



# NEW ASSETS INVESTMENT ADVISORS LLC

**(CA REGISTERED INVESTMENT ADVISER)**

## FORM ADV PART 2A

**(Disclosure Brochure)**

**IARD # 167341**

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March 28, 2017

This brochure ("Brochure") provides information about the qualifications and business practices of New Assets Investment Advisors LLC (hereinafter referred to as "New Assets Investment Advisors"). If you have any questions about the contents of this brochure, please contact us at (408) 520-9558. 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 New Assets Investment Advisors also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that registration as an investment advisory firm does not imply a certain level of skill or training

## **ITEM 2 - MATERIAL CHANGES:**

New Assets Investment Advisors LLC herein referred to as "NAIA" or "New Assets Investment Advisors" is registered as an Investment Advisor with the State of California.

As of February 28, 2017 NAIA manages 100 accounts on a discretionary basis for a total approximate amount of \$11,831,902.66 under management.

Current or terminating clients (upon their approval) are not required to liquidate assets from their accounts within seventy-two hours and may have up to five business days to liquidate the account or at the discretion of the custodian.

Additionally, the firm is currently exploring and looking to implement and offer to current and/or prospective clients the ability to purchase linked Variable Annuity for the purpose of managing the items on a discretionary basis. An addendum to the original investment management agreement will be developed disclosing the services offered and the related fee.

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#### **ITEM 4 - ADVISORY BUSINESS:**

We-Yu Chou also known as Rex Chou is the sole and principal member of New Assets Investment Advisors. Mr. Chou has been a financial professional since August 1995. The firm's principal place of business is 1525 McCarthy Blvd, Suite 1083, Milpitas, CA 95035. The firm will also be advertising the name of the business in Chinese utilizing the following characters: '多元投資顧問'.

#### **Investment Advisory**

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New Assets Investment Advisors provides investment advisory and portfolio management services to assist clients in meeting their financial goals through the use of financial investments. New Assets Investment Advisors provide individualized asset allocation to each client by taking into account of the client's risk tolerance and investment objectives. The asset allocation is based on multi-assets investment strategy. The multi-assets contain three major portions- growth assets, income assets, and diversifying assets. The three major assets have many sub-asset classes. Each asset class has different levels of risk and return so will behave differently in different financial environments. The portfolio is diversified across the various asset classes to reduce volatility. The portfolio will be reviewed and adjusted from time to time to better match the current financial market environment.

Specifically, New Assets Investment Advisors consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the Clients' investment needs. NAIA ensures that Clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify New Assets Investment Advisors if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon New Assets Investment Advisors' management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

New Assets Investment Advisors will contract with an Independent custodian, to maintain client's assets, which come under the direct management of NAIA. New Assets Investment Advisors does not act as a custodian of client assets. New Assets Investment Advisors may recommend other professionals (e.g., lawyers, accountants, insurance agents, real estate agents, etc.) at the request of the client. Other professionals are engaged directly by the client on an as-needed basis even when recommended by the Advisor. Conflicts of interest will be disclosed to the client and managed in the best interest of the client.

Advisory services offered by New Assets Investment Advisors, on a discretionary basis, may be tailored to meet the needs and investment objectives of the Client and subject to written guidelines provided by the client.

NAIA will begin offering educational services to clients, who may include but is not limited to the following: market intelligence to independent investors regarding strategies, trends or allocations.

Upon client approval, Clients are not required to liquidate assets upon termination within seventy two hours.

## **Financial Planning**

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New Assets Investment Advisors may provide its Clients with a broad range of comprehensive financial planning and consulting services. In performing its services, New Assets Investment Advisors is required to verify any information received from the Client or from the Client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. New Assets Investment Advisors may recommend the services of itself, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if New Assets Investment Advisors recommends its own services. The Client is under no obligation to act upon any of the recommendations made by New Assets Investment Advisors under a financial planning engagement or to engage the services of any such recommended professional, including New Assets Investment Advisors itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of New Assets Investment Advisor's recommendations. Clients are advised that it remains their responsibility to promptly notify New Assets Investment Advisors if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising New Assets Investment Advisor's previous recommendations and/or services.

Additionally, the principal of the firm may be conduct speaking engagements and receive a fee for the said engagements. The engagement may be considered to be providing investment advice. In the event investment advice is provided, no false and/or misleading information will be provided.

Please note in accordance with California Code of Regulations Section 260.235.2 a) a conflict may exist between the firm and the interests of the client, (b) client is under no obligation to act upon the firm's recommendation, and (c) if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through NAIA.

## **Assets Under Management**

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Clients can engage New Assets Investment Advisors to manage all or a portion of their assets on a discretionary basis. Currently, NAIA manages approximately \$11,831,903 assets.

New Assets Investment Advisors LLC does not participate in any wrap-fee program.

## ITEM 5 - FEES AND COMPENSATION:

New Assets Investment Advisors offers its services based upon assets under management.

### Advisory Fees

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New Assets Investment Advisors is compensated for its advisory services by charging a fee based on the net market value of a Client's Account. New Assets Investment Advisors reserves the right, in its sole discretion, to negotiate, reduce or waive the advisory fee for certain Client Accounts for any period of time determined by New Assets Investment Advisors. In addition, New Assets Investment Advisors may reduce or waive its fees for the Accounts of some Clients without notice to, or fee adjustment for, other Clients. Fees are deducted directly from client accounts; custodian will send quarterly statements to the clients evidencing the disbursement of the fee.

In compliance with CCR Section 260.238(j), "lower fees for comparable services may be available from other sources."

New Assets Investment Advisors charges an advisory fee "in advance" based upon a percentage of the market value of assets being advised by New Assets Investment Advisors. This annual fee is charged quarterly, based upon the market value of the assets being managed by New Assets Investment Advisors on the last day of the previous month. The annual fee varies (see below) depending upon the market value of the assets under management to be rendered. The fee schedule is as follows:

*Client* may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. The refund will be determined by number of days within the billing period assets were managed by NAIA divided by an annual fee on a quarterly basis.

"Exhibit A – Fee Schedule"

Assets	Fees*
\$ 0 - \$ 100,000	1.5%
\$ 100,001 - \$ 500,000	1.25%
\$ 500,001 - \$ 1,000,000	1.00%
\$ 1,000,001 - \$ 2,000,000	0.90%
\$ 2,000,001 - \$ 5,000,000	0.80%
\$ 5,000,001 - \$ 10,000,000	0.70%
\$10,000,001 and above	0.50%

The assessed fee to the client will be based upon the fee schedule noted in "Exhibit A."

The fee calculation is as follows: Fee is based on the balance multiplied by the annual rate, divided by 365 (days in year), multiplied by the days in the billing period. For example, \$100,000 account balance with an annual fee of 1% for the period of 1/1 to 3/31 would be:

$$(\$100,000 \times 0.01) / 365 \times 90 = 246.58$$

NAIA will assess a fixed charge in the amount / range of \$500 to \$5,000 to clients who invest (through NAIA) variable annuity products. The assets will not be considered when

determining the assets under management as noted in the above fee schedule. The fee is negotiable and may vary from client to client based on the complexity of the investment and level of service provided.

For services provided, New Assets Investment Advisors' annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses, which are incurred by the Client. New Assets Investment Advisors does not, however, receive any portion of these commissions, fees, and costs.

New Assets Investment Advisors, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing Client, account retention, *pro bono* activities, etc.).

Educational Services offered by NAIA may range between \$500 to \$10,000. Please note the fee for services is negotiable.

## **Financial Planning Fees**

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New Assets Investment Advisors may charge a one-time initial fee of \$600 for financial plan development and presentation. Clients who pay for a plan are under no obligation to implement the plan with our firm. The financial planning fee is waived for employees of the firm and for *pro bono* cases at the discretion of New Assets Investment Advisors. If the client engages New Assets Investment Advisors for additional investment advisory services, New Assets Investment Advisors may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Additionally, NAIA assesses an hourly fee of \$150 / hour. The hourly fee is negotiable at the discretion of the firm principal. Clients may one-half of the fees and the remaining portion (one-half) will be paid upon completion of the service.

Prior to engaging New Assets Investment Advisors to provide financial planning and/or consulting services, the client is required to enter into a written agreement with New Assets Investment Advisors setting forth the terms and conditions of the engagement. Generally, New Assets Investment Advisors requires one-half of the financial planning / consulting fee payable upon entering into the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

## **Other Account Fees**

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New Assets Investment Advisors is a “fee only” investment advisor, and other than its advisory fee, neither the firm nor its employees receive or accept any direct or indirect compensation related to investments that are purchased or sold for Client Accounts. This means that Clients will not be sold products or services that create additional fees or compensation to benefit New Assets Investment Advisors or its employees other than those described in this Brochure. However, in addition to advisory fees, Clients may also pay other fees or expenses to third parties. These fees fall into two categories: product fees and brokerage fees.

### ***Method of payment:***

New Assets Investment Advisors assess its assets under management fee on a quarterly basis, payable in advance. Payment of fees will be made by the custodian holding the Clients’ funds and securities provided that the following requirements are met:

- a) The Client provides written authorization permitting the fees to be paid directly from the Client’s account held by the custodian. The Adviser does not have access to Client funds for payment of fees without Client consent in writing.
- b) The Adviser sends the Client an invoice showing the amount of the fee, the value of the assets on which the fee is based, and the specific manner in which the fee was calculated. New Assets Investment Advisors will send an invoice to the custodian indicating only the amount of the fees to be paid by the custodian.
- c) It is disclosed to the Client that it is the Client’s responsibility to verify the accuracy of the fee calculation and that the custodian will not determine whether the fees are properly calculated.
- d) The custodian agrees to provide the Client with trade confirmations and account statements, at least quarterly, indicating amounts dispersed from the account including the amount of the Advisory fee paid directly to New Assets Investment Advisors. Client will request that New Assets Investment Advisors receive duplicate account statements. Where available, electronic access to such statements will be granted.

However, if the Client chooses to be billed directly, Advisory fees will be due within 30 days of receipt of invoice.

In accordance with California Code of Regulations (CCR) Section 260.238(j), lower fees for comparable services may be available from other sources.

## **Past Due Accounts and Termination of Agreement**

NAIA reserves the right to stop work on any account that is more than 60 days overdue. In addition, NAIA reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate to providing proper financial advice, per the judgment of NAIA. Clients may terminate their agreement at any time by providing written notice. Terminating clients will receive an itemized bill based on hourly rates (see Concierge Services and Special Projects above) for work completed. Any unused portion of fees collected in advance will be refunded within 30 days.

The client has the right to terminate the contract without penalty within five business days after entering into the contract.

Adviser and Financial Planning Fees may be negotiable, based on the discretion of the firm principal.

## **ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT:**

Advisory accounts managed by New Assets Investment Advisors are assessed an asset management fee. Also, New Assets Investment Advisors provides the option for a performance based fee to individuals who have at least \$1,000,000 under management with New Assets Investment Advisors immediately after entering the Agreement or certify to the Adviser such Client has a net worth of more than \$2,000,000 (exclusive of personal residence) at the time of entering into the performance based fee arrangement. The fixed portion of the fee is assessed in accordance with the Fee Schedule noted above; which is payable quarterly in advance.

The performance fee is equal to 10% of the annual gross profits, adjusted for deposits and withdrawals made during the year, and are predicated on the Client's account exceeding the value of the previous high water mark. However, the performance fee is negotiable at the discretion of the principal.

Additionally, if account does not exceed its high water mark no performance will be assessed to the client.



There is an inherent conflict of interest when assessing certain accounts an advisory fee, while other accounts are assessed a performance fee. New Assets Investment Advisors will aggregate orders with respect to the same security purchased for all Clients regardless of the assessed fee (fixed or performance) to the account. When orders are aggregated, each participating account receives the average share price for the transaction and bears the transaction costs based upon each account's participation in the transaction, subject to the Adviser's discretion depending on factual or market conditions. Clients participating in block trading may include proprietary or related accounts. Such accounts are treated as Client accounts and are neither given preferential nor inferior treatment versus other Client accounts. Allocations of orders among Client accounts must be made in a fair and equitable manner. In addition, trades are made based on the model assigned to the account (not the fee structure). Models are systematically created in the trading system based on the model assigned. Most investments are in mutual funds and ETFs. Mutual funds inherently provide equitable pricing for all clients. ETF purchases are purchased in a block account and allocated to client accounts based on average pricing.

New Assets Investment Advisors provides equal treatment to the client regardless of the fee (fixed or performance) assessed to the account.

Please note performance fees are assessed in accordance with Section 260.234 of the California Code of Regulations.

#### **ITEM 7 - TYPES OF CLIENTS:**

New Assets Investment Advisors provides financial planning and investment management services to individuals and high net worth individuals.

Additionally, NAIA may provide services to international clients. Advisory services will be provided in accordance with applicable state securities rules and regulations.

Client household minimum account size is \$30,000. NAIA may waive the minimum account size at our sole discretion

#### **ITEM 8- METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS:**

New Assets Investment Advisors works with Clients in order to determine risk tolerance and investment objectives in order to create an investment portfolio in order to complement investing and life goals. NAIA recommends an allocation strategy that fits the investment objectives of the client.

Additionally, the Advisor may utilize research reports or software from a financial firm, unrelated to the firm's broker dealer and/or custodian, in assisting in the management of a client's portfolio.

## **Risks of Loss**

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Investing in securities involves the risk of loss. Clients should be prepared to bear such loss. As such, New Assets Investment Advisors cannot guarantee any level of performance or that any Client will avoid a loss of Account assets.

### ***Market Risks***

The price of any security or the value of an entire asset class can decline for a variety of reasons outside of New Assets Investment Advisors' control, including, but not limited to, changes in the macro- economic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events. If a Client has a high allocation in a particular asset class it may negatively affect overall performance to the extent that the asset class underperforms relative to other market assets.

### ***Advisory Risks***

There is no guarantee that New Assets Investment Advisors' judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. New Assets Investment Advisors' judgment may prove to be incorrect, and a Client might not achieve their investment objectives. New Assets Investment Advisors may also make future changes to the investing algorithms and advisory services that it provides. In addition, it is possible that Clients or New Assets Investment Advisors itself may experience computer equipment failure, loss of Internet access, viruses, or other events that may impair access to New Assets Investment Advisors' financial advisory services. New Assets Investment Advisors and its agents are not responsible to any Client for losses unless caused by New Assets Investment Advisors breaching its fiduciary duty.

## **ITEM 9 - DISCIPLINARY INFORMATION:**

Neither the Adviser nor its Investment Adviser Representative, Rex Chou, has been involved in any significant legal or disciplinary event during the preceding ten years, which is material to the investment Advisory business.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS:**

Neither the firm nor its principal is active in any other financial industry activity or affiliation that is material to the Investment Advisory Business, which may impair the firm's independence when providing investment advice.

New Assets Investment Advisors provides financial planning services; please refer to CCR Section 260.235.2 California Department of Business Oversight for additional information. Due to the nature of this payment arrangement:

- a) A conflict exists between our interests and the interests of our clients
- b) Our clients are under no obligation to act upon our recommendations, and
- c) If our clients elect to act on any of the recommendation, our client is under no obligation to effect the transaction through our firm.

As of the date of this filing, no investment advisor representative or management person for New Assets Investment Advisors has a pending registration as a broker-dealer, a registered representative of a broker-dealer, futures commission merchant, commodity pool operator, or a commodity trading advisor.

NAIA does not select or recommend to clients other investment advisers to manage funds.

## **ITEM 11 - CODE OF ETHICS / PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING:**

### **CODE OF ETHICS:**

New Assets Investment Advisors has adopted a Code of Ethics. New Assets Investment Advisors strives to comply with all applicable laws and regulations governing its practices. Therefore, New Assets Investment Advisors has set forth guidelines for professional standards to protect Client interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith, and fair dealing with Clients.

All associated persons are expected to adhere strictly to these guidelines. Associated persons are also required to report any violations of the Adviser's Code of Ethics. Additionally, New Assets Investment Advisors maintains and enforces written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about Clients or their account holdings by the Adviser or any associated person.

A copy of the firm's code of ethics will be provided to every client or prospective client upon request.

## **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS:**

Neither New Assets Investment Advisors nor its principals recommends to clients, or buys or sells securities in which it maintains a material financial interest.

## **PERSONAL TRADING:**

New Assets Investment Advisors and its representatives or persons associated with the Adviser may buy or sell securities that are recommended to its Clients or securities in which its Clients are invested. It is the Adviser's policy that associated persons of New Assets Investment Advisors shall not have priority over any Client account in the purchase or sale of securities. Under certain circumstances, exceptions to the trading policy may be made. These situations represent a conflict of interest, for which the Adviser has established the following procedures in order to ensure its fiduciary responsibilities:

1. All personal accounts for New Assets Investment Advisors and its principal are traded at the same time with other accounts assigned to that model. As trades are generated by a system based on the model assignment, no preferential treatment is provided to personal accounts.

## **ITEM 12 - BROKERAGE PRACTICES:**

Transaction and custody services for New Assets Investment Advisors Accounts are available through TradePMR, a "Broker." New Assets Investment Advisors seeks the best overall execution of transactions for Client Accounts consistent with its judgment as to the business qualifications of the various Brokers through which New Assets Investment Advisors Accounts are available. New Assets Investment Advisors obtains information as to the general level of commission rates being charged by the brokerage community from time to time, and will periodically evaluate the overall reasonableness of brokerage commissions paid on Client transactions by reference to such data to ensure competitive commission rates. "Best execution" means the best overall qualitative execution, not necessarily the lowest possible commission cost. Accordingly, the factors that New Assets Investment Advisors considers when selecting or recommending brokers are matters that directly benefit Client Accounts, and consistent with obtaining the best execution of their transactions. These factors include: execution capability and available liquidity; timing and size of particular orders; commission rates; responsiveness; trading experience; reputation, integrity and fairness in resolving disputes; quality of their application programming interfaces and technology; and other factors.

Unlike many investment advisors, New Assets Investment Advisors does not engage in any "soft dollar" practices involving the receipt of research or other brokerage service in relation to client commission money, nor do we receive any research or other products in connection with Client transactions. New Assets Investment Advisors also does not use Client commission money to compensate or otherwise reward any brokers for client referrals.

As noted in Item 8 of this document the Advisor may utilize research reports or software from a financial firm, unrelated to the firm's broker dealer and/or custodian, in assisting in the management of a client's portfolio.

In the interest of better trade execution, New Assets Investment Advisors may, but is not required to, aggregate orders for a Client's Account with orders of other Clients. New Assets Investment Advisors may aggregate securities sale and purchase orders for a Client with similar orders being made contemporaneously for other Client Accounts. In such event, the average price of the securities purchased or sold in such a transaction may be determined and a Client may be charged or credited, as the case may be, the average transaction price. As a result, however, the price may be less favorable to the Client than it would be if similar transactions were not being executed concurrently for other Accounts.

On infrequent occasions, an error may be made in a Client account. For example, a security may be erroneously purchased for a Client account instead of sold. In such situations, the Adviser seeks to rectify the error by placing the Client account in a similar position as it would have been had there been no error. Depending on the circumstances, various corrective steps may be taken, including, but not limited to, canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, it remains in the error account of the executing broker/dealer or account custodian and is not allocated to the Client account.

### **ITEM 13 - REVIEW OF ACCOUNTS:**

For those Clients to whom New Assets Investment Advisors provides investment management services, New Assets Investment Advisors monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those Clients to whom New Assets Investment Advisors provides financial planning and/or consulting services, reviews are conducted on an "annual" basis. Such reviews are conducted by New Assets Investment Advisors' investment adviser representative. All investment advisory Clients are encouraged to discuss their needs, goals, and objectives with New Assets Investment Advisors and to keep New Assets Investment Advisors informed of any changes thereto. Additionally, New Assets Investment Advisors contacts ongoing investment advisory Clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the Client's financial situation and/or investment objectives.

Unless otherwise agreed upon, Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the Client accounts. Upon Client request, trade confirmation notices may be suppressed pursuant to custodial firm policies. Those Clients to whom New Assets Investment Advisors provides investment advisory services will also receive a report from New Assets Investment Advisors that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis. Clients should compare the account statements they receive from their custodian with those they receive from New Assets Investment Advisors.

Those Clients to whom New Assets Investment Advisors provides financial planning and/or consulting services will receive reports from New Assets Investment Advisors summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by New Assets Investment Advisors.

**ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION:**

New Assets Investment Advisors does not utilize third party marketing services to obtain client referrals or provide an economic benefit to individuals for providing investment advice or other advisory services to the firm's clients.

**ITEM 15 – CUSTODY:**

New Assets Investment Advisors will not maintain custody of Client's funds or securities at any time during the management of its clients' accounts, for whatever reason. Possession and custody of said funds and/or securities will be maintained at the Custodian.

Clients of the Adviser are required to review their account statements they receive from the qualified custodian. In addition, clients are advised to compare the account statement they receive from the qualified custodian to any other document received from the Custodian and/or New Assets Investment Advisors.

**ITEM 16 - INVESTMENT DISCRETION:**

New Assets Investment Advisors provides advisory services to its clients on a discretionary basis. Specifically, the Adviser is authorized to perform various functions, at the Client's expense, without further approval from the Client. Such functions include the determination of securities and the amount of securities to be purchased and/or sold. Once a portfolio is constructed, the Adviser provides continuous supervision and rebalancing of the portfolio as changes in market conditions and Client circumstances may require.

Prior to performing discretionary services; the firm requests clients to execute a limited power of attorney (as outlined in the New Account Application provided by the broker-dealer-TradePMR) outlining the following:

1. Written approval to provide Discretionary services
2. Execution by both parties, client and NAIA, of a limited power of attorney which allows the firm to trade on behalf of the client without prior consent

## **ITEM 17 - VOTING CLIENT SECURITIES:**

New Assets Investment Advisors will not vote proxies or render any advice regarding proxies solicited by or with respect to the issuers of securities held in Client accounts. Additionally, New Assets Investment Advisors will not take any action or render any advice with respect to any securities held in Client accounts, which are named in or are subject to class action lawsuits. If the Adviser receives written or electronic proxy material or notice of a class action lawsuit, settlement, or verdict affecting securities owned by a Client, it would forward all notices, proof of claim forms, and other materials to the Client. Electronic mail is acceptable where appropriate, if the Client has authorized contact in this manner.

## **ITEM 18 - FINANCIAL INFORMATION:**

The Adviser does not require the prepayment of more than \$500.00 or more in investment Advisory fees and six months or more in advance for ongoing portfolio management.

New Assets Investment Advisors does not have a financial condition reasonably likely to impair the adviser's ability to meet contractual commitments.

The firm or the investment advisor representative, Rex Chou, has not been the subject of a bankruptcy petition during the past 10 years.

## **ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS AND BUSINESS CONTINUITY PLAN:**

Please see Form ADV Part 2B, Item 2 regarding Rex Chou formal education and business background.

Please see Form ADV Part 2B, Item 4 disclosing Mr. Chou's participation in his other business activity.

New Assets Investment Advisors assess clients a performance fee; please see Section, Item 6 for more details.

Rex Chou, management member for New Assets Investment Advisors, has not been involved in the following items:

1. An award or otherwise being *found* liable in an arbitration claim alleging damages in excess of \$2,500, *involving* any of the following:
  - a) an investment or an *investment-related* business or activity;
  - b) fraud, false statement(s), or omissions;
  - c) theft, embezzlement, or other wrongful taking of property;
  - d) bribery, forgery, counterfeiting, or extortion; or
  - e) dishonest, unfair, or unethical practices.
  
2. An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following:

- a) an investment or an *investment-related* business or activity;
- b) fraud, false statement(s), or omissions;
- c) theft, embezzlement, or other wrongful taking of property;
- d) bribery, forgery, counterfeiting, or extortion; or
- e) dishonest, unfair, or unethical practices.

No individual from New Assets Investment Advisors has a relationship with any issuer of securities that is not listed in Item 10.C. of Part 2A.

In accordance with CCR Section 260.238 (k) all material conflict of interests are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

## **NAIA Business Continuity Plan:**

### **Business Continuity Plan (“PLAN”)**

#### **I. Emergency Contact Individuals**

The Firm's emergency contact persons (“Executive Representatives”) are:

**Rex Chou** – Owner, Investment Adviser Representative

(408) 520-9558

rex.chou@new-assets.com

**Li-Hua Cheng** - 537 Tirol Ct., Milpitas, CA 95035

408-887-8208

Lindacheng.tw@gmail.com

The emergency contact persons will be updated in the event of a material change.

#### **II. Firm Policy**

New Investment Advisors, LLC (“Firm or NAIA”) policy is to respond to a Significant Business Disruption (“DISRUPTION”) by safeguarding client assets, making a financial and



operational assessment, In the event the Firm determines it is unable to continue business, the Firm will ensure customers have prompt access to their funds and securities.

**A. Significant Business Disruptions (Disruptions)**

The PLAN anticipates two kinds of disruptions, internal and external. Internal Disruptions affect only the Firm's ability to communicate and do business, such as a fire or flood. External regional Disruptions represent more pervasive interruptions, such as those based upon regional infrastructure (transportation, power), non-infrastructure (medical, etc.), building (weather, natural disaster, collapse), and marketplace events (which prevent the operation of the securities markets or a number of firms, such as a terrorist attack, a city flood, or any other wide-scale regional disruption). The Firm's response to an external / regional DISRUPTION relies more heavily on other organizations and systems.

## **B. Approval and Execution Authority**

Rex Chou, a registered principal, is responsible for approving the plan and for conducting the required annual review. Rex Chou, have the authority to execute the PLAN.

## **C. Plan Location and Access**

The Firm will maintain copies of its PLAN, annual reviews, and the changes that have been made to it for inspection.

## **III. Business Description**

The Firm engages primarily in providing investment advisory services including but not limited financial planning and investment advice (assets under management) on a discretionary basis. Furthermore, the Firm does not hold customer funds or securities

## **IV. Office Locations**

The primary business location is an office located at 1525 McCarthy Blvd, Suite 1083, Milpitas, CA 95035. Its primary telephone number is (408) 520-9558. All primary business functions are performed at this address.

## **V. Alternative Physical Location(s) of Employees**

Please note the firm does not maintain custody of client assets or securities at any time. Client account information is maintained by the Custodian Wells Fargo Clearing Services, LLC or TradePMR (broker dealer); contact information is noted below:

Custodian: One North Jefferson Avenue, St. Louis, MO 63103  
877-496-3223

Broker-Dealer: **2511 NW 41<sup>st</sup> Street, Gainesville, FL 32607,**  
**Robb Baldwin** **352-332-8723** **rbaldwin@tradepmr.com**

## **VI. Clients' Access to Account Information**

The Firm does not maintain custody of client funds investments, or securities, which are maintained by our custodian, Wells Fargo Clearing Services, LLC. (Note: all investments are un-certificated so there are no securities). In the event an internal or external / regional DISRUPTION occurs, if telephone service is available, our registered persons will inform our clients how they may access their account information.

The Firm will make this information available to clients through its Form ADV Part 2A-Item19.

## **VII. Data Back-Up and Recovery (Hard Copy and Electronic)**

The Firm maintains its primary hard copy books and records and its electronic records at its principal location locked in a secure location, 1525 McCarthy Blvd, Suite 1083, Milpitas, CA 95035. Rex Chou, (408) 520-9558, is responsible for the maintenance of these books and records.

The Firm maintains its back-up customer records at its home (not principal location) along with electronic back-up located on a cloud server.

Rex Chou, (408) 520-9558, is responsible for ensuring the continued maintenance of these back-up books and records.

In the event of an internal or external / regional disruption that causes the loss of the Firm paper records, the Firm will recover images or other electronic formats of the paper records.

## **VIII. Financial and Operational Assessments**

### **A. Operational Risk**

In the event of a DISRUPTION, the Firm will immediately identify the means available which will permit the Firm to communicate with its clients, employees, critical business constituents, critical banks, critical counter-parties, and regulators. Although the effects of a disruption will determine the means of alternative communication, the communications options the Firm will employ will include its telephone, voice mail, and secure e-mail. In addition, the Firm will retrieve its key activity records as described in the section above, Data Back- Up and Recovery (Hard Copy and Electronic).

### **B. Financial and Credit Risk**

In the event of a disruption, the Firm will determine the value and liquidity of its investments and other assets to evaluate its ability to continue to fund operations and remain in capital compliance. Bank to apprise them of its financial status. If the Firm determines that it may be unable to meet its obligations to those counter-parties or otherwise continue to fund operations, the Firm will request additional financing from its bank or other credit sources to fulfill its obligations to clients. If the Firm cannot remedy a capital deficiency, it will file appropriate notices with regulators and immediately take appropriate steps, including obtaining an equity infusion from its parent or affiliates.

## **IX. Mission Critical Systems**

The firm's critical systems are those which ensure prompt and accurate processing and the maintenance of client records and access to its TradePMR account to trade on respective client accounts.

The clearing firm contract with TradePMR provides that it will maintain a PLAN and have the capacity to execute that plan. NAIA represents that it will advise the Firm of any material changes to its plan that might affect the Firm ability to maintain its business. In the event NAIA executes its plan, it will notify the Firm of such execution and provide the Firm equal access to services as its other customers. If the Firm reasonably determines that the clearing firm has not or cannot put its plan in place quickly enough to meet our needs, or is otherwise unable to provide access to such services, our clearing firm represents that it will assist us in seeking services from an alternative source.

## **X. Alternate Communications between the Firm and Clients, Employees, and Regulators**

### **A. Clients**

The Firm does manages client accounts on a discretionary basis and does not maintain custody of client securities, cash and/or investments.

### **B. Employees**

Currently the Firm communicates with employees using the telephone, e-mail, and in person. In the event of a disruption, the Firm will assess the means of communication available, and use the means closest in speed and form (written or oral) to the means that the Firm has used in the past to communicate with the other party. The Firm will also employ a call tree so that senior management can reach all employees quickly during a disruption. The call tree includes all staff home and office phone numbers. We have identified persons, noted below, who live near each other and may reach each other in person:

The person to invoke use of the call tree

is: Rex Chou – Primary (see phone #

above)

#### **Li-Hua Cheng - Emergency**

408-887-8208

Lindacheng.tw@gmail.com

### **C. Regulators**

Currently the Firm is registered with the California Department of Business Oversight (State Regulator) with its principal supervision office in San Francisco, CA (One Sansome Street, Suite 600, San Francisco, CA 94104-4428).

## **XI. Critical Business Constituents, Banks, and Counter-Parties**

### **A. Business Constituents**

T The Firm will contact will contact TradePMR; address below:

Broker-Dealer: **2511 NW 41<sup>st</sup> Street, Gainesville, FL 32607,**  
**Robb Baldwin 352-332-8723 rbaldwin@tradepmr.com**

### **B. Banks**

See below

### **C. Counter-Parties**

The firm does not conduct any trading activity, so does not have any trading counter parties.

## **XII. Regulatory Reporting**

The Firm is subject to regulation by: State of California Department of Business Oversight. In the event that the Firm cannot contact its regulators, it will continue to file required reports using the communication means available.

*In the event of business disruption, NAIA will be available by available means of communication. As noted above the client is a sole proprietor and conducts business (business location) at its office. NAIA will seek to obtain remote access at various locations (internet connection) to be available for its clients.*

## **XIII. Disclosure of Business Continuity Plan**

The Firm will provide a summary of the PLAN to clients prior to the closing of their first transaction when the Form ADV Part 2A/2B is provided to clients. Additionally, the Firm will post a copy online for clients review, and mail a copy to customers upon request when the Form ADV is submitted annually (existing clients). The summary addresses the possibility of a future disruption and how the Firm plans to respond to events of varying scope. In addressing the events, the summary provides (1) specific scenarios of varying severity (e.g., a firm-only business disruption, a disruption to a single building, a disruption to a business district, a city-wide business disruption, and a regional disruption); (2) whether the Firm plans to continue business during that scenario and, if so, the planned recovery time; and (3) general information on the intended response. The summary discloses the existence of backup facilities and arrangements.

The Firm's policy is to respond to a Significant Business Disruption (disruption) by safeguarding employees' lives and firm property, making a financial and operational assessment, quickly recovering and resuming operations, protecting all of the Firm's books and records, and allowing clients to transact business.

In the event of a firm only business disruption the Firm will continue to do business, with a planned recovery time of twenty four hours.

## **XIV. Updates and Annual Review**

The Firm will update this plan whenever there is a material change to our operations, structure, business or location or to those of our clearing firm. In addition, the Firm will review this PLAN annually, on or about December 31st, to modify it for any changes in our operations, structure, business, or location or those of our clearing firm.

**If you have any questions, concerns or require additional information before retaining the services of New Assets Investment Advisors you may call (408) 520-9558 or by E Mail at: [rex.chou@new-assets.com](mailto:rex.chou@new-assets.com).**

**FORM ADV PART 2B**  
(Disclosure Brochure Supplement)  
**NEW ASSETS INVESTMENT ADVISORS LLC**

**SUPERVISED PERSONS**  
**Rex Chou**

1525 McCarthy Blvd, Suite 1083  
Milpitas, CA 95035  
(408) 520-9558 (office)  
(408) 432-7480 (fax)  
rex.chou@new-assets.com

[rex.chou@new-assets.com](mailto:rex.chou@new-assets.com)

March 28, 2017

**This brochure supplement provides information about Rex Chou that supplements the New Assets Investment Advisors LLC brochure. You should have received a copy of that brochure. Please contact Rex Chou at (408) 520-9558 (phone) or via e-mail at [rex.chou@new-assets.com](mailto:rex.chou@new-assets.com) if you did not receive New Assets Investment Advisors brochure or if you have any questions about the contents of this supplement.**

**Additional information about Rex Chou is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)."**



## ITEM 2 - EDUCATIONAL BACKGROUND/ BUSINESS EXPERIENCE

**Rex Chou (CRD # 2473767 DOB – 1966), Investment Adviser Representative (IAR) – New Assets Investment Advisors LLC**

### Formal Education after High School/Industry Designations:

- **Drexel University**, Philadelphia, PA, USA  
*Master of Business Administration - Dec 1993*
- **Feng Chia University**, Taichung, Taiwan  
*Bachelor of Textile Engineering - June 1988*
- Series 65

### Business Background for the Previous Ten Years:

#### **Deutsche Far Eastern Asset Management Co. Limited, Taiwan**

*Chief Executive Officer Apr 2008 – Jan 2012*

- Responsible for overseeing the company's investment, operation, business and product developments for the joint venture of Deutsche Bank and Far Eastern International Bank.

#### **Schroder Investment Consulting Company Limited, Taiwan**

*Senior Vice President, Investment Consulting Department - May 2004 – Mar 2008*

- Responsible for leading the Investment Consulting Department to provide professional services to both retail distributors and institutional clients in order to increase the AUM for the top British fund company.

#### **HSBC Asset Management (Taiwan) Ltd**

*Vice President, Investment Consulting Department, June 2002 – May 2004*

- Responsible for leading the Investment Consulting Department to provide professional services to the retail distributors including retail banks and insurance companies.

#### **Unemployed**

*N/A February 2012 – March 2013*

## ITEM 3 - DISCIPLINARY INFORMATION

Rex Chou, Investment Adviser Representative of New Assets Investment Advisors, has not had a material event that would require a current or prospective client to question his integrity and thus necessitate applicable disclosure.

#### **ITEM 4 - OTHER BUSINESS ACTIVITIES**

Rex Chou, principal of New Assets Investment Advisors LLC, participates in the following outside business activities:

1. Participation on a blog discussing market trends and conditions
2. Radio Station participation providing commentary regarding market conditions and trends

Please note Rex Chou, nor does the firm NAIA receive any compensation for their participation in the above-referenced activity. What is provided is reference to the firm as an investment advisor registered as an RIA firm with the Department of Business Oversight.

#### **ITEM 5 - ADDITIONAL COMPENSATION**

New Assets Investment Advisors has not entered into any arrangement with an individual or entity that provides an incentive in exchange for providing Advisory Services.

#### **ITEM 6 - SUPERVISION**

Rex Chou, sole Investment Adviser Representative for New Assets Investment Advisors, is the individual responsible for supervising the Advisory activities of the firm.

## ITEM 7 – REQUIREMENTS FOR STATE REGISTERED ADVISORS

The Supervised Individual (Rex Chou) has not been *found* liable in an arbitration claim alleging damages in excess of \$2,500, *involving* any of the following:

- (a) An investment or an *investment-related* business or activity;
- (b) Fraud, false statement(s), or omissions;
- (c) Theft, embezzlement, or other wrongful taking of property;
- (d) Bribery, forgery, counterfeiting, or extortion; or
- (e) Dishonest, unfair, or unethical practices.

The Supervised Individual (Rex Chou) has not been assessed an award or otherwise *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following:

- (a) An investment or an *investment-related* business or activity;
- (b) Fraud, false statement(s), or omissions;
- (c) Theft, embezzlement, or other wrongful taking of property;
- (d) Bribery, forgery, counterfeiting, or extortion; or
- (e) Dishonest, unfair, or unethical practices.

The Supervised Individual (Rex Chou) has not been the subject of a bankruptcy petition.

**If you have any questions, concerns or require additional information before retaining the services of New Assets Investment Advisors you may call (408) 520-9558 or by E Mail at: [rex.chou@new-assets.com](mailto:rex.chou@new-assets.com).**