

## **Item 1 — Cover Page**

### **ADVISED ASSETS GROUP, LLC**

#### **Disclosure Brochure**

#### **Financial Planning Service**

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Greenwood Village, CO 80111  
Telephone: 833-301-9355

March 30, 2021

This Brochure provides information about the qualifications and business practices of Advised Assets Group, LLC (“AAG”). Specifically, this Brochure provides information on the financial planning services provided by AAG. If you have any questions about the contents of this Brochure, please contact us at 833-301-9355. The information in this Brochure has not been approved or verified by the Securities and Exchange Commission (“SEC”) 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.

Additional information about AAG is available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) 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.

## **Item 2 — Material Changes**

This section of the Brochure highlights and discusses any changes that were made since AAG’s last update dated June 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 This Brochure was updated to address any out-of-date information.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 [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). 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 since 2000. It submits notice filings with state securities administrators in all 50 states, the District of Columbia, US Virgin Islands, Guam, 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. 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 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 GWLA Financial Inc. (“GWLA Financial”), a Delaware holding company. GWLA 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**

AAG offers a comprehensive financial planning service (the “Service”). In the Service, you will consult with an AAG representative to discuss your life and household situation and your financial position, goals, and obligations. Prior to the consultation, AAG will gather information from your account(s) that are recordkept, administered and/or offered through Empower Retirement, LLC or its affiliates (“Empower Account(s)”) and from you to inform the Service. AAG will then produce a “point-in-time” financial plan for you and will review it with you. AAG generates the plan utilizing proprietary and/or third-party investment methodology and assumptions. The content of the financial plan will vary based on your financial position and other factors, but typically includes suggestions how you might potentially achieve financial goals, an investment risk analysis, and an evaluation of your insurance needs.

AAG does not implement transactions from the financial plan unless you affirmatively request it and, as required, instruct AAG until the plan is fully implemented for your Account(s). AAG does not review or monitor the financial plan on an ongoing basis. Also, AAG does not update the plan unless you re-engage with AAG to produce a subsequent, updated financial plan, even if you participate in the Service pursuant to an ongoing subscription pricing model. Additionally, AAG does not have discretion to act on your behalf as part of the Service. As such, you are responsible for instructing AAG to implement suggestions that AAG may make as part of the Service. You should carefully consider other relevant factors (such as tax implications) when deciding whether and how to implement suggestions generated by the Service. You are not obligated to use AAG or Empower to implement financial planning suggestions produced by the Service.

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

### **Client Information**

The use and storage of any information provided at the client’s sole risk and responsibility. Such information includes, without limitation, a client’s personal and non-public information, account number, password, identification, portfolio information, account balances and any other information available on a client’s personal computer. The client is responsible for providing and maintaining the communications equipment (including personal computers and modems) and telephone or options services required for accessing and using electronic or automated services, and for all communications service fees and charges incurred by the client in accessing these services. AAG shall not bear any responsibility for errors or failures caused by the malfunction of any computer, communication systems, any computer viruses, or related problems that may be associated with the use of the services.

## Assets under Management

With respect to the services provided by AAG, as of December 31, 2020:

Discretionary investment management among all services in the amount of:	\$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**

The fees you pay for the Service depend on the type of your Empower Account(s), as described below. In the case that your retirement plan sponsor pays for the Service, there is no additional cost to you.

Service delivered through your retirement plan's relationship with Empower: If you receive the Service in connection with your retirement plan's relationship with Empower, AAG can receive a fee for the Service in several ways. Fees for the Service are negotiable on a plan sponsor-by-plan sponsor basis.

- First, your retirement plan sponsor may pay AAG a fee from the plan sponsor's own corporate assets, in which case you will pay no separate fee to use the Service; or
- Second, a retirement plan's fiduciaries may choose to offer the Service as part of the bundle of recordkeeping services that Empower provides to the plan, in which case you will pay no separate fee to use the Service; or
- Third, your employer and/or the retirement plan's fiduciaries may offer you access to the Service if you pay the fee for AAG's Service yourself. This fee may be a one-time fee, or an ongoing fee based on a subscription model. If you are required to pay a separate fee to AAG for the Service, you will go through a vendor payment process where you will authorize the amount of the Service fee prior to receiving the Service.

Service through an IRA or brokerage account: If you receive the Service through an IRA or brokerage account offered by Empower, you may pay a separate fee to AAG for the Service. This fee may be a one-time fee or an ongoing fee based on a subscription model. You will go through a vendor payment process during which you will authorize the amount of the Service fee prior to receiving the Service.

Fees are subject to change and AAG may offer certain plan sponsors or clients discounted fees or other promotional pricing. You will be notified of fee changes and your continued use of the Service means that you accept any fee change.

Subscription Service	One-Time Use
\$299 one-time plus \$29 monthly or if enrolled in Empower Retirement Managed Accounts, \$199 one-time plus \$15 monthly.	\$499, or \$399 if enrolled in Empower Retirement Managed Accounts. You may upgrade from the one-time fee to the subscription service with no charge for the first 3 months and then \$29 per month thereafter.

AAG's representatives may recommend that you use the Service. If you elect to use the 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.

### **Item 7 — Types of Clients**

AAG provides investment advice and financial planning to clients in their retirement plans for which Empower Retirement, provides recordkeeping services. AAG may also be engaged by individuals to provide investment advisory services within or alongside an IRA or, in some instances, a retail brokerage account. Clients typically must be considered residents of the United States, the U.S. Virgin Islands, Guam, or Puerto Rico. A plan sponsor may apply additional restrictions for participation due to

plan or regulatory requirements. The Service requires the client to complete a separate agreement with AAG, which may include separate fees.

## **Item 8 — Method of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis and Investment Strategies**

The Service is designed to help individuals plan for future goals and needs. The Service addresses topics such as budgeting, debt management, savings strategies, life insurance, estate planning, retirement income planning, college planning, emergency savings planning, and social security planning.

Since we cannot guarantee the accuracy of any assumption, we limit the assumptions to those most reasonable to predict. We believe using the long-term return on a portfolio, rebalanced annually, is more meaningful than predicting the performance of individual holdings. Additionally, we believe that focusing on clients' savings and its relation to their current lifestyle is more reasonable than predicting their actual income and expenses for the next 30 years. For example, in consideration of individual budgeting difficulties and inconsistencies, we believe it's better to focus on what clients save by considering their income this year relative to the amount they saved and/or contributed to a 401(k) or IRA. If a client is not saving enough relative to their goals and objectives, or do not understand their spending habits, we believe that establishing a budget is an appropriate next step.

Financial planning is an ongoing process. We want to show clients a financial plan that has a range of possibilities. Depending on a client's goals and personal situation, the financial plan may need to be updated over time. An established financial plan helps clients make more appropriate decisions, because they have better information. When clients are focused only on short-term returns and financial objectives, they might miss the long-term returns and financial objectives. Therefore, when discussing progress towards goals with clients, it is important to provide the context of a long-term plan, rather than quarterly returns.

### **General Risks of Investing**

Investing in securities involves risk of loss that clients should be prepared to bear. **Neither AAG nor their affiliates guarantee that the recommendations will result in achieving the retirement income goal. Neither AAG nor their affiliates can guarantee that negative returns can or will be avoided in any of the recommendations. An investment's future performance may differ substantially from its historical performance and may incur a loss. Past performance is no guarantee of future results. Additionally, for company retirement plans, the plan provider may make changes from time to time with respect to the investment options available in the plan.**

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 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 factors that can produce a loss in a client's account and/or in 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. 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 be eroding at the rate of inflation.
- 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 rules and regulations permitting them 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 a retirement plan, please contact your retirement plan service provider.

#### **Risks Associated with Particular Types of Securities**

The plan sponsor or its agent is responsible for determining a retirement plan's investment options. It is the client's responsibility to read all disclosure and related materials, including prospectuses, statements of additional information, and other similar materials.

#### **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, GWLA, certain registered representatives of GWFS Equities, Inc. ("GWFS"). are also supervised persons of AAG and are required to comply with AAG policies and procedures when acting in that capacity. AAG and its management persons are not registered 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 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 ("GWLANY"). AAG is an affiliate of GWLANY through common ownership where GWLA is the sole owner of both AAG and GWLANY. GWLANY, pursuant to various agreements, may provide investment products and administrative services through its affiliates, Empower and 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 and wholly owned subsidiary of GWLA. GWFS may provide wholesaling, direct sales, enrollment and/or communication services to retirement plans and their participants for which AAG may also provide its services. All transactions which occur as a result of participation in the Service are executed by GWFS. GWFS may receive compensation in the form of 12b-1 fees, or other compensation from the mutual fund companies or from the other investments that may be available as investment options.

#### 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 plan investment options.

#### Investment Company

*Great-West Funds, Inc.* ("*Great-West Funds*") 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 for which AAG may also provide its services. Great-West Funds is managed by Great-West Capital Management, LLC as discussed below. Shares of Great-West Funds may be available for purchase by retirement plans advised by AAG.

#### Investment Advisers

*Great-West Capital Management, LLC* ("GWCM"), an affiliate of AAG, is an investment adviser for Great-West Funds and is registered under the Investment Advisers Act of 1940. It is a wholly owned subsidiary of GWLA. AAG provides its discretionary and non-discretionary services to participants in certain defined contribution plans. A plan may select certain portfolios of Great-West Funds managed by GWCM as investment options within the plan.

*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 Retirement IRA holders. PIM serves as a sub-adviser to certain funds in the Great-West Core Strategies lineup.

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

Conflicts relating to fund recommendations: The Services operate by recommending or allocating a user's assets to funds available within a plan or IRA. The funds available for AAG's recommendations within a plan or IRA are generally established by the plan sponsor/client through which the Services are delivered, or the custodian of the IRA platform, rather than by AAG. In some cases, the investment options may include or be comprised solely of investment options sponsored by AAG's affiliates. In other cases, the investment options may make third party payments described below. When this occurs, AAG's affiliates may receive additional compensation as a result of AAG's recommendations or allocations. These forms of additional affiliate compensation are:

- *Proprietary investment funds.* AAG's affiliates offer proprietary investment funds, and AAG may recommend or allocate your assets to our affiliates' proprietary investment funds, such as proprietary mutual funds and collective investment trusts. These proprietary investment funds generate additional investment management fees to AAG's family of companies. This is because AAG's affiliates provide investment management services to the proprietary fund itself, for service like administering, managing, and supervising these funds. For example, a plan participant using the Services will pay advisory fees to AAG and indirectly to GWCM if Great-West Funds are included in the retirement plan investment options, and AAG recommends an allocation to a Great-West Funds product. The fees paid to GWCM for management of the Great-West Funds are included in the fund share price.
- *Proprietary insurance products.* AAG's parent company, Great-West, offers proprietary insurance products for investment. AAG may recommend or allocate your assets to different types of Great-West insurance products and funding agreements. The majority of Great-West insurance products are annuity contracts that are structured either as a "general account" product or as a "separate account" product. If you invest in a general account product, which is an insurance product backed by the general account of an insurance company, AAG's affiliates generate revenue by retaining spread, which is the difference between actual earnings on contracts offered by the insurer, and the crediting rate declared and guaranteed by the insurer through the contract. AAG's affiliates may also receive different types of fee income if you invest in the general account or separate account products, as well as other third-party payments associated with investments held in the separate account.
- *Third-Party Payments.* 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

*Conflicts related to increased use and promotion of the Services.*

- *Increased advisory fee income.* AAG's representatives may recommend that you use the Services. If you enroll in certain Services, AAG will earn additional compensation, since you will pay fees to use these Services.
- *Increased affiliate fee income.* When you use the Services, AAG may recommend you increase contributions or utilize other savings or investment strategies. AAG's affiliates provide a bundle of recordkeeping, trust, custody, brokerage, investment and other related services to retirement plans and to IRA products. If you pay for these various related services through an arrangement where our affiliates charge a direct fee, AAG's affiliates may receive additional fees for these services as a result of AAG's recommendations, because you may contribute, invest, or transact in more assets with AAG's family of companies.
- *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, Members 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.

AAG also has conflicts of interest when it makes suggestions to users through the Service. AAG may suggest utilizing financial products or services which will pay additional compensation to AAG or its affiliates. For example, if a financial plan suggests that a user consider a managed account service, the managed account service available through the user's account may be AAG's own investment management service, and the use of the service would earn AAG investment management fees. AAG does not have discretion to implement suggestions made through the Service without prior client approval.

### **Other Business Activity**

Certain senior managers and officers of AAG may also serve as executive officers of AAG's parent company, GWLA and other affiliates of AAG.

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

#### **AAG Code of Ethics**

AAG adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 of the Investment Advisers Act of 1940 ("Advisers Act"). The Code sets forth a standard of business conduct expected of advisory personnel. It requires AAG's advisory personnel (referred to as "Supervised Persons") to report their personal securities holdings and transactions in accordance with the Advisers Act. AAG's Supervised Persons must comply with the Code. A copy of the Code will be provided to the current or prospective clients, upon request.

The 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 which are recommended to and/or purchased for AAG's advisory clients. However, because the Code would permit Access Persons to invest in the same securities as clients in some circumstances, there is a possibility that employees could benefit from market activity by a client in a security held by an Access Person. 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 the 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 be permitted only 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 and their participants for which AAG may also provide its services. In return, GWFS or Empower Retirement may receive fees from either the plan or the investment provider (fund families). All securities transactions which occur as a result of AAG's services, as described in this Brochure, are executed by GWFS. GWFS may receive compensation in the form of 12b-1 fees or other compensation from mutual fund companies, or from the other investments that may be available as plan investment options. In all instances, AAG's affiliation with these entities is disclosed.

## **Item 12 — Brokerage Practices**

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

For retirement plans, the plan sponsor or its agent selects the broker-dealer used by a retirement plan and determines the reasonableness of the compensation. AAG does not select or recommend broker-dealers for stock transactions or self-directed brokerage accounts and does not determine the reasonableness of broker-dealer's compensation.

### **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.

### **Directed Brokerage**

A plan sponsor may elect to offer brokerage services to participants in its retirement plan. AAG does not participate in such decisions and does not provide recommended portfolios or investment recommendations on assets held in a brokerage account under a retirement plan.

### **Trade Aggregation**

AAG does not bunch orders or engage in block trades to execute equity orders for clients, as accounts, generally, are held in trust per regulatory requirements. Further, most trades are mutual funds where trade aggregation does provide any additional client benefits.

## **Item 13 — Review of Accounts**

Reviews will be conducted by designated personnel. AAG reviews accounts on a periodic basis but will review accounts as needed based on circumstances such as if a question or complaint is received by AAG.

## **Item 14 — Client Referrals and Other 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, Members 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. Pursuant to Rule 206(4)-2 of the Advisers Act as amended, AAG is deemed to have constructive custody with respect to certain client funds and securities because an affiliated party is the custodian and directed or discretionary trustee of certain retirement plan accounts. In addition to annual

audits, these accounts are subject to surprise custody verifications by an independent public accountant each year, as required by Rule 206(4)-2. If applicable, plan sponsors receive periodic account statements (at least quarterly) from their custodian and should carefully review these statements. Certain clients may have assets held by unaffiliated custodians.

#### **Item 16 — Investment Discretion**

AAG provides discretionary investment management services for those Plan participants who enroll and participate in a managed account service. The Service does not provide AAG with any investment discretion.

#### **Item 17 — Voting Client Securities**

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 Plan's 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, although the Service does not provide AAG with discretionary authority over client accounts. Accordingly, AAG is required to disclose only the information about AAG's financial condition that is reasonably likely to impair its 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. Finally, AAG does not require or solicit prepayment of fees in excess of \$1,200 per client more than six months in advance.