

Part 2A of Form ADV  
**Item 1 – Cover Page**

Ashworth Sullivan Wealth Advisors LLC  
30,000 Mill Creek Avenue, Suite 340  
Alpharetta, GA 30022  
Phone: (770) 771-5812  
Fax: (770) 771-5885  
<http://www.ashworthsullivan.com>

July 29, 2020

This Brochure provides information about the qualifications and business practices of Ashworth Sullivan Wealth Advisors LLC (“Ashworth Sullivan Wealth Advisors” or “ASWA”). If you have any questions about the contents of this Brochure, please contact us at (770) 771-5812. 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.

Ashworth Sullivan Wealth Advisors is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. This Brochure is intended, in part, to provide information which can be used to make a determination to hire or retain an Adviser. Additional information about Ashworth Sullivan Wealth Advisor is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Since our last annual update on May 4, 2020, we have updated our ADV to reflect a PPP loan received from the U.S Government. A copy of Ashworth Sullivan Wealth Advisor’s ADV Part 2A is available by request without charge to you. Simply email our office at [info@ashworthsullivan.com](mailto:info@ashworthsullivan.com) or call us at 770-771-5812 and we will send you a copy. These documents are also available on our website for your review at [www.ashworthsullivan.com](http://www.ashworthsullivan.com).

Additional information about Ashworth Sullivan Wealth Advisors is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site provides information about any persons affiliated with Ashworth Sullivan Wealth Advisors who are registered, or are required to be registered, as investment adviser representatives of Ashworth Sullivan Wealth Advisor.

## Item 3 -Table of Contents

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

## Item 4 – Advisory Services Business

Ashworth Sullivan Wealth Advisors LLC (“ASWA”) was established in April 2007 and approved as a Registered Investment Adviser in August 2009. Marcus Ashworth and Casey Sullivan each hold a 50% ownership stake in ASWA.

Below is a description of the investment advisory and financial planning services offered by ASWA, including, but not limited to, ASWA’s fee schedules, a description of how fees are charged, whether fees are negotiable, when compensation is payable, refund policies and other applicable information. For more detail on any product or service please reference your advisory agreement, wrap brochure (if applicable) or ASWA Investment Advisory Representative (“IAR”).

For its investment advisory clients, the firm presently offers the following types of advisory services:

- I. ASWA Advisor Managed Accounts – (ASWA – AMA)
  - a. National Financial Services Platform (NFS)
  - b. TD Ameritrade Platform (TDA)
- II. ASWA Third Party Managed Fee Accounts (ASWA-TPMA)
- III. Financial Planning

ASWA provides continuous and regular investment advisory services to clients in connection with establishing and monitoring of client investment objectives, risk tolerance, asset allocation goals and time horizon. In addition, ASWA’s IARs may provide clients information and research about investment products and strategies, and review portfolio performance reports. Clients have the opportunity to place reasonable restrictions or constraints on the way their account is managed; however, such restrictions may affect the composition and performance of an individual client’s portfolio. For these reasons, performance of the portfolio may not be identical with the average client of ASWA.

Through ASWA’s Advisory Services, investment supervisory services are primarily through “Advisor Managed Fee Based Accounts” and “Third Party Managed Fee Accounts”, which include separately managed accounts (SMA’s). Services provided under some or all of these options may be available from other providers for lesser fees. In addition, clients may buy securities (e.g., mutual funds, exchange-traded funds, etc.) outside of certain Programs without incurring the Program fees.

Below are descriptions of the accounts or services that ASWA offers, the basic management fee structures and any unique characteristics. For a more complete discussion and disclosure regarding any Account’s services or fee structure, ASWA will provide the client a detailed advisory agreement and/or the third-party investment manager’s ADV Part 2A and wrap fee brochure, as applicable.

### ***I. ASWA Advisor Managed Accounts (ASWA-AMA)***

Advisor Managed Accounts are based on the individual objectives of each client portfolio and may or may not represent the overall objectives of the clients’ total investments. ASWA recommends and employs various investment strategies. ASWA-AMA accounts are designed to provide discretionary management by an Advisor of the firm. ASWA assists each client in formulating investment objectives and manages the account within established guidelines regarding, among other matters, diversification and designation of securities that may be purchased. As part of this service, each client portfolio is tailored to their particular investment needs and circumstances. This includes discretionary investment management in accounts based on the client’s risk strategy (from conservative to aggressive), which is selected with the client’s input and incorporated into the account agreement. The available risk strategies correlate to asset allocation models developed by ASWA based on target allocations for various asset classes and sub-classes.

The Advisor-Managed Accounts give our IARs the ability to customize asset allocation, investment selection, and investment strategies to meet each client's individual financial situation and investment objectives. Accounts are periodically rebalanced toward their asset allocation target, or reallocated based upon changes to the client's risk tolerance or investment committee monitoring results. Several factors influence the IARs selection of the account structure, including but not limited to: 1) client's preference for a "wrap" vs. transaction charges per trade on certain or all securities, 2) account size, 3) anticipated trading frequency, 4) anticipated securities to be traded, 5) management style and/or 6) tax sensitivity. In each account structure, the IAR may manage and provide advice on mutual funds, stocks, bonds, ETFs, LPs, SMA's, UIT's and options-

**A. NFS Platform:** The NFS Platform offers various account structures that allow our Representatives to meet the investment needs and preferences of their clients. The Accounts are designed to allow ASWA discretionary management of ASWA model portfolios, and specialized client-specific portfolios.

- i. Pinnacle Account: The Pinnacle Account has \$150,000 account minimum and advisory fees are negotiable. Advisory Fees will be slightly higher as compared to an Apex account of similar size and complexity. This account is a Wrap Account sponsored by Triad Advisors and may be suitable for clients that would prefer not to pay transaction charges for any trade, accounts that meet the minimum, and/or in which IAR anticipates placing more than a moderate number of non-mutual fund trades annually. Some mutual funds will have a small transaction charge payable to the custodian. There is a trade limit of 100 trades per account per year. If a Pinnacle account is chosen, the client will be given a Wrap Fee Brochure from Triad Advisors, the program sponsor, which will include additional disclosures and fee structure.
- ii. Apex: The Apex Account has no minimum account size. In this account, ASWA may manage and provide advice on mutual funds, stocks, bonds, ETFs, LPs, and options. Through an Apex Account, the client pays a lower service fee than in a Pinnacle account, and also pays a transaction fee each trade.

**B. TDA Platform:** The TDA Platform allows our IARs to meet the investment needs and preferences of their clients. The Accounts are designed to allow ASWA discretionary management of ASWA model portfolios, specialized client specific portfolios, ASWA selected separately managed accounts (SMA) or a combination of the above.

This Non-Wrap account has a negotiable \$100,000 account minimum and advisory fees are negotiable. In this account, clients will be charged the advisory fee plus transaction fees, though there are many mutual fund and ETF selections which do not incur a transaction fee. It will incur manager fees where third-party money managers are used.

## **II. ASWA Third Party Managed Accounts (ASWA-TPMA)**

Third Party Managers are evaluated by the ASWA Investment Committee for client use. The service includes assisting clients in identifying their investment objectives and matching personal and financial data with a list of investment managers that meets the ASWA Investment Committee's minimum quantitative and qualitative criteria. The intent of the program is to provide a select list of quality and recognizable investment management firms from which one or more managers are selected to handle the day-to-day management of the client's account(s). ASWA-TPMA Accounts may utilize ETF, Mutual Fund, SMA, Equities, Bonds, Alternatives, and other types of investments.

Among the criteria that may be considered for inclusion in the ASWA-TPMA program are the manager's experience, assets under management, performance record, client retention, the level of client services

provided, investment style, buy and sell disciplines, capitalization level, expenses and the general investment process. Each client must have a profile that matches the advisors stated objectives.

When recommending outside investment managers, the firm first analyzes the client's investment objectives, risk tolerance and existing portfolio, if applicable, to determine the investment style that will best facilitate the desired diversification and tax situation of the portfolio. The firm then identifies strategies or managers who exhibit the desired investment attributes. The firm helps the client measure the performance of the managers by making comparisons to appropriate benchmarks. Depending on client objectives, the firm advocates an active/passive investment strategy using a diversified approach.

The firm may at any time terminate the relationship with a third-party manager that manages clients' assets. Factors involved in the termination of an advisor may include a failure to adhere to management style or clients' objectives, a material change in the professional staff of the advisor, unexplained poor performance, dispersions of client account performance, or the firm's decision to no longer include the advisor as one of its preferred program managers.

Clients are advised and should understand that:

A manager's past performance is no guarantee of future results. There is a certain market and/or interest rate risk which may adversely affect any advisor's objectives and strategies, and could cause a loss in a client's account(s); and Client risk parameters or comparative index selections provided to the firm are guidelines only - there is no guarantee that they will be met or not be exceeded.

Accounts in the ASWA-TPMA program are managed by the selected independent manager. Information collected by ASWA regarding selected managers is believed to be reliable and accurate, but the firm does not independently verify it on all occasions. All performance reporting will be the responsibility of the respective manager and is provided directly to the clients and the firm. The firm does not audit nor verify that these results are calculated on a uniform or consistent basis as provided by a manager directly to the firm or through the consulting service utilized by the manager or the firm.

The minimum account size will vary from manager to manager. All such minimums will be disclosed in the respective manager's ADV document. The firm may have the ability to negotiate such minimums. Third Party Managers are available at NFS, TDA and SEI.

### **III. *Financial Planning***

Upon specific requests by the client, the Firm may provide either financial consulting or a comprehensive financial plan tailored to meet the client's needs and financial objectives as described by the client. During meetings with the client, the investment philosophy, risk tolerance, investment objectives, financial position, insurance needs, tax objectives, trust and estate issues are discussed.

Depending upon the scope of the engagement and specific requests by the client, the Firm may provide a written plan which reviews client's current situation and recommends a financial strategy consistent with the client's stated financial and personal goals. Additional services may include drafting an investment policy statement, developing asset allocation guidelines and strategies, developing insurance and gap analysis, drafting of an estate flow chart, net worth statement, cash flow statements, retirement strategy and estate plans. The advisor may also recommend money managers and provide performance measurement of money managers. The Advisor may charge an hourly or per-project fee to be determined based upon the specifics of the project.

The firm encourages clients to use the services of an estate attorney and does not render legal advice. The firm also will not advise the client or act for the client in any legal proceedings, including bankruptcies,

involving securities held or previously held, or the issuers of those securities. The firm will not vote proxies for securities held in client accounts.

In addition to the aforementioned services, ASWA may offer investment data storage and periodic comprehensive reporting services through eMoney which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets managed by ASWA (the "Excluded Assets"). Should the client utilize these reporting services, the client acknowledges and understands that with respect to the Excluded Assets, ASWA's service is limited to reporting and data storage services only and does not include investment management, review, or monitoring services, nor investment recommendations or advice. As such, ASWA will not be responsible for the investment performance of the Excluded Assets. If the client requests ASWA to provide investment management services with respect to the Excluded Assets, the client may engage ASWA to do so for a separate and additional fee.

As of December 31, 2019 ASWA, held \$168,000,000 in assets under management on a discretionary basis.

## Item 5 – Fees and Compensation

The specific manner in which fees are charged by ASWA is established in a client's written agreement. ASWA's Portfolio Management Fees and those of a Third-Party Manager (where applicable) are based on the assets in the account per the fee schedule, or in some instances using a flat fee. Either way, fees may be negotiated. Financial Planning and Consulting Fees are based on an hourly rate or flat project fee based upon the specifics of the project.

ASWA provides investment management services for an annual fee based upon a percentage of the market value of the assets in each client account. The advisory fee is negotiable depending on the representative providing the management services, the market value of the account, asset types, complexity of your portfolio, services desired, your financial situation, and level of trading activity. It is important to note that it is possible that different investment advisor representatives may charge different fees for providing the same types and level of service to clients. The specific level of services you will receive and the fees you will be charged will be specified in your advisory services agreement. The annual fee is divided and paid quarterly in advance (NFS) or arrears (TDA, SEI) through a direct debit of your account. The account fee includes an annual review as described in Item 13; and additional periodic reviews and/or performance reports are available for a fixed fee of \$250 each.

### ***I. ASWA ADVISOR MANAGED ACCOUNTS (ASWA-AMA)***

The basic asset-based management fee schedule for AMA is as follows:

<u>Portfolio Value</u>	<u>ASWA Fee</u>
< \$999,999	1.75%
\$1,000,000 - \$2,999,999	1.5%
\$3,000,000 +	Negotiable

ASWA-AMA accounts may be custodied with National Financial Services LLC ("NFS") or TD Ameritrade, Inc. ("TDA"). Fees will be charged differently depending on the platform selected. Fees above are based on the value of each client's account, and accounts are not aggregated in a household for billing purposes.

***A. NFS Platform:*** In addition to ASWA's fees above, clients are charged a Service Fee for Pinnacle and Apex accounts. ASWA's fees are payable quarterly or monthly in advance, and automatically deducted from the account pursuant to the advisory agreement. If an account is opened in the first or second month of a quarter, it will be charged one fee during its first billing cycle, which will occur during the first full month after the account is established. The fee is prorated for the number of days the account was open based on the start date through the end of the quarter. ASWA's fee will be based on the average daily balance of the account during the first partial month. If an account is opened in the third month of a quarter, it will be

charged two fees in its first billing cycle. The first will be for its partial quarter, the second will be for the upcoming full quarter. The fees will be charged on the 15th business day of the first full month, or the first month of the next quarter. Going forward, ASWA’s fees are calculated at the end of the quarter and charged during the first month of the quarter based on the average daily balance of the account, for the last month of the preceding quarter. Additional deposits of funds and/or securities will be subject to the same billing procedures.

- i. Pinnacle Account: The Pinnacle Account is charged a Service fee of up to 0.28% of the account value and has an account minimum size of \$150,000. There are no additional transaction fees charged for equity, mutual funds, alternative investments, fixed income, UIT and options transactions; subject to a trade limit of 100 trades per account per year. A minimum service fee of \$280 applies. If a Pinnacle account is chosen the client will be given a Wrap Fee Brochure from Triad Advisors, and the program sponsor; which will include additional disclosures and fee structure.
- ii. Apex: The Apex Account carries a service fee of up to 0.17% and has no minimum account size. In addition, a transaction fee is charged on all trades, including equity, mutual funds, alternative investments, fixed income, UIT and options transactions. Additional fees may be charged, as applicable, including fees for trade confirmations and mutual fund prospectus delivery. All such fees are passed through to the client and not paid to ASWA. A minimum service fee of \$110 applies.

**B. TDA Platform:** ASWA’s fees are payable quarterly in arrears and automatically deducted from the account pursuant to the advisory agreement. All quarterly fees will be charged in the current quarter for the prior quarter based on the prior quarter’s ending balance using a daily rate. Certain third-party managers may calculate their fees based on quarter ending balances or some other method which will be disclosed in the applicable Form ADV, Wrap Brochure, and advisory agreement provided to the client.

## II. **ASWA THIRD PARTY MANAGED ACCOUNTS (ASWA-TPMA)**

The basic asset-based management fee schedule for AMA is as follows:

<u>Portfolio Value</u>	<u>ASWA Fee</u>
< \$999,999	1.75%
\$1,000,000 - \$2,999,999	1.5%
\$3,000,000 +	Negotiable

The Fee Schedule above represents the advisory fee charged by ASWA on each client account. Clients will pay an additional fee to the third-party manager as outlined in each respective manager’s Form ADV and Advisory Agreement; such fee is in addition to ASWA’s fee. Fees above are based on the value of each client’s account, and accounts are not aggregated in a household for billing purposes.

A client may terminate their relationship in accordance with the respective managers’ disclosure documents. Pre-paid fees will be refunded in accordance with the respective manager’s agreement and disclosure documents. ASWA-TPMA accounts may be custodied with National Financial Services LLC (“NFS”), TD Ameritrade, Inc. (“TDA” or “TD Ameritrade”), or SEI Private Trust Co. (“SEI”). Fees will be charged differently depending on the platform selected.

**A. NFS Platform:** ASWA’s fees and those of a third-party manager are payable quarterly or monthly in advance, and automatically deducted from the account pursuant to the advisory agreement. If an account is opened in the first or second month of a quarter, it will be charged one fee during its first billing cycle, which will occur during the first full month after the account is established. The fee is prorated for the number of days the account was open based on the start date through the end of the quarter. ASWA’s fee will be based on the average daily balance of the account during the first partial month. If an account is opened in the third month of a quarter, it will be charged two fees in its first billing cycle. The first will be

for its partial quarter, the second will be for the upcoming full quarter. The fees will be charged on the 15th business day of the first full month, or the first month of the next quarter. Going forward, ASWA's fees are calculated at the end of the quarter and charged during the first month of the quarter based on the average daily balance of the account, for the last month of the preceding quarter. Additional deposits of funds and/or securities will be subject to the same billing procedures. ASWA-TPMA fees are either tiered or blended as described in their advisory agreement.

**B. TDA Platform:** ASWA's fees and those of a third-party manager is payable quarterly in arrears and automatically deducted from the account pursuant to the advisory agreement. All quarterly fees will be charged in the current quarter for the prior quarter based on the prior quarter's ending balance using a daily rate. Certain third-party managers may calculate their fees based on quarter ending balances or some other method which will be disclosed in the applicable Form ADV, Wrap Brochure, and advisory agreement provided to the client. ASWA-TPMA fees are tiered.

**C. SEI Platform:** ASWA's fees and those of the third-party manager is payable either monthly or quarterly in arrears and automatically deducted from the account pursuant to the advisory agreement. All quarterly fees will be charged in the current quarter for the prior quarter based on the prior quarter's ending market value using a daily rate at 1/350<sup>th</sup> the advisory fee. ASWA-TPMA fees are tiered.

### **III. FINANCIAL PLANNING FEES**

Depending upon the scope of the engagement and specific requests by the client, the firm may charge on an hourly rate of \$175-\$350 per hour, or a fixed price based upon the extent of the planning project. The fees will be negotiated prior to contracting with the client, and the agreed upon fee payable upon completion of the services provided. Should a client be dissatisfied with the services rendered, ASWA may refund part or all of the fees paid, at management's sole discretion.

Fees for comprehensive financial planning services may be done on a quarterly fixed fee. This program will allow for a strategic action plan to be developed and implemented as well as address the specific areas requested or identified by the client. The actual fee is established after the initial concept or fact-finding meeting. The quarterly retainer fee is due at the time of the engagement and at the beginning of each 3-month period thereafter. The client may terminate the relationship at any time; however, no refunds are provided.

### **AGGREGATED ACCOUNT & PERFORMANCE REPORTING FEES**

Clients in the ASWA-AMA and ASWA-TPMA programs may elect to receive performance reports and aggregated account reports as indicated in their advisory contract. Clients who receive performance reports will be charged up to \$100 per account per year, and will be billed directly by ASWA, in advance, on a quarterly basis.

### **WEALTH MANAGEMENT PORTAL SUBSCRIPTION**

Clients have access to ASWA's private and secure on-line wealth management portal where clients can link all their financial information in one area for a complete financial picture of everything they own and their net worth. Their data is consolidated into a personal website where all their financial accounts are updated throughout the day. They can monitor cash flow, create budgets, and store important documents in their own digital vault. This is a non-transactional system. The fee is up to \$500 per year and is billed quarterly in advance.

General Disclosures: Although ASWA believes its fees are reasonable in light of the services provided, clients should be aware that such fees may be more or less than the fees and commissions associated with brokerage services purchased separately. The comparison is dependent upon a number of factors, including the frequency of brokerage activity in the client's account, the size of the account under management, and any negotiated fee arrangements with respect to the account. An investor should consider these factors prior to opening an account.

## **ACCOUNT TERMINATION**

If the ADV disclosure document was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with this investment adviser, then the client has the right to terminate the contract without penalty within five business days after entering into the contract. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract, or in the case of an oral contract otherwise signified their acceptance, any other provisions of this contract notwithstanding.

Fees will be prorated based on the number of days the Account is under ASWA's management for any Agreement that comes into effect or is terminated during a quarter. In addition to ASWA's management fee, clients with SMA'S and/or Third-Party Managed Accounts will also bear other charges imposed by the custodian of their account or by other third parties relating to their account or transactions effected in the account. Such charges may include, but not be limited to, brokerage commissions, ticket charges, wire transfer charges, custodial fees, activity fees, termination fees, postage and handling fees and other transaction or account related fees and charges. Upon written receipt of notice to terminate its Client Agreement and unless specific transfer instructions are received, ASWA and its agent will, in an orderly and efficient manner, proceed with liquidation of the client's account. There will not be a charge by us for such redemption; however, the client should be aware that certain mutual funds impose redemption fees as stated in each company's fund prospectus in certain circumstances. Clients must keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with the client's tax advisor. Factors that affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable, and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate client's investment advisory service and communicate the instructions to client's Investment Advisor, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. ASWA and its agent are not responsible for market fluctuations of the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

**Other Fees:** In addition to the advisory fees paid to ASWA, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees charged by the Independent Managers, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses, 12(b)-1 fees), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. Some mutual funds within this program pay 12(b)-1 service fees (normally 0.25% per year) to the Custodian or third-party investment manager. The mutual funds the Firm could purchase or recommend offer a variety of share classes, including some that do not charge 12(b)-1 fees and are, therefore, less expensive. These fee arrangements will be disclosed upon request of a client and are available in the applicable fund 's prospectus. Typically, ASWA does not recommend mutual funds that charge 12(b)-1 fees when other share classes are available. However, there are instances in which the ASWA would recommend a mutual fund that carries a 12(b)-1 fee, even when a lower-cost share class is available for the same fund. For example, a lower-cost class share may not be available to ASWA due to investment minimums. In other cases, mutual funds charging 12(b)-1 fees are transferred into ASWA. In which case the Firm may recommend the client holds the existing share class, instead of selling the fund and buying a lower-cost share, which could result in a tax liability. Mutual funds charging 12(b)-1 fees will be recommended when the overall cost is seen as a benefit to the client if the anticipated transaction fees exceed the anticipated 12(b)-1 fees. When recommending a particular mutual fund share classes, the different available share classes are compared and reviewed along with the anticipated investment timeframe, potential tax consequences, future anticipated transactions and other costs to determine the best selection for the client at that time. ASWA does not receive any part of the fees charged by Mutual Funds.

The advisory fee also does not cover debit balances or related margin interest or SEC fees or other fees or taxes required by law. In addition, certain Accounts may require a minimum advisory fee or quarterly maintenance fee that will be detailed in the applicable advisory agreement. In this case, the advisory fee charged may be more than the effective annual rate in the fee schedule above. In certain cases, the client may give ASWA's IAR or a third party money manager discretionary authority to more actively manage the client's assets. This authority is disclosed in the applicable advisory agreement.

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

ASWA does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). Some third party and hedge fund managers may, however. Those fees, if applicable, are disclosed in their respective Disclosure Brochures.

## **Item 7 – Types of Clients**

ASWA provides portfolio management services to individuals, corporations and business entities, government entities, pension and profit-sharing plans, charitable institutions, foundations, endowments, estates and trusts. The minimum account size is specified in Item 4 and varies based on the account program selected. ASWA has the discretion to waive the account size minimum. For any third manager programs, account minimums may vary by manager and such information is disclosed in the manager's respective Brochure (Form ADV).

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

Our investment strategy begins with an understanding of a client's financial goals. Advisors use demographic and financial information provided by the client to assess the client's risk profile and investment objectives in determining an appropriate plan for the client's assets. Investment strategies ordinarily include long- or short-term trading of stock portfolios, mutual funds and fixed income securities, option transactions and may include margin transactions. Investment recommendations are based on an analysis of the client's individual needs, and are drawn from research and analysis. Security analysis methods may include fundamental analysis, technical analysis, charting and cyclical analysis. Information for this analysis may be drawn from financial newspapers and magazines, research materials prepared by others, annual reports, corporate filings, prospectuses, company press releases and corporate ratings services.

It is important to note that investing in securities involves certain risks that clients should be prepared to bear. Though the goal of the firm is to find quality investments and proper allocation strategies, there is no guarantee that the goal will be met, and/or that the value of investor portfolios may not decline in value during any given time period. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks. Our investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **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 ASWA or the integrity of ASWA's management. ASWA has no information applicable to this Item.

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

Certain ASWA personnel are also registered representatives of Triad Advisors, LLC ("Triad Advisors"), a registered broker-dealer. In that capacity, they may be paid commissions, brokerage fees, 12b-1 fees or other fees or payments for their brokerage clients, which may include clients who are also clients of ASWA. These arrangements pose a conflict of interest for those individuals to the extent they have a financial incentive to recommend such sales or other transactions to the client. In their capacities as registered representatives, clients will be charged separately from their advisory services. Additionally, individuals are separately licensed as insurance agents with Highlands and Ash Brokerages. Ash Brokerage is registered as an insurance agency engaging in Life, Health, Disability, Long Term Care and Variable Insurance business. Ash Brokerage is affiliated with Triad Advisors. Variable products will be offered through the broker-dealer. Non-variable products will be offered through the insurance agency. Compensation will be paid directly by these entities.

When applicable, these individuals may recommend insurance or broker-dealer transactions for advisory clients. All related compensation is separate from advisory services. On average individual Investment Advisor Representatives and the principals of ASWA spend 30% of their time on other such activities. If a trade error were to occur, it may result in profit or loss to the broker/dealer. The firm has controls in place to limit such trade errors. Investment Advisers will not participate in any profits resulting from such errors.

ASWA may require that clients establish brokerage accounts with National Financial Services, LLC ("NFS"), a Fidelity Investments company, or TD Ameritrade to maintain custody of clients' assets and to effect trades for their accounts. ASWA is independently owned and operated and not affiliated with either NFS, a Fidelity Investments company, or TD Ameritrade. Item 12 includes additional details regarding brokerage practices and related disclosures.

## **Item 11 – Code of Ethics**

ASWA has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal

securities trading procedures, among other things. All supervised persons at ASWA must acknowledge the terms of the Code of Ethics annually, or as amended.

ASWA's employees and persons associated with ASWA are required to follow the Code of Ethics. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of ASWA will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities, such as mutual funds and UITs have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of ASWA's clients. In addition, the Code requires pre-approval of many transactions, and restricts trading in close proximity to client trading activity. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between ASWA and its clients. ASWA's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Jessica Dabbs at our main number.

## **Item 12 – Brokerage Practices**

We recommend the brokerage and custodial services of TD Ameritrade, Inc. ("TD Ameritrade"), SEI Investments Co. ("SEI"), or National Financial Services LLC ("NFS"), a Fidelity Investments company. TD Ameritrade, SEI and NFS are a registered broker-dealer that charges brokerage commissions or transaction fees for effecting securities transactions. As the custodian holding an account, TD Ameritrade, SEI and NFS do not generally charge separately for custody services. They are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed, which are included when wrap fees are charged.

The Custodians make products and services available to ASWA that benefit ASWA but may not directly benefit its clients' accounts. Many of these products and services are used to service all or a substantial number of ASWA accounts. Some of these products and services provided includes software and other technology that (i) provides access to client account data (such as trade confirmations and account statements); (ii) facilitates trade execution and allocates aggregated trade orders for multiple client accounts; (iii) provides research, pricing and other market data; (iv) facilitates payment of ASWA fees from its clients' accounts; and (v) assists with back-office functions, recordkeeping and client reporting.

Factors for such recommendation would be when transaction compensation is seen as a benefit to the client. For broker-dealer services, the Adviser or its associated persons may receive compensation for such transactions, where such compensation is separate and distinct from Adviser's compensation related to its investment advisory services. Commissions paid to advisers for broker-dealer services may be higher or lower than those paid by other brokers. There may be situations where an Adviser is also a Series 7 Registered Representative with Triad Advisors may be entitled to certain trailers or fees paid by a third-party product provider. Transactions are done solely as a Registered Representative and are not in the capacity as an Investment Advisor. This includes situations where commissions are paid rather than advisory fees, including private placements and insurance products. Triad Advisors requires brokerage accounts to be opened through NFS or directly with the issuer.

We recommend the services of TD Ameritrade, SEI for advisory services based on a number of factors including financial strength, reputation, execution, pricing, responsiveness, household preference and management. TD Ameritrade is typically recommended for ASWA-AMA accounts. SEI is typically recommended for ASWA-TPMA accounts.

Clients may direct ASWA to use NFS as their Custodian for ASWA-AMA accounts. Clients may direct us to NFS when they have a historical relationship with NFS; or when they have existing brokerage accounts held through NFS that they wish to household with their advisory accounts; or based on other factors important to them. All trade orders are routed to the selected Custodian to execute transactions. By directing brokerage, we may not be able to achieve the most favorable execution of client transactions and this practice may cost clients more money. ASWA

conducts best execution testing on advisor management accounts which hold equity securities, closed end funds (“CEFs”), and/or exchange traded funds (“ETFs”) securities; however, such testing is not conducted on third party managed accounts or those using mutual funds or unit investment trusts (“UITs”).

### **Item 13 – Review of Accounts**

Accounts are assigned to investment advisors who are responsible for performing periodic reviews of the account and consult with the respective client of the account. Following these reviews, service reports are prepared to assist principals in supervising and monitoring the account. Factors that are considered include but are not limited to the following: investment objectives, targeted allocation, current allocation, suitability, performance, number of trades, monthly distributions, concentrated positions, diversification, and outside holdings. ASWA audits client fee billing on a quarterly basis.

Additional periodic reviews and/or performance reports available for a fixed fee of \$250 each.

Client agrees to inform the firm in writing of any material changes to the information included in the questionnaire or any other change in the client’s financial circumstances that might affect the manner in which client’s assets should be invested. Client may contact the firm during normal business hours to consult with the firm concerning the management of the client’s account(s).

Clients may elect to receive performance reports and aggregated account reports as indicated in their advisory contract. Clients who receive performance reports will be charged up to \$100 per account per year, and will be billed directly by ASWA, in advance, on a quarterly basis. Item 15 contains information regarding the custody reports provided.

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

ASWA does not receive any compensation or economic benefit for providing investment advice from anyone other than our advisory clients. ASWA does not compensate non-advisory persons for client referrals.

### **Item 15 – Custody**

Clients should receive statements at least quarterly from NFS, TD Ameritrade, or SEI, the qualified custodian that hold and maintain your investment assets. ASWA urges you to carefully review such statements and compare the official custodial records to the account statements that we may provide you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

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

ASWA receives discretionary authority in writing as part of the investment advisory agreement. ASWA has authority to supervise and direct on an ongoing basis the investments of the client in accordance with the client’s predetermined investment objectives and guidelines or the client’s written Investment Policy Statement. ASWA is authorized, in its discretion and without prior consultation with the client to: (1) buy, sell, exchange and otherwise trade any stocks, bonds, SMAs or other securities or assets, and (2) determine the amount of securities to be bought or sold. Any limitations to such authority will be communicated by the client to ASWA in writing.

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

As a matter of firm policy and practice, ASWA does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. ASWA may

provide advice to clients regarding the clients' voting of proxies. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent.

## **Item 18 – Financial Information**

Registered Investment Advisers are required to provide you with certain financial information or disclosures about ASWA's financial condition applicable to this Item. In April 2020, ASWA received a PPP (Paycheck Protection Program) loan established by the United States Federal Government to help our business to continue to pay our employees during the COVID-10 pandemic. We received \$75,700.00 from the U.S government and we used this money to help pay the salaries of our administrative and operational staff to protect their jobs and ensure financial stability for them due to the loss of revenue to the Firm from the turbulence of the financial markets, and downturn in the U.S economy. ASWA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of any bankruptcy proceeding.

## **Privacy Policy**

Ashworth Sullivan Wealth Advisors LLC (“we” or “us” or “our”) collects nonpublic personal information about you from the following sources: Information we receive on applications, questionnaires, web site, or other forms and information about your transactions with our affiliates, others, or us.

### ***Our Pledge to You***

We do not disclose any non-public information about our current or former customers to anyone, except as permitted by law or in order to provide the current services. Our employees have limited access to your personal information based on their responsibilities to provide products or services to you. Be assured that we maintain physical, electronic and procedural safeguards in compliance with federal standards to protect your information.

### ***Our Relationship with Triad Advisors, LLC***

We have a relationship with Triad Advisors, LLC (“Triad”), a broker/dealer and investment adviser registered with the United States Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority (FINRA). Many of our customers have accounts with Triad. If you have an account with Triad, we may disclose your information to Triad or receive information about you from Triad. This exchange of information allows us to service you and your account.

### ***Privacy Policy of Triad Advisors, LLC***

Triad is committed to maintaining the trust and confidence of customers. Triad makes its privacy policy available to you so that you will understand how Triad protects your privacy when it collects and uses your information in the course of business. We encourage you to review Triad’s Privacy Policy to fully understand the safeguards taken to protect your personal information. For any questions regarding Triad’s Privacy Policy, please contact the Triad Compliance Department at 888-713-5445.

**Questions?** If you have any questions concerning our privacy policy, please call us at (770) 771-5812 or email [info@ashworthsullivan.com](mailto:info@ashworthsullivan.com).