG will promptly notify the Client.

## **Item 14 – Client Referrals and Other Compensation**

AAG does not pay cash or other compensation to outside solicitors for referrals to Empower Brokerage or the MP Service.

*Representative Compensation.* AAG has authorized GWFS, an affiliate of AAG, and its licensed agents and registered representatives who are Empower Retirement employees (collectively referred to as "Agents") to solicit, refer and market AAG's services. In addition to their salary, Agents may earn bonus compensation based upon engaging plan sponsors to offer AAG's services. Other Agents and AAG representatives may be indirectly compensated through bonus compensation, in addition to their salary, for communication, education and/or assisting participants to enroll in AAG's Services. Compensation paid to Agents or AAG representatives does not increase the fees paid by the plan, plan sponsor, participants and/or account holders. The incentive compensation an AAG representative receives depends on position type, but generally is calculated based on Empower Retirement and/or GWLA profitability and the achievement of individual performance goals that consider factors unrelated to an account holder's adoption of investment products or services offered through Empower Retirement.

Agents and AAG representatives' individual performance goals and their related incentive compensation is based on a combination of factors including the number and quality of customer engagements during the measurement period and the amount of customer assets retained as result of the engagements. The rate of incentive compensation considers the total amount of retained or accumulated assets, compared with the monthly asset goal, as determined by AAG on a

periodic basis. The asset goal is generally set on an annual basis and may differ by product or account type. Additional factors include certain qualitative factors, such as leadership, teamwork, client experience, quality and efficiency of client interactions, and adherence to corporate policies and regulatory standards.

#### **Item 15 - Custody**

AAG does not maintain actual custody of its clients' cash, bank accounts, or securities. Pershing is the custodian for the MP Service and is responsible for any reporting requirements.

#### **Item 16 – Investment Discretion**

AAG provides discretionary investment management services for those account holders who enroll in MP Service.

AAG retains discretionary authority over the allocation of available investment options without requiring prior approval of each transaction. All ongoing investment transfers and investment direction changes are implemented for account holders enrolled in the MP Service.

#### **Item 17 – Voting Client Securities**

AAG does not assume the responsibility to provide assistance or vote proxies or other issuer communications regarding your Account. AAG will also refrain from voting or other decision-making authority regarding proxies or other issuer communications. Correspondence regarding the matters described in this section will be handled in connection with the Plan's policies and service provider arrangements.

AAG, as a registered investment adviser, and as a matter of practice, does not accept authority to vote client securities in connection with any of the services described in this Brochure. Correspondence regarding the matters described in this section will be handled in connection with the policies and service provider arrangements.

#### **Item 18 – Financial Information**

As previously discussed, under certain circumstances AAG has discretionary authority over certain client funds and securities. Accordingly, AAG is required to disclose information about AAG's financial condition that is reasonably likely to impair AAG's ability to meet contractual commitments to its clients. AAG has no financial commitment that impairs its ability to meet contractual commitments to its clients, nor has AAG been the subject of a bankruptcy proceeding. Further, AAG does not require or solicit prepayment of fees in excess of \$1,200 per client more than six months in advance.