

**Item 1 – Cover Page**

**Form ADV Part 2A**  
**Investment Adviser Brochure**

**Asset Strategies, Inc.**

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March 2018

This Brochure provides information about the qualifications and business practices of Asset Strategies, Inc. (ASI). If you have any questions about the contents of this Brochure, please contact Diann E. McChesney, CFP®, Executive Vice President and Chief Compliance Officer, at 860-673-5500 or at [diann@assetstrats.com](mailto:diann@assetstrats.com). 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.

Asset Strategies, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Asset Strategies, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search this site using a unique identifying number, known as a CRD number, Asset Strategies, Inc.'s CRD Number is 119661.

## **Item 2 – Material Changes**

In this Item of Asset Strategies, Inc.'s (ASI or the Firm) Form ADV 2, the Firm is required to discuss any material changes that have been made to Form ADV since the last Annual Amendment, dated March 9, 2017.

Since the last ADV Annual Amendment filing, the Firm had no material changes to report.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Our Brochure is available on our web site [www.assetstrats.com](http://www.assetstrats.com) free of charge. Our Brochure may also be requested by contacting Diann E. McChesney, CFP®, Executive Vice President and Chief Compliance Officer, at 860-673-5500 at [diann@assetstrats.com](mailto:diann@assetstrats.com).

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## **Item 4 – Advisory Business**

Asset Strategies, Inc. (ASI or the Firm) is a fee-only investment management and financial planning firm founded in 2002. ASI is owned by Alan M. Rothstein, CPA, PFS (President) and Diann E. McChesney, CFP®, Executive Vice President and Chief Compliance Officer.

### **Asset Management Services**

ASI provides asset management services customized to the individual needs of each client. Through personal discussions, ASI assists the client in developing goals and objectives. ASI then develops a client's personal investment policy, creates a portfolio based on that policy and gives continuous investment advice to the client. Asset management is guided by the stated objectives of the client (e.g., growth, income, capital preservation.)

At the inception of an account any individual securities held by the client will be considered in the asset allocation for the client; however, ASI does not charge a fee on those assets and will only act on a non-discretionary basis to buy or sell those securities.

ASI manages a portfolio consisting of one or all of the following:

- Cash and cash equivalents, including money market funds and short term bank certificates of deposit
- Fixed income (bond mutual funds, exchange traded funds, individual bonds, and/or certificates of deposits) which may include U.S. government and agency, municipal, international, inflation protected and corporate bonds
- U.S. large and mid/small growth and value equities (stock mutual funds, exchange traded funds and/or individual stocks)
- International large and mid/small growth and value equities and emerging markets equities (stock mutual funds, exchange traded funds and/or individual stocks)
- Real Assets (REITs, REIT and/or Real Asset mutual funds or exchange traded funds)
- Alternate strategy mutual funds (for example, long-short funds).

ASI allocates the client's assets among selected investments in accordance with the client's Investment Policy Statement (IPS). Portfolio weighting among asset classes and investments is determined by each client's individual needs and circumstances.

ASI develops a customized IPS for each client. We design and manage each client's portfolio based on the IPS. The IPS includes a target asset allocation, and it is reviewed with and signed by the client.

ASI also considers the tax impact of investment decisions in designing and managing client portfolios. Investment tax strategies can include:

- Tax deferral and or acceleration of income
- Placing investments into taxable v. tax-deferred accounts based on the income tax treatment of the securities and the income that these securities pay
- Harvesting capital gains and losses
- Planning for mutual fund distributions in taxable accounts.

ASI rebalances portfolios back to target asset allocations when appropriate. Cash flow and income tax considerations are factors in determining rebalancing activity.

### **Asset Solutions**

ASI offers Asset Solutions, a service designed to provide singles and couples in their late 20s to early 40s that are eager to save and invest wisely, but have fewer assets than ASI's typical client. ASI's Asset Solutions services includes quarterly management and monitoring of investable assets (with a maximum investment total of \$150,000 – excluding employer sponsored retirement accounts) and annual financial planning.

### **Financial Planning**

Personal financial planning includes informal consultations, segmented plans and comprehensive plans. The planning process involves interviews with the client, a review of pertinent documents and a plan based on the client's goals and objectives.

A comprehensive plan consists of the following where applicable:

- Clarifying and prioritizing goals
- Cash management
- Retirement planning
- Education planning
- Risk management
- Income tax planning
- Estate tax planning
- Investment planning
- Periodic updates

ASI gathers information from new clients through personal interviews and, in some cases, the client completes a questionnaire. Information gathered includes a client's future goals, current financial situation, and attitudes towards risk. All information supplied by the client, including any supplemental documents, is reviewed and analyzed.

Financial planning will often involve a team approach including professional advisers such as insurance agents, attorneys and CPAs. The client has complete discretion to implement some or all of the plan's recommendations.

### **Sub-advisers**

In certain circumstances, ASI may recommend other investment advisers (sub-adviser) to manage a portion of a client's portfolio, primarily fixed income securities. The sub-advisor will charge the client for the portion of the portfolio they are managing; this fee may be in addition to the management fee charged by ASI. ASI does not receive any compensation for sub-advised portfolios.

### **Tax Preparation Services**

In certain circumstances, ASI will prepare individual and corporate tax returns on behalf of clients. In addition, ASI may provide clients with consulting services on tax-related matters.

### **Tailored Relationships**

ASI tailors investment advisory services to the individual needs of the client. ASI clients are allowed to impose restrictions on the investments in their account. Clients have the opportunity to place reasonable restrictions on the types of investments which are made on the client's behalf. Clients retain individual ownership of all securities.

### **Fiduciary Statement**

ASI and our employees are fiduciaries who must take into consideration the best interests of our clients. The Firm will act with competence, dignity, integrity, and in an ethical manner, when dealing with clients. ASI will use reasonable care and exercise independent professional judgement when conducting investment analysis, making investment recommendations, trading, promoting our services, and engaging in other professional activities.

As a fiduciary, ASI has the obligation to deal fairly with our clients. ASI has the following responsibilities when working with a client:

- To render impartial advice;
- To make appropriate recommendations based on the client's needs, financial circumstances and investment objectives;
- To exercise a high degree of care and diligence to ensure that information is presented in an accurate manner and not in a way to mislead;

- To have reasonable basis, information, and understanding of the facts in order to provide appropriate recommendations and representations;
- Disclose any material conflict of interest in writing; and
- Treat clients fairly and equitably.

**Wrap Fee Programs**

ASI does not participate in a Wrap Fee Program.

**Client Assets**

ASI manages \$134,243,722 as of December 31, 2017. All assets are managed on a discretionary basis.

**Item 5 – Fees and Compensation**

*ASI services are provided on a fee only basis. ASI does not sell financial products or accept commissions or any other compensation from outside sources.*

**Fees for Asset Management Services:**

Fees for asset management services will be charged based on a percentage of assets under management, according to the following schedule:

<b>Assets under management</b>	<b>Annual fee (%) Not more than:</b>
First \$500,000	1.10%
Next \$500,000	1.00%
Next \$1 million - \$5 million	0.90%
On excess over \$5 million	0.70%

Fees are negotiable under certain circumstances.

ASI will provide a specific fee schedule to each client. Fees for individual accounts for members of the same family (defined as spouses/partners and dependent children, and trusts for the benefit of such family members), are based on the total account balance of all family accounts.

Fees are computed and billed quarterly, in advance, and are based upon the fair market value (including cash), of the client's account on the last day of the preceding calendar quarter. Investment advisory agreements are effective for one year beginning the date the contract is signed and shall be automatically renewed for successive one-year terms. A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

#### **Fees for Asset Solutions:**

Fees for Asset Solutions services will be charged at \$125/month. Once clients approach \$150,000 in investable assets they will be phased into our traditional asset management and/or financial planning.

Fees are computed and billed monthly, in advance. A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

#### **Fees for Financial Planning Services:**

ASI estimates and quotes financial planning fees prior to clients engaging our services. In determining fees ASI considers:

- Time and effort involved
- Complexity of the issues involved
- Involvement of other professional advisors
- Extra costs such as organizing client data and travel
- Time constraints imposed by the client's situation.

Fifty percent (50%) of the quoted financial planning fee will be due upon signing a contract with our firm. Fees typically start at \$1,000, but may be more depending upon the complexity of the plan. The balance of the fee will normally be billed as work is completed. ASI will never hold client funds greater than \$1,200 for more than six months in advance.

Provided that all information needed to prepare the financial plan has been promptly provided by the client, a financial plan will usually be presented to the client within 90 days of the contract date.

In certain limited circumstances, a client may pay for personal financial planning services on an hourly basis or by retainer. Hourly clients are currently billed at \$250 per hour as services are rendered.



## **Tax Preparation Services**

Tax preparation service fees may be charged on a fixed fee basis and may range from \$600 to \$12,000 depending on the complexity of the return. Fees are billed \$1,200 at the beginning of the engagement with the balance due upon completion of the project. Fees may also be charged on an hourly basis of \$300 per hour and are due upon the completion of the project.

## **Sub-advisers**

As described in Item 4, ASI does not receive compensation for sub-advised portfolios. If ASI engages a sub-adviser on the client's behalf, any advisory fees for the services of the sub-adviser will be separate from ASI's fees. For example, ASI may engage a manager to run a client's municipal bond investments, and that manager's fees will be in addition to ASI's fees.

## **General Information on Fees and Compensation**

In certain circumstances, fees, account minimums and payment terms are negotiable depending on client's unique situation – such as the size of the aggregate related party portfolio size, family holdings, low cost basis securities, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation.

ASI's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. For example, some mutual fund transactions may produce a transaction charge which will be deducted from the client's account. Similarly, trades through broker-dealers may create other transaction charges which will also be deducted from the client's account. Some custodians may charge custodial fees which will be deducted from the client's account.

Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to ASI's fee, and ASI shall not receive any portion of these commissions, fees, and charges.

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

ASI does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

ASI provides portfolio management services to individuals, high net worth individuals, trusts, corporate pension and profit-sharing plans, and corporations and other organizations.

There is no minimum account size required for this service. As previously noted, fees are negotiable under certain circumstances.

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

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

ASI's advice is based on long-term investment strategies which incorporate the principles of modern portfolio theory. Our approach is anchored in the belief that investors' returns are determined primarily by asset allocation decisions. Academic research suggests that the decision on how a portfolio is allocated among different asset classes will have far greater impact on portfolio performance than security selection and market timing.

ASI manages portfolios consisting of individual equities, bonds, no load and/or load-waived mutual funds, exchange traded funds and other investment products. ASI's overall securities analysis is based on a variety of sources:

- Commercially available software programs
- Security rating services
- Meetings with managers and representatives of mutual funds and separately managed accounts in which we invest
- General market and financial information provided by financial newspapers, periodicals and issuer-provided information
- Outside consultants to provide expertise as needed.

Mutual funds are selected based on the following criteria, among other factors:

- Fund's investment objectives
- Fund's management style and philosophy
- Performance history
- Track record of the fund's manager
- Fees incurred by investors.

### **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear.

*ASI is a fiduciary for its clients. As a fiduciary, ASI has a duty of utmost good faith to act solely in the best interests of each of our clients. We use our best judgment and good faith effort in providing financial advisory services. We cannot, however, guarantee that an account will achieve a particular level of performance or that it will be profitable over time.*

Financial research has demonstrated that risk is reduced by diversifying among types of investments held in a portfolio and by holding equity assets over longer periods of time. There is a greater risk that a client's goals and objectives will not be met if the client's money is invested for a shorter period of time.

The values of investment assets fluctuate and the possibility of loss does exist. Generally, seeking higher returns involves accepting greater volatility and risk.

"Down" markets and portfolio losses are possible, and a client should be prepared to tolerate this risk in order to meet long-term objectives.

The investor should be prepared to bear the following investment risks of loss:

- **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 next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **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 (i.e. Non-traded REITs and other alternative investments) 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.

*Performance results cannot be guaranteed and historical performance may not be indicative of future performance.*

## **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 ASI or the integrity of ASI's management. ASI has no such information to disclose.

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

ASI is not registered as a broker-dealer, and none of its management persons are registered representatives of a broker-dealer.

Neither ASI nor any of its management persons is registered as (or associated with) a futures commissions merchant, commodity pool operator, or a commodity trading advisor.

Alan M. Rothstein is a certified public accountant. Mr. Rothstein provides tax preparation services to clients of ASI. Tax preparation services are offered through ASI and charged separately from investment advisory services.

Alan M. Rothstein is the president of Rothstein & Company, LLC, which performs surprise exams for registered investment advisers.

Alan M. Rothstein, President, is a shareholder of National Advisor Holdings, Inc. (“NAH”), a Delaware corporation organized in August of 1999. Our principals hold less than 1.0% interest, in the aggregate, of the outstanding stock of NAH. NAH has formed a federal trust company known as National Advisors Trust Company (“NATC”). NATC provides trust services to clients of investment advisory firms, such as ASI, across the United States.

Because principals of ASI have an interest in NAH, and therefore indirectly have an interest in NATC, fees earned by NATC will accrue to the benefit of such principals and thus create a conflict of interest. Clients of ASI, however, are under no obligation to utilize the trust services provided by NATC.

ASI may select sub-advisors for its clients. ASI does not receive any compensation for the selection of sub-advisors.

## **Item 11 - Code of Ethics**

ASI has adopted a Code of Ethics (Code) that sets forth the high ethical standards that ASI requires of its employees, including compliance with applicable federal securities laws. As a fiduciary, ASI has a duty of utmost good faith to act solely in the best interests of each of our clients. Our clients entrust us with their funds, which in turn places a high standard on our conduct and integrity. Our fiduciary duty compels all employees to act with the utmost integrity in all of our dealings.

The Code’s key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

Employees are also expected not to divulge information regarding ASI’s securities recommendations or client securities holdings to any individual outside of the firm except as required in the normal conduct of business (for example, communications with brokers and custodians).

Employees must acknowledge the terms of the Code at least annually. Any individual not in compliance with ASI’s Code may be subject to termination.

Clients and prospective clients can obtain a copy of ASI's Code by contacting Diann E. McChesney, Executive Vice President and Chief Compliance Officer at 860.673.5500.

### **Participation or Interest in Client Transactions – Personal Securities Transactions**

ASI and its employees may buy or sell securities identical to those recommended to clients for their personal accounts. The Code, described above, is designed to assure that the personal securities transactions, activities and interests of the employees of ASI will not interfere with (i) making decisions in the best interest of 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, primarily mutual funds, have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of ASI's clients. In addition, the Code requires pre-clearance of many transactions. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code, and designed to reasonably prevent conflicts of interest between ASI and its clients.

### **Participation or Interest in Client Transactions—Financial Interest and Principal/Agency Cross**

Neither ASI nor its employees do not recommend to clients, or buy or sell for client accounts, securities in which they have a material financial interest. It is ASI's policy that the Firm will not affect any principal or agency cross securities transactions for client accounts. ASI will also not cross trades between client accounts.

## **Item 12 – Brokerage Practices**

### **Research and Other Soft Dollar Benefits**

ASI does not receive formal soft dollar benefits other than execution from broker/dealers in connection with client securities transactions.

### **Brokerage for Client Referrals**

ASI does not receive client referrals from broker/dealers.

### **Directed Brokerage**

ASI participates in the Schwab Institutional Services program offered to independent investment advisers by Charles Schwab & Co., Inc. (“Schwab”), a FINRA-registered broker-dealer, member SIPC. ASI also participates in an institutional services program sponsored by Fidelity Brokerage Services LLC (“FBS”) and National Financial Services LLC (“NFS”), collectively referred to as “Fidelity”, also FINRA-registered broker-dealers, members SIPC.

While there is no direct linkage between the investment advice given and participation in these programs, economic benefits are received which would not be received if ASI did not give investment advice to clients. Many of these services generally may be used to service all or a substantial number of ASI’s accounts, including accounts variously maintained at Schwab, Fidelity and/or NATC. These economic benefits include: receipt of duplicate client confirmations and bundled duplicate statements electronically; access to a trading desk serving participants exclusively; access to block trading which provides the ability to aggregate fixed income securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client accounts; access, for a fee, to an electronic communication network for client order entry and account information; receipt of compliance information; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. ASI may also receive other services intended to help manage and further develop ASI’s business enterprise. These services may include consulting, publications and presentations on practice management, information technology, regulatory compliance and marketing. The benefits received through participation in these programs may or may not depend upon the amount of transactions directed to, or amount of assets custodied by Schwab, Fidelity and NATC.

As previously disclosed in Item 10, principals of ASI are shareholders of National Advisor Holdings, Inc. (“NAH”). NAH has formed a federal trust company known as National Advisors Trust Company (“NATC”). Advisory clients of ASI in need of custodial services may have NATC recommended to them. The fees charged by NATC may be greater or less than the fees charged by other custodians.

ASI may recommend the brokerage and custodial services of Schwab, Fidelity, or NATC. ASI reserves the right to decline acceptance of any client account that directs the use of a broker-dealer other than Schwab, Fidelity or NATC if ASI believes that the broker-dealer would adversely affect ASI’s fiduciary duty to the client and/or ability to effectively service the client’s portfolio.

### **Trade Aggregation**

ASI may block trades occasionally when advantageous to clients. Blocking trades permits trading of aggregate blocks of securities composed of assets from multiple clients' accounts so long as transactions costs are shared equally and on a prorated basis between all accounts included in such block. Block trading may allow ASI to execute trades in a timelier and more equitable manner and to reduce overall commission charges to clients. ASI will not be able to block trades for clients who direct the use of a broker other than Schwab, Fidelity or NATC, and therefore a disparity in commission charges may exist between the commissions charged to other clients.

### **Item 13 – Review of Accounts**

The accounts within Asset Management Services are continuously monitored by Diann E. McChesney, Executive Vice President and Chief Compliance Officer, and Alan M. Rothstein, President. Additional reviews may be performed when portfolios are rebalanced, when new funds are added to the portfolios, when unexpected withdrawals are requested, and when portfolios are reviewed for tax efficiency opportunities. Accounts are reviewed in the context of each client's stated investment objectives and guidelines as well as changes in the client's individual circumstances.

In addition to the monthly statements and confirmations of transactions that investment management clients receive from their broker-dealer, ASI will provide quarterly status reports detailing portfolio positions and the performance.

### **Financial Planning – Reviews and Reporting**

Financial planning reviews and updates are not charged to clients who maintain an assets under management relationship with ASI.

For those clients who choose financial planning services only, reviews and reports are available for a separate fee.

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

ASI does not receive any economic benefits (other than as described in Item 12) from any firm or individual for providing investment advice.

### **Compensation – Client Referrals**

ASI does not pay or accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.



## **Item 15 – Custody**

Clients may authorize ASI (in the client agreement) to debit fees directly from the client's account at the broker dealer, bank or other qualified custodian. Client investment assets will be held with a custodian agreed upon by the client and ASI. The custodian is advised in writing of the limitation of ASI's access to the account. The custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to ASI.

In addition, in certain circumstances where ASI has broad authority to access client assets held at an independent custodian, ASI is deemed to have custody. ASI complies with the SEC's Custody Rule, which requires an annual surprise examination conducted by an independent accountant.

Clients receive quarterly or more frequent statements from the broker-dealer, bank or other qualified custodian which holds and maintains client's investment assets. ASI urges clients to carefully review such statements and compare such official custodial records to the account statements that ASI may provide. ASI statements may vary from custodial statements based on accounting procedures, reporting dates, and/or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

ASI receives discretionary authority from the client at the outset of an advisory relationship. ASI is authorized to execute purchases and sales of investments on the client's behalf at ASI's own discretion without consulting the client regarding each purchase or sale. In all cases, such discretion is exercised in a manner consistent with the stated investment objectives for the client's portfolio.

When selecting securities and determining amounts to be invested, ASI observes the investment policies, limitations and restrictions outlined by the client in the written Investment Policy Statement.

If ASI has not been given discretionary authority, ASI consults with the client prior to each trade.

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

As a matter of Firm policy and practice, ASI does not have any authority to and 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.

Clients may contact Diann E. McChesney, Executive Vice President and Chief Compliance Officer, at 860.673.5500 with questions about the Firm's proxy voting policies.

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

As a registered investment adviser, ASI is required to provide clients with certain financial information or disclosures about our financial condition. ASI has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. ASI has not been the subject of a bankruptcy proceeding.

ASI does not require prepayment of fees of both more than \$1,200 per client, and more than six months in advance; and therefore is not required to provide a balance sheet to clients.