



## First Ascent Asset Management

Part 2A of Form ADV

Item 1 – Cover Page

### **FIRM BROCHURE**

(CRD No. 281470)

March 21, 2023

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Denver, Colorado 80202

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This brochure provides information about the qualifications and business practices of First Ascent Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at [compliance@firstascentam.com](mailto:compliance@firstascentam.com) or by calling 720.465-7888. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about First Ascent Asset Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and at [www.firstascentam.com](http://www.firstascentam.com). You may also search for the First Ascent Asset Management by using the Firm's CRD number, which is 281470.

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

**Item 2 - Material Changes**

First Ascent Asset Management, LLC's ("**First Ascent**," "**we**," "**us**," "**our**," or the "**Firm**") is registered with the Securities and Exchange Commission ("SEC"). This section will discuss only material changes that have occurred since the date of the prior annual update to the Firm's brochure.

Material change made since the last Brochure dated March 16, 2022, is an update of our regulatory assets under management as of December 31, 2022.

All material conflicts, if any, have been disclosed.

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#### **Item 4 - Advisory Business**

A. First Ascent is an investment adviser that was organized as an LLC in the state of Delaware on August 27, 2015, licensed by the Colorado Division of Securities on January 27, 2016, then subsequently with the SEC on June 1, 2018. Currently all employees have ownership in the Firm along with independent outside investors, with Scott MacKillop-CEO, as the largest shareholder.

The Firm has voluntarily subscribed to the “Real Fiduciary™ Practices” published by The Institute for the Fiduciary Standard. Real Fiduciary™ Practices offer a simple code of conduct and outline a commitment to clients of subscribing financial advisors. They seek to clearly articulate what a client can expect to receive from a subscribing financial advisor. These Real Fiduciary™ Practices do not replace our regulatory compliance obligations or duties to clients under relevant laws, rules, or regulations. The Institute for the Fiduciary Standard’s role is limited to publishing the practices as well as maintaining a corresponding register of subscribing financial advisors. You can verify our affirmation of Real Fiduciary™ Practices on our website or at the Institute for the Fiduciary Standard website at [www.thefiduciaryinstitute.org](http://www.thefiduciaryinstitute.org). The practices can be found at <https://thefiduciaryinstitute.org/wp-content/uploads/2019/03/Real-Fiduciary-Practices-2019-02-22.pdf>

B. First Ascent’s primary business is managing portfolios for the clients of independent financial advisors. In very limited circumstances, we will also manage portfolios for clients on a direct basis, which are mostly friends and family accounts.

First Ascent manages portfolios on both a discretionary and a non-discretionary (platform model portfolio) basis. Portfolios managed on a discretionary basis, through independent financial advisors and/or broker-dealers provide model portfolios and the tailoring of portfolios for certain restrictions or requirements of an individual client. First Ascent enters into a direct investment management relationship with the client, and with the client’s financial advisor or it can also act as a sub-advisor to their financial advisor or broker/dealer.

First Ascent also provides model portfolios to technology platform providers who offer them to advisors who use the platform. The platforms provide trading, performance reporting, billing, proposal generation, onboarding, and client and advisor portals. Our model portfolios are offered on a non-discretionary basis through these platform firms. The firms that use our model portfolios are solely responsible for implementing all trading recommendations and providing administrative and performance reporting to their clients.

Our portfolios consist of but are not limited to mutual funds and exchange traded funds (“ETFs”). We do not have or use any proprietary products in our portfolios.

First Ascent also provides sub-advisory services to other registered investment advisors. Services include: (a) continuous monitoring of the model portfolios and underlying funds or separate account managers; and (b) investment recommendations in accordance with the investment objectives, policies and limitations stated within the Investment Policy Statement.

In addition, First Ascent provides Fiduciary 3(38) Investment Management Services to employee benefit plans which are established and maintained by the sponsor of the plan (“Plan”) in accordance with applicable provisions of the Internal Revenue Code and the Employee

Retirement Income Security Act of 1974 (“ERISA”). The Plan provides that the investment authority of its assets is vested in the sponsor, and that the sponsor is a “named fiduciary” thereunder as contemplated by Section 402(c)(3) of ERISA; and has the power to appoint investment managers as that term is defined in Section 3(38) of ERISA.

The 3(38) investments provided include, but are not limited to, certain of First Ascent’s Model Portfolios, an investment line-up using securities representing a spectrum of asset classes and risk levels, and a qualified default investment alternative (or “QDIA”) for the Plan, if required.

First Ascent also produces educational material on investment-related topics through brief client or advisor focused presentations, videos and webinars available on the Navigator Investor Education page on its website. The Firm also hosts a series of webinars for advisors, conducted by guest industry leaders, called “Master Class Series”. There is no cost to either the client or advisor to access this information.

C. Portfolios managed on a discretionary basis may, upon reasonable request, include other securities or types of investments, which may include a security proxy for a security held in a model portfolio. Clients may impose certain other reasonable restrictions on securities such as transferring in securities to be held long-term and not sold. We will also work with the client and their advisor on an orderly liquidation of transferred-in securities that have embedded capital gains.

D. We do not participate in any wrap-fee programs.

E. As of December 31, 2022, First Ascent had \$1,367,980,200 of regulatory assets under management, \$252,395,610 of which were non-discretionary.

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

A. First Ascent is compensated for its standard discretionary portfolio management services based on an annual fee of 0.35% per account with a maximum client annual household flat dollar fee.

For “Full Service” relationships, the maximum annual household fee is \$1,400. Full Service provides for not only investment management services, but First Ascent will also handle all the operational aspects of account opening and administration. These services include but are not limited to account opening and closing, all interactions with the custodian, maintenance of account paperwork, processing of contributions and withdrawals, Roth conversions/IRA recharacterizations, account transfers, quarterly billing and performance reporting.

For “Investment Only” relationships, the maximum annual household fee is \$1,200. The advisor handles all of the operational aspects of account opening and administration. First Ascent services include quarterly billing and performance reporting.

Fees for households that are in excess of \$3 million are charged an additional fee of \$500 for each \$1 million over \$3 million.

Fees for portfolios that are managed on a customized basis as directed by the client or financial advisor, may have a different rate which is negotiable and dependent upon the customizations required and agreed upon.

First Ascent does not charge for the client and advisor educational materials it produces, or for the webinar Master Class for advisors.

Discretionary accounts - Minimum Account Size:

The following portfolios have a \$50,000 minimum:

Global Explorer Portfolios (“GX Portfolios”)  
ESG Portfolios (“ESG Portfolios”)  
Dimensional Select Portfolios (“DS Portfolios”) .

The following portfolios have a \$25,000 minimum:

Global ETF Portfolios (“ETF Portfolios”)  
Factor Select Portfolios (“FS Portfolios”)  
Short-Term Reserve Portfolio (“STR”)

The following portfolio has a \$250,000 minimum:

Customized Index Portfolio. The Customized Index Portfolio is described in Item 8 -Methods of Analysis, Investment Strategies and Risk of Loss. The fee for a Customized Index Portfolio is 0.35% of assets in the portfolio and is in addition to First Ascent’s standard discretionary portfolio management fees described above.

First Ascent provides specialized portfolios for clients or advisors with certain specific needs. Minimums and fees are subject to negotiation based on the specific circumstances. First Ascent may consider account sizes below its minimum depending on client or financial advisor circumstances which may be waived or lowered at First Ascent’s discretion.

When our model portfolios are offered through non-discretionary, “platform” relationships, fee rates, including account minimums, vary based on the requirements of the firms and/or platforms offering our model portfolios. For platforms requiring an asset-based fee, the fee ranges from 0.15% - 0.25% of assets under management per account. Some platforms cap our annual<sup>1</sup> per account fee at \$500

First Ascent is providing its 3(38) investment management services to ERISA Plans of advisors that it works with, that are on various record-keeping platforms. It also has a relationship with Fiduciary Shield, a retirement plan marketplace that allows for the Employer/Sponsor, the Plan Provider, and the Financial Advisor to work in accordance with the best interest of the Plan participant. Our fee for 3(38) services is an annual 0.07% of assets under management, per plan, which is subject to negotiation based on customization requirements of the plan.

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<sup>1</sup> Over a 12-month period beginning at the inception of the agreement.

Additionally, we serve in a sub-advisory capacity to other registered investment advisors for monitoring their proprietary portfolios and the underlying funds. Fees are based on the nature and complexity of services performed by First Ascent and can be charged based on a flat-fee rate or percentage of assets under management. Annual fees range from 0.15%-0.30%, or \$50,000 and up.

All fees are subject to negotiation based on customization, complexity of the accounts, and relationship. First Ascent's fees apply to all assets within the client's account(s).

B. Unless specified by and agreed upon with a client otherwise, fees for accounts are deducted automatically from a client's account through a qualified custodian. As part of this process, the custodian will send statements at least quarterly showing all disbursements from the account, including the investment management fees paid to First Ascent. Discretionary clients will provide written authorization permitting First Ascent to be paid directly. (See Item 15 Custody for additional information)

In addition, with client authorization, First Ascent may collect the fee on behalf of their financial advisor as part of its operational services for the advisor, the rate of which is outlined in the client agreement with the advisor.

C. First Ascent's fees do not include brokerage/transaction fees, custodian fees, fees charged by any firm offering our model portfolios or fees charged by the financial advisor. In addition, clients will be subject to the fees and expenses charged by the mutual funds or ETFs that are held in their portfolios, or by any third-party separate account manager hired by First Ascent as a sub-advisor to manage certain assets of the client's portfolio. Information regarding those fees and expenses can be found in the prospectuses or other comparable documents of those funds and managers. (See Item 12 Brokerage Practices for additional information)

D. First Ascent's fees are charged quarterly in advance, based on the ending market value of the prior quarter. Accounts opened during a quarter will be charged a pro-rata fee that will be assessed at the beginning of the first full calendar quarter, based on the market value of the account when it is substantially funded.

The quarterly fee amounts are calculated based on the number of days in the quarter and number of days in the calendar year.

If a client terminates our services, we will refund any unearned portion of our investment management fee to the client. Upon receipt of the client's written notice of termination, we will cease management of the client's account and issue a pro-rata refund of the unearned advisory fees. Any pro-rata fee refunds due from your financial advisor will be provided to you directly by them.

For non-discretionary accounts (platform model portfolios), the process for deducting fees from client accounts is determined and conducted by the platform firm using our models. First

Ascent is not involved in the deduction of fees from these accounts and is paid directly by the platform using its models.

E. None of our supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

First Ascent does not charge performance-based fees, nor does it manage any accounts that pay performance-based fees.

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

First Ascent manages taxable and tax-exempt or tax deferred accounts for individuals, trusts, institutional clients, including endowments, foundations, corporations and other investment advisory organizations, as well as retirement plans such as, 401(k) and profit-sharing plans.

For discretionary accounts, the minimum initial account size of \$50,000 is required for our GX Portfolios, DS Portfolios and ESG Portfolios. For our ETF Portfolios, FS Portfolios, and Short-Term Reserve Portfolio, the minimum is \$25,000. The minimum for a Customized Index Portfolio is \$250,000. First Ascent may consider account sizes below its minimum depending on client or financial advisor circumstances which may be waived or lowered at First Ascent's discretion.

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

A. First Ascent's GX portfolios have a "core" that consists of broadly diversified index ETFs. The portfolios also include "satellites" consisting of actively managed mutual funds and/or additional ETFs.

Actively managed funds will be selected based on First Ascent's assessment of the skill of their managers and their ability to contribute positively to the performance of the portfolios. As part of this process, First Ascent will draw upon the input of the First Ascent Investment Committee (the "**Committee**").

Each First Ascent portfolio is diversified among a variety of asset classes. The asset classes represented in each portfolio will vary depending upon the goals and objectives of the portfolio and the market conditions prevailing at the time, but may include funds that represent US stocks, international stocks, US fixed income, international fixed income, real estate, commodities, managed futures and gold. The asset classes represented in the portfolios will be determined by the holdings of the mutual funds and ETFs comprising the portfolio.

First Ascent also offers its core ETF Portfolios without the satellite positions.

The FS Portfolios are globally diversified, multi-factor portfolios using a strategic approach to asset allocation. Decades of research has identified certain "factors" that have produced excess returns over long time periods. Factors are characteristics shared by groups of securities that distinguish them from other securities. Examples include "value," "size," "quality," and



“momentum.” We build these portfolios using an open architecture approach that allows us to utilize funds from different asset management firms. Each firm defines and manages exposure to the factors somewhat differently, giving our portfolios added factor diversity.

The DS Portfolios are only available to advisors who have been pre-approved by DFA. The funds in these portfolios provide diversified exposure to domestic and international stock and bond markets. They are not index-tracking funds and their performance may differ substantially from that of traditional market-cap-weighted indexes. DFA funds may have increased exposure to certain “risk factors” such as small and value stocks. The portfolios track a fixed asset allocation target and do not include active management beyond the decisions made by Dimensional Fund Advisors to permanently overweight certain areas of the market such as small and value stocks within their funds.

The ESG Global Core portfolios have been built to emphasize investments that make a positive impact across a range of environmental, social, and corporate governance issues. The portfolios are built primarily using ETFs or mutual funds that track ESG-oriented indexes. They may also include actively managed ETFs or mutual funds. The goal of these portfolios is to select funds that invest in companies that are making a positive impact on society and the environment, while generating positive long-term investment returns. The target allocations for each portfolio are intended to remain constant, although ongoing monitoring and research may result in occasional changes to these targets over time. The ESG Global Core portfolios are rebalanced periodically.

A tax-sensitive version of the GX, ETF, FS, DS ESG portfolios are also available.

The GX, ETF, FS, DS ESG Portfolios are a mix of funds representing equities and fixed Income associated securities:

Each level, of 20, 40, 60, 80, and 100, represents the approximate percentage of exposure to equities.

- 20: For investors who seek preservation of capital with modest long-term appreciation.  
Best fit: A very conservative investor who wants to minimize portfolio risk.
- 40: For investors who seek some long-term appreciation but place more emphasis on limiting downside volatility.  
Best fit: A conservative investor who wants to limit risk.
- 60: For investors who seek long-term appreciation and are willing to accept some downside volatility to achieve it.  
Best fit: A “balanced” investor who can accept moderate risk.
- 80: For investors who seek long-term appreciation and are willing to accept downside volatility to achieve it.  
Best fit: A growth-oriented investor with a high tolerance for risk.
- 100: For investors who seek to maximize capital appreciation and are willing to accept higher levels of downside volatility to achieve it.  
Best fit: An aggressive investor with a high tolerance for risk.

The Short-Term Reserve portfolio is designed for investors who want to hold assets in a highly liquid form with relatively little downside risk. The portfolio is invested primarily in exchange-traded funds (ETFs) and/or mutual funds that invest in short-term fixed income securities. Some of those funds will be designed to track indexes and others will be actively managed. The

Short-Term Reserve portfolio is a very conservative capital preservation strategy. It is not appropriate for clients whose goal is long-term capital appreciation.

For the Customized Index Portfolio, First Ascent works with the client's financial advisor to create a customized separate account which takes into consideration various client specified constraints and preferences, while seeking to quantify and minimize the tracking error to a defined index (or blend of indexes). A Customized Index Portfolio includes, but is not limited to ESG/Impact customization, factor tilts, single-stock exclusions/inclusions, and regional constraints. Accounts are reviewed for opportunities to improve the portfolio from a tax, ESG, or tracking error perspective, dependent on the client objectives.

First Ascent's Investment Committee consists of full-time employees of First Ascent and independent individuals who serve on the Committee in an advisory capacity. The Committee supports First Ascent by providing feedback on, assisting in and approving the construction of First Ascent's model portfolios and underlying securities and managers used in its programs. Other than those members who are First Ascent officers and full-time employees, members of the Committee will not be directly involved in formulating First Ascent's recommendations to particular clients and will not have any access to identifying information of individual clients or their accounts. All members of the Committee are selected based on their knowledge, experience, credentials and educational background.

Investing in securities involves risk of loss. All clients should be prepared to bear such risks. All investments included in First Ascent portfolios will be subject to market risk. Each one may be subject to additional risks, depending upon their specific holdings, the markets they invest in and the investment strategies they employ.

- B. Risks may include, but are not limited to: (i) equity risk, which is the risk that events negatively affecting issuers, industries or financial markets in which an underlying fund or separate account invests, will negatively impact the value of the stocks held; (ii) fixed-income risk, which is the risk that fluctuations in interest rates or events negatively affecting the issuers, industries or financial markets in which the underlying fund or separate account invests will cause the value of fixed-income securities held to decline; and (iii) international securities risk, which reflects the possibility that international stocks may be adversely affected by political and social instability, changes in economic, governmental or taxation policies, difficulty in enforcing regulations or claims, decreased liquidity or increased volatility. For more information regarding the specific risks that are associated with a particular investment, clients are encouraged to consult the offering documents or similar disclosures provided by the funds.

There is also a risk that the portfolios will not achieve their specific investment objectives. There is an additional risk that the active managers will not provide the positive contributions to the portfolio anticipated by the Committee. There is a risk that index-oriented funds included in portfolios will not precisely track the performance of the indexes they are intended to replicate.

#### **Item 9 - Disciplinary Information**

Neither First Ascent, nor any of its principals or employees:

- has ever been the subject of any legal, administrative or disciplinary action by any governmental or regulatory authority
- has ever been the subject of any lawsuit or proceeding brought by a client or financial advisory firm
- has ever been the subject of any criminal proceeding

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

A. First Ascent's primary business is providing investment management and consulting services to its clients. Neither First Ascent, nor any of its employees is, or intends to become, a registered broker-dealer or registered with a broker-dealer, a futures commission merchant, a commodity pool operator, a commodity trading advisor, a licensed agent of an insurance company, or a representative or affiliated person of any such entity.

B. First Ascent does not have any material relationships that present a conflict of interest for clients or other investment advisors.

C. First Ascent does not receive any payments or compensation, either directly or indirectly, from any of the mutual funds that it purchases for its clients. All purchases and sales for client accounts are based solely on First Ascent's consideration of the clients' best interests.

The Firm acts as an investment manager to the client alongside their financial advisor who provides advisory services and who also may provide financial planning services. Both parties act as a fiduciary to the client, each with specific responsibilities that are outlined in the client agreement. First Ascent can also act as a sub-advisor to the financial advisor, with authority to manage the assets and collect fees from the client account. Authority is typically outlined in a limited power of attorney (LPOA) provided by the custodian. In both cases, the advisor must be properly licensed or registered as an investment advisor.

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

A. First Ascent has adopted a Code of Ethics that we believe is reasonably designed to protect against conflicts involving personal securities transactions of the Firm and its principals, officers, employees and their family members and transactions effected on behalf of clients ("Supervised Persons"). Our Code of Ethics is available to any client or prospective client upon request.

B. The Code of Ethics is based on the principle that the Firm and its employees owe a fiduciary duty to their clients. Thus, employees of the Firm must (i) place the interests of clients first, (ii) avoid taking inappropriate advantage of their positions within the Firm and (iii) conduct any personal securities transactions in full compliance with the Code of Ethics. In addition, employees are prohibited from trading on material non-public or "inside" information.

We, nor any related person recommends to clients, or buys or sells for client accounts, securities in which we or a related person has a material financial interest.

C. On occasion, Supervised Persons of First Ascent may buy or sell securities that First Ascent recommends to or buys and sells for clients. Personal transactions in securities by First Ascent's Supervised Persons are subject to the restrictions and procedures set forth in First Ascent's written policies, including its Code of Ethics.

D. The Code of Ethics, among other things, imposes limits on the purchase and sale by Supervised Persons for their own accounts of securities that are in the process of being purchased or sold for clients. In general, Supervised Persons may buy or sell only after similar transactions have been completed for clients, and certain personal securities transactions must be pre-cleared by First Ascent. However, First Ascent will always seek to ensure that it, and its Supervised Persons, act in the best interests of First Ascent's clients.

Supervised Persons must provide periodic reports of personal transactions involving reportable securities to First Ascent's Chief Compliance Officer. The Chief Compliance Officer is responsible for reviewing such reports and monitoring ongoing compliance with First Ascent's written policies and its Code of Ethics.

## **Item 12 - Brokerage Practices**

A.1. - First Ascent does not presently have any soft dollar arrangements with broker/dealers based on transactional activity of the client accounts. It does have access to basic research and account maintenance tools from the custodian (broker/dealer) holding the client account(s).

A.2. First Ascent initiates transactions for discretionary accounts through the brokers or custodians that maintain the client accounts. First Ascent does not have the authority to determine which brokers or custodians its clients use, although it may suggest brokers or custodians that First Ascent has an established relationship with, which may bring additional efficiencies for the client as well as cost savings. First Ascent may decline to manage an account maintained at a broker or custodian with which it does not have an existing relationship. Should clients direct a specific broker not used by First Ascent, we may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.

A.3. Brokers and custodians provide trading and custody services for clients on terms determined by those brokers and custodians. First Ascent is not involved in establishing those terms, nor does it receive any amounts paid by those brokers and custodians for client referrals. Transactions costs associated with purchases and sales, are charged by the custodian at the then current rate.

All mutual funds purchased for client accounts will be purchased without any "sales load" or commission. This means that First Ascent does not receive any payment from the mutual fund company in connection with the purchase of mutual fund shares.

Mutual funds purchased for client accounts may be purchased on a "transaction-fee" basis. That means that the broker or custodian through which First Ascent purchases or sells the fund charges the client a fee in connection with the transaction.

Other mutual funds purchased for client accounts may be purchased on a “no-transaction fee” basis. That means they are purchased or sold without the imposition of any transaction fee.

ETFs purchased or sold for client accounts may be subject to a transaction fee established by the broker or custodian maintaining the account. First Ascent does not receive any portion of these fees. Some brokers or custodians may make a limited number of ETFs available for purchase or sale without a transaction fee. First Ascent will consider the presence or absence of a transaction fee, along with other factors, in deciding which ETFs to purchase or sell for clients.

First Ascent does not typically purchase or sell individual securities, such as stocks or bonds, for client accounts, unless they are associated with a Customized Index Portfolio. Occasionally, however, First Ascent may be asked by a client to liquidate securities that are transferred into a client’s account. Unless special arrangements are made, First Ascent will sell those securities through the broker or custodian maintaining the client’s account, at the market price, within a timeframe determined by First Ascent, unless otherwise directed by the client.

With respect to accounts managed on a non-discretionary basis (platform model portfolios), First Ascent does not have the authority to determine which brokers or custodians its clients use or the fees that they charge, nor does First Ascent initiate trades in these accounts. Instead, First Ascent provides model portfolio or security changes within the model to the firms that offer our model portfolios. Those firms are then solely responsible for implementation of those instructions. We do not monitor or supervise the trading activity of these firms.

B. With respect to accounts managed on a discretionary basis, and where appropriate, transactions for multiple clients may be blocked together for execution purposes, which will not ordinarily affect any transaction fees or commissions charged but may impact execution prices to be more similar on such transactions.

Specifically, First Ascent may effectuate blocked orders for multiple accounts according to a pre-determined allocation methodology whereby clients receive an average price consistent with First Ascent’s obligation to seek best execution for its advisory clients and are assessed a transaction fee or commission charge from the broker.

*Trade Rotation.* First Ascent uses a trade rotation process in which one group of clients may have a transaction effected before or after another group of clients. First Ascent implements or provides direction for trades with certain clients, custodians or sponsors using a trade rotation process to minimize the impact of trading on the securities or markets in which we trade.

These trade rotation practices could result in a transaction being effected for an account near or at the end of a rotation, resulting in an account bearing the market price impact, if any, of those trades executed earlier in the rotation. This may result in the account receiving a less favorable net price for the trade. However, First Ascent’s trade rotation policies are designed to act in the best interest of clients and to treat clients equitably and fairly over time.

First Ascent either executes trades or sends directions for model changes to multiple sources.

## 1. First Ascent Direct - Trading - Discretionary Accounts

2. Third-Party Advisory Platforms - Model Instruction- Limited Discretion
3. Model Marketplace Platforms - Model Instruction - No Discretion

#### Discretionary Trading

On the occasion that we transact the same security at the same time, for multiple discretionary accounts, the firm has the option, based on its policy, to utilize a rotational order execution and allocation system based on the alphabet.

#### Limited Discretion

First Ascent provides its model portfolios to third-party advisory trading platforms for implementation but has no responsibility for executing transactions. As part of its trade rotation policy to treat dissemination of model change information to platforms fairly, First Ascent utilizes an alphabetical rotation. Timing and method of execution is solely determined by the individual platform.

#### No Discretion

Similar to platforms, First Ascent provides its models to third party marketplaces for access by advisory individuals who have full discretion and are solely responsible for implementation. Distribution of model information by First Ascent is handled by an alphabetical rotation.

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

A. Each account managed by First Ascent on a discretionary basis, is monitored to determine if it falls within certain asset class and security tolerance levels established for each portfolio. Accounts may fall outside established tolerances for reasons such as market movements, client contributions or withdrawals. Adjustments are made to bring portfolios back within established tolerances when they are deemed beneficial. Reviews are conducted monthly by the portfolio management team and supervised by Patrick Krulik, the Chief Investment Officer.

B. A more detailed review of accounts is also conducted more frequently as First Ascent deems appropriate. Factors that may trigger a more frequent review include, for example, material changes in market conditions or changes to a particular client's investment objectives.

Non-discretionary, model portfolios are typically reviewed on a monthly basis, but may be reviewed more frequently as First Ascent deems appropriate. Factors that may trigger a more frequent review include material market changes or new research conducted by the Firm. The individual accounts being managed by a third party using First Ascent's models are not reviewed by the Firm.

C. For discretionary accounts, the Firm provides a written quarterly performance review report for the client. The report includes but is not limited to performance of their portfolio over certain time periods, asset class allocation and a list of holdings.

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

First Ascent does not directly or indirectly compensate, nor is it directly or indirectly compensated by, any third party for client referrals. First Ascent enters into investment management agreements with advisors who select First Ascent's investment management services for their clients. Both the Firm and advisor sign an agreement with the clients. Advisor fees charged to the client for their advisory services, are separate and distinct from First Ascent's investment management fees. First Ascent does not pay any portion of its fee to the advisor.

**Item 15 - Custody**

First Ascent does not maintain physical custody of any client asset. However, under certain laws, First Ascent is deemed to have custody of client assets that it manages on a discretionary basis because, under the terms of its standard client agreement, it is authorized to instruct a custodian to withdraw or deduct fees from a client's account. First Ascent relies on the following safeguards:

- Our clients provide us with written authorization to deduct fees from the account held with the custodian.
- Each time a fee is deducted from a client account, First Ascent (a) sends the custodian a written fee instruction specifying the amount of the fee to be deducted; and (b) provides information on the client's quarterly performance summary, specifying and itemizing the fee.
- The custodian sends statements at least quarterly to the client showing disbursements from the account, including the advisory fee.

First Ascent encourages investors to carefully review account statements from the independent custodian, and to compare those against any invoices or reports that may be issued from First Ascent. Market values on custodial statements may occasionally vary from reports issued by First Ascent due to different reporting dates or valuation sources for the securities held in the account.

As noted above, First Ascent's investment management fees for discretionary accounts are charged quarterly in advance. Accounts opened during a quarter will be charged a pro-rata fee that will be assessed at the beginning of the first full calendar quarter.

**Item 16 - Investment Discretion**

First Ascent has investment discretion on its discretionary accounts, which means that it determines which securities to buy or sell, as well as the amounts and timing of such transactions with the broker-dealer. This discretionary authority is provided to First Ascent pursuant to an investment management agreement entered into with the client or resulting from a sub-advisory agreement with the client's advisor. Clients also provides discretionary trading and fee collection authorization through paperwork required by their custodian. Implementation of all investment decisions relating to a discretionary account will be at the

discretion of First Ascent, consistent with any client guidelines and restrictions that have been provided in writing to, and accepted by, First Ascent.

First Ascent will secure the client's permission prior to effecting securities transactions in client accounts managed on a non-discretionary basis.

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

First Ascent will vote proxies for discretionary clients if directed by the client. Proxies will be voted on a best-efforts basis and First Ascent will not be responsible or liable for failing to vote any proxies where it has not received such proxies or related shareholder communications on a timely basis. First Ascent does not vote proxies for non-discretionary (platform model portfolio) clients.

First Ascent has adopted policies and procedures that address generally the guidelines it expects to follow in the exercise of its authority to vote client proxies. Under those procedures, First Ascent generally votes with the Board's recommendation. Any conflicts of interest that arise in the context of voting proxies are evaluated by our Chief Compliance Officer and Chief Investment Officer and addressed in a manner that they deem appropriate, given consideration to the type and materiality of the conflict.

A copy of those policies and procedures will be provided upon request. Information concerning how First Ascent voted client proxies also will be provided upon request, if available. Requests may be made using the contact information on the cover of this brochure.

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

A. First Ascent does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

B. No financial condition currently exists that is reasonably likely to impair First Ascent's ability to meet its contractual commitments to clients. First Ascent has never been the subject of a bankruptcy petition.