

## **Item 1 - Cover Page**

Part 2A of Form ADV of Firm Brochure

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Ascension Asset Management LLC is an independent registered investment advisory firm that provides asset allocation and portfolio management services for high net worth investors, trusts and foundations.

This brochure provides information about the qualifications and business practices of Ascension Asset Management LLC. If you have any questions about the contents of this brochure, please contact us at (212) 935-0782. 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.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Ascension Asset Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

There are no material changes this year.

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## Item 4 - Advisory Business

### *A. Firm Information*

Ascension Asset Management LLC (“Ascension” or “the Firm”) is an independent registered investment advisory firm that provides asset allocation and portfolio management services for high net worth investors, trusts and foundations. The firm was founded in June 2004 by Grenville M. Gooder Jr., who is also the owner of the Firm.

Daniele Seitz, a Vice President of Ascension, recently passed the Uniform Investment Adviser Law Series 65 examination developed by North American Securities Administrators Association (“NASAA”). The examination is designed to qualify candidates as investment adviser representatives and allows her to perform advisory services on behalf of the Firm.

### *B. Description of Advisory Services*

Ascension establishes separate portfolios for each client based on a mutual understanding of investment goals and individual circumstances. Within this framework we seek to achieve above average long-term investment returns that are commensurate with each client’s risk tolerance.

On behalf of client accounts, the Firm purchases primarily domestic equities that are liquid and are listed on national exchanges. The Firm may also purchase fixed income securities on behalf of clients.

### *C. Availability of Tailored Services*

The Firm tailors its services to the individual needs of its clients. Clients may place limitations on the types of instruments that may be purchased for their accounts. Ascension must agree in writing to all such limitations before they will be effective. Ascension endeavors to meet with clients on a regular basis (annually, if possible) to review investment objectives as well as the implementation of investment policy. Clients receive quarterly portfolio reviews together with six and twelve-month performance data from the Firm. Clients are encouraged to compare statements provided by Ascension with those provided by their custodian.

### *D. Wrap Fee Program*

Ascension does not participate in wrap fee programs.

### *E. Assets Under Management*

As of December 31, 2020, the Firm had regulatory assets under management of \$181,033,936 of which \$178,856,094 was managed on a discretionary basis and \$1,177,842 was managed on a nondiscretionary basis.

## **Item 5 - Fees and Compensation**

### *A. Advisory Fees and Compensation*

Ascension charges investment advisory fees that are a percentage of assets under management (“AUM”). Annual advisory fee, paid quarterly in advance, is .5% of AUM. Fees are not negotiable.

### *B. Payment of Fees*

Ascension will deduct advisory fees directly from a client’s accounts with written authorization, or clients may choose to be billed for fees incurred. Clients may select either method of payment. Fees are either deducted, or billed, on a quarterly basis.

### *C. Other Fees and Expenses*

Clients pay other fees in connection with our advisory services, such as custodial or mutual fund expenses. Clients will incur brokerage and other transaction costs. Clients are directed to Section 7 of this brochure for more information on brokerage costs.

### *D. Payment of Fees*

Investment advisory fees are paid quarterly at the beginning of the quarter based on the previous end of quarter’s assets under management. Clients may terminate their contracts without penalty. Refunds will be given on a pro rata basis within five business days of the Firm receiving written notice.

Neither Ascension nor its employees receive commissions for the sale of securities or other investment products.

Mr. Gooder receives fees for acting as trustee on one or more client accounts. However, neither the Firm nor Mr. Gooder believes that receipt of such fees poses a material conflict of interest for the Firm or Mr. Gooder.

### *E. Compensation for Sale of Securities*

The Firm does not receive commissions for the sale of securities or other investment products.

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

Neither Ascension nor its employees receive performance-based fees - that is, fees based on a share of capital gains on, or capital appreciation of, the assets in a client account.

## **Item 7 - Types of Clients**

Ascension works with high net worth investors, trusts, and foundations. There is no minimum account size; but assets have to be of sufficient size for the Firm to achieve reasonable diversification.

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

### *A. Methods of Analysis*

In determining asset allocation, the Firm evaluates risk and reward factors in the overall economic and investment environment. The Firm reviews stocks based on fundamental and on technical factors.

The Firm's investment strategy is to buy and hold securities for the medium to long term (three to five years). We evaluate fundamental factors such as creditworthiness and growth potential for each investment that we make. If these factors remain positive, client accounts often hold investments for many years. If these factors are no longer positive, the Firm sells the investment and holds cash until other investment opportunities are identified. For clients seeking more income, we also review dividend payout rates. We discuss this process with clients.

### *B. Material Risks of the Firm's Investment Strategies, Methods of Analysis and Types of Securities*

We use fundamental analysis in selecting securities. Investing in this way exposes investors to the risk that the price of a security, even if "undervalued," can move lower along with the overall market regardless of the economic and financial factors considered in evaluating the security. Further, the Firm's evaluation of the intrinsic value of a security may not be accurate. The Firm may also invest client accounts in fixed income securities.

Equity markets can be volatile. While the Firm seeks to build portfolios that are diverse, diversification cannot fully protect investors from volatility.

We also use technical analysis to understand patterns inter-relationships in price movements. Such analysis may help predict future price movement. There can be no assurance that technical analysis will accurately predict future price movements.

## **Item 9 - Disciplinary Information**

In March of 2019, the Securities and Exchange Commission ("SEC") notified Ascension and Mr. Gooder that it filed an Order Instituting Administrative Proceedings ("OIP") against Ascension and Mr. Gooder concerning: i) deficiencies in implementing written compliance policies, conducting annual compliance reviews, and inaccurate designation of a chief compliance officer; ii) technical violations of the SEC's custody rule based primarily on a lack of surprise audits for a private fund and accounts where Mr. Gooder was a trustee; iii) resulting inaccurate disclosure on Ascension's Forms ADV regarding custody rule compliance and chief compliance officer designations as a result of those deficiencies; and iv) not maintaining books and records in the form required by rule. None of these issues involve allegations of loss to the firm's clients and all of these issues were addressed and fully remediated by Ascension by July 2016.

An August 29, 2019, summary disposition Order entered by the SEC's Administrative Law Judge ("ALJ") states that Ascension willfully violated and Mr. Gooder caused Ascension's violations of Section 206(4) of the Advisers Act and Rules 206(4)-7 and 206(4)-2 thereunder; that Ascension violated and Mr. Gooder caused Ascension's violations of Section 204 of the Advisers Act and Rule 204-2 thereunder; that Ascension and Mr. Gooder willfully violated Section 207 of the Advisers Act; and that the alleged violation of a subsection of Rule 204-2, Rule 204-2(a)(1), pertaining to "journals," was not proved. A hearing in this matter was held on September 9, 2019.

An April 3, 2020, Initial Decision Order entered by the SEC ALJ reaffirmed the rule violations described in the summary disposition Order described above. In addition, the ALJ found that "[a]s of and since [July 2016], Ascension was in compliance with the custody rule and remediated the other deficiencies." The ALJ denied the staff's request for a cease and desist order stating that "[t]he violations ... ended four years ago, followed by a period of affirmative compliance" and that "the likelihood of future violations is low." The Initial Decision Order censures Ascension and Mr. Gooder and ordered them, jointly and severally, to pay a \$50,000 fine. The Initial Decision Order includes findings that Ascension and Mr. Gooder have remediated deficiencies and maintained a compliance program from November 2015 to date. The Initial Decision Order also notes that Mr. Gooder recognizes the importance of rules regulating investment advisers and intends to continue complying with them "enthusiastically" going forward. The Initial Decision Order further notes that there was no evidence of harm to clients, and none was alleged. The Commission entered a final order on January 8, 2021.

There are no other administrative proceedings before the SEC in which the Firm or a management person has been involved at the time of this amendment. There is no self-regulatory organization proceeding in which the Firm or a management person is involved.

There are no criminal or civil actions in a domestic, foreign or military court of competent jurisdiction in which the Firm or any management person has been convicted or found liable. There are no pending criminal or civil actions against the Firm or any management person.

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

None of our management persons is registered, or has an application pending to register, as a brokerdealer or a registered representative of a broker-dealer.

None of our management persons is registered, or has 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.

Neither Ascension nor Mr. Gooder has any relationships or arrangements with other financial firms that are material to the business of the Firm. The Firm does not recommend or select other investment advisors for its clients.

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

### *A. Code of Ethics.*

Ascension has adopted a Code of Ethics (the “Code”) that sets forth high ethical standards of business conduct for all of the Firm’s employees and the Firm’s fiduciary duty to clients. The Code, which includes the Firm’s policies relating to conflicts of interest, confidentiality, the receipt of gifts and entertainment, personal trading and reporting, and insider trading, is intended to assist employees in carrying out their duties as fiduciaries to clients. Employees must report any violations of the Code to the Chief Compliance Officer. The Code also describes sanctions that may be applied to employees who violate the Code.

A copy of the Firm’s Code of Ethics is available to clients and prospective clients. The Code may be requested by email sent to [ggooder@bloomberg.net](mailto:ggooder@bloomberg.net) or by calling the Firm at (212) 935-0782.

### *B. Transactions in Securities in which the Firm has a Material Financial Interest*

The Firm does not recommend to clients securities in which the Firm has a material interest.

### *C. Investing in Securities Recommended to Clients; Contemporaneous Trading*

The Firm has adopted the procedures in its Code of Ethics to address potential conflicts of interest arising from personal account trading. Pursuant to the Code of Ethics, the Firm permits its employees to invest in the same securities that client accounts hold. In order to address this potential conflict of interest, the Firm maintains policies and procedures that require, among other things, that Access Persons trade after client account accounts. The Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of the employees of the Firm will not interfere with making decisions in the best interest of advisory clients.

From time-to-time, Mr. Gooder invests in securities that are also purchased for client accounts. In all such cases, neither Mr. Gooder nor any other Access Person will be permitted to trade ahead of a client account. Thus, Mr. Gooder and Access Persons will purchase stocks after client purchases and sell stocks after client sales.

The Firm does not maintain a proprietary trading account and, therefore, does not invest in the same (or related) securities that client accounts purchase. Ascension and its employees are prohibited from engaging in trading with client accounts.

## **Item 12 - Brokerage Practices**



### *A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Trades*

The Firm has no obligation to deal with any particular broker-dealer in the execution of trades for client accounts. In placing orders with broker-dealers for client accounts, the Firm's primary objective is the ability of the broker-dealer, in the Firm's opinion, to secure prompt execution on favorable terms, including the reasonableness of the trading costs. While the Firm generally seeks reasonably competitive trading costs, it does not necessarily pay the lowest trading cost or mark-up.

In placing client trades, the Firm relies substantially on its knowledge of, and relationship with, particular broker-dealers. The Firm frequently submits trades at below-the-market prices and considers a broker's ability and willingness to work with, and communicate with, the Firm in executing these trades.

The Firm considers a broker-dealer's trading costs, the nature of the security being traded, the size of the trade, the desired timing of the trade, the activities existing and expected in the market for the particular security, the financial stability of the broker-dealer, and the execution, clearance and settlement capabilities of the broker-dealer.

Common stock transactions are executed with brokers that the Firm believes will be reliable in obtaining good executions on behalf of our clients. In general, brokerage rates paid by Firm clients on aggregated transactions are: \$.06 per share for stocks over \$30.00; \$.05 per share for stocks between \$20.00 and \$30.00; and \$.04 for stocks selling under \$20.00. These rates do not apply to non-aggregated transactions done in separate accounts. These transactions are done at a flat fee of \$12.00 per transaction. These rates are reviewed by the Firm in the context of industry standards. Individual, non-aggregated trades are often executed at a higher per share commission rate.

With regard to fixed income transactions (notes and bonds), the Firm uses brokers and dealers which it believes are reliable. The Firm checks bids and offerings against information from Bloomberg and then negotiates spreads (commissions) based on factors such as liquidity and size of transaction.

### *B. Research and Soft Dollars*

The Firm has negotiated commission rates with certain brokerage firms which it believes are competitive and assist the Firm in seeking "best execution" for its clients.

The Firm has a soft dollar arrangement that credits a portion of commissions paid to executing broker-dealers on certain trades to purchase research from Louise Yamada & Associates and Bank Credit Analyst. The Firm benefits from this arrangement because it does not have to pay for this third-party research with its own funds. The Firm uses the research on behalf of all client accounts and believes that all clients benefit from the use of this research. However, the receipt of soft dollars gives the Firm an incentive to select or recommend a broker-dealer based on its interest in receiving the research provided, rather than solely on a client's potential interest in obtaining the absolute lowest commission rate.

When bond and stock transactions are carried out for several clients at the same custodian, these transactions are often aggregated.

### *C. Brokerage for Client Referrals*

The Firm does not select broker-dealers based on client referrals.

#### *D. Directed Brokerage*

The Firm does not routinely recommend, request or require that a client direct the Firm to execute transactions through a specified broker-dealer. If a client selects a custodian that is also a brokerdealer, transactions are often carried out by that party and it could cause a client to pay higher brokerage commissions because the Firm may not be able to aggregate orders to reduce transaction costs and the client may receive less favorable prices.

#### *E. Trade Aggregation*

The Firm will often, but is not required to, aggregate (or “bunch”) client trades. Trades may be aggregated only when the Firm believes that such aggregation is consistent with its duty to seek best execution and is otherwise permitted by client investment guidelines (or similar). The Firm will not aggregate trades if it does not believe that clients will receive a benefit from such aggregation. When the Firm aggregates trades, transactions costs will be spread over multiple clients.

### **Item 13 - Review of Accounts**

#### *A. Frequency and Nature of Review; Factors Prompting a Non-Periodic Review of Accounts*

Grenville Gooder reviews client accounts at least once each quarter and reviews client holdings on a regular basis. A “non-periodic” review of accounts may be performed in the case that the performance of an account is not similar to that of accounts with like objectives. Similarly, Mr. Gooder may perform a special review of an account upon request or upon the changing objectives of a client.

The Firm sends each client a statement of holdings on a quarterly basis and a letter each July and January that provides six-month and twelve-month performance results, as well as an analysis of the economic and investment outlook.

The Firm also speaks with clients frequently by telephone and, if possible, meets with each client at least once each year

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

Neither the Firm nor a related person directly or indirectly compensates any supervised person for client referrals.

### **Item 15 - Custody**

The Firm is deemed to have custody of client accounts as a result of standing instructions provided by clients to custodians to pay management fees. In addition, Mr. Gooder serves as trustee of certain irrevocable trusts. With respect to these trusts, an independent auditor has been engaged to conduct an annual surprise audit.

All clients use qualified custodians that send monthly statements directly to clients. The Firm notifies clients that they should compare the Firm's statement of holdings with the account statements they receive from their qualified custodian.

### **Item 16 - Investment Discretion**

We accept discretionary authority to manage securities accounts on behalf of clients. We obtain written authorization that provides full discretion to direct a custodian to buy, sell or exchange securities held in each custody account. The Firm does have a small number of accounts handled on a non-discretionary basis. We are not authorized to receive or take possession of any stocks, bonds or other securities or cash in the custody account.

### **Item 17 - Voting Client Securities**

The Firm does not have authority to vote client securities. Clients can choose to receive proxies or solicitations directly from their custodian and they can contact the Firm with questions about a particular solicitation.

### **Item 18 - Financial Information**

The Firm does not require or solicit prepayment of fees from clients six months or more in advance. The Firm has not been the subject of a bankruptcy petition at any time.