ASCEND

Investment Management, Inc.

Ascend to your financial potential

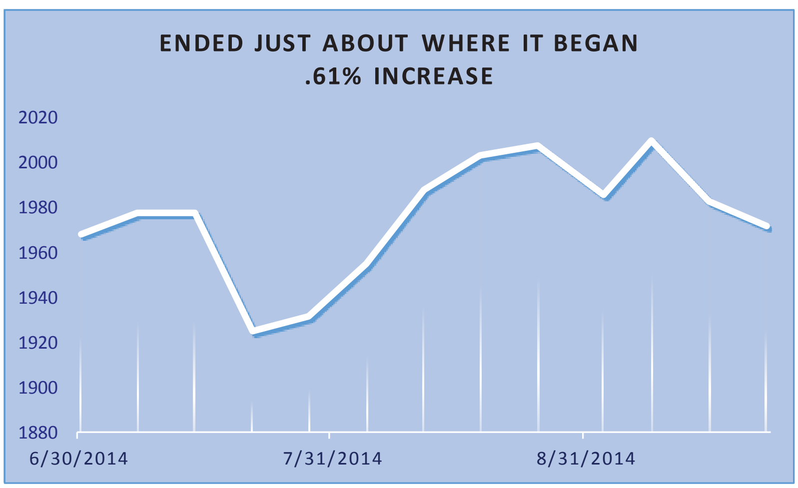
QUARTERLY INVESTMENT REPORT
September 30, 2014

Dear Investor:

The geopolitical chaos of the summer of 2014 may have you wondering if the world could possibly get any scarier. Russians pounding Ukrainians, heightened unrest in the Middle East with the rise of ISIL, children desperate to escape violence in their country flocking to the U.S. border, and the Hong Kong protests for democracy causing uncertainty in Asia. The news is disturbing but global commodity prices and most currencies, including the U.S. dollar remain steady.

To help counter the gloom, the largest ever Initial Public Offering (IPO) was launched by a Chinese company. Alibaba, an ecommerce website named after the 18th century fictional character that outwits 40 thieves (Open Sesame!) raised $21.7 billion, nudging 2014's global IPO proceeds greater than all of 2013's combined.

S&P 500 THIRD QUARTER



The stock market wasn't anywhere near as exciting as the news that helped drive it in the quarter; though stocks are up 7% for the year. For all the global action in the quarter, the up and down roller coaster of the S&P 500 saw only a paltry .61% over these last three months with September living up to its expectation as a poor and volatile month.

610.547.3618 ellen@ascendinvmgt.com www.ascendinvmgt.com

We understand the hue and cry by many investors that a market correction is just about to emerge; after all, the market has performed very well for the last 5.5 years! It is only natural to think that we may be due. But stock prices are not absurdly high and the economy is in reasonable shape. Lower gasoline prices are supportive for growth as are low interest rates and a strengthening dollar.

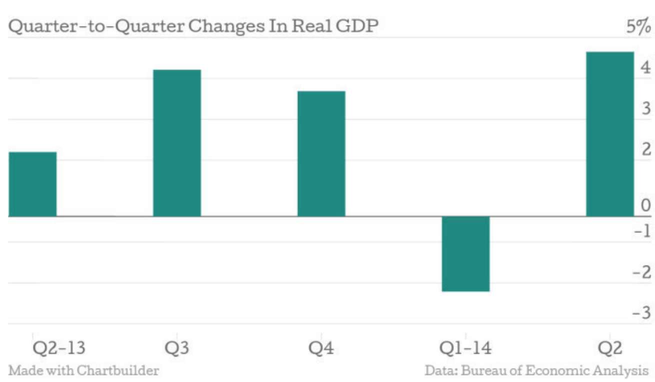
We think a stronger dollar is better than a weaker one, but a stable dollar is best of all. If the dollar gets too strong it can sorely hurt the profits of multinational companies when they convert foreign currency back into dollars. A stronger dollar also makes exporting expensive and it discourages foreigners from traveling to the United States.

Yet while a strong dollar can hurt business profits, it can benefit individuals by making imports cheaper and thereby keeping inflation in check. A stronger dollar also can drive commodity prices down because major global commodities are priced in dollars and as more foreign currency is required to pay for commodities, it usually reduces demand which in turn reduces price. Our dollar has strengthened sharply against major currencies since June 2014, but it has a long way to go to reach the peak levels of the mid 1980's or even the early 2000's.

The important take away though, is that we have higher gross domestic product (GDP) growth in the United States vis-à-vis the rest of the world, and an expectation of more normal and consistent growth, and that is the main driver of the stronger dollar.

GDP Growth

Reached 4.6% in the 2nd Quarter



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Stocks may actually have a couple of things going for them beyond reasonable prices and a steadily growing economy.

It's worth looking at how stocks perform during periods of rising interest rates. Though the Federal Reserve continues to show extreme caution about rate increases, the expectation is that policy will move in that direction sometime next year.

Although stocks often realize a sharp drop when rates first begin to rise, it is well documented that those losses soon dissipate quickly and provide positive returns for at last four quarters or more after rates begin to rise. The logical reason is because the Fed tends to push up rates when the economy and earnings are growing. The danger comes late in the tightening phase when the cumulative effect of rate hikes weakens the economy.

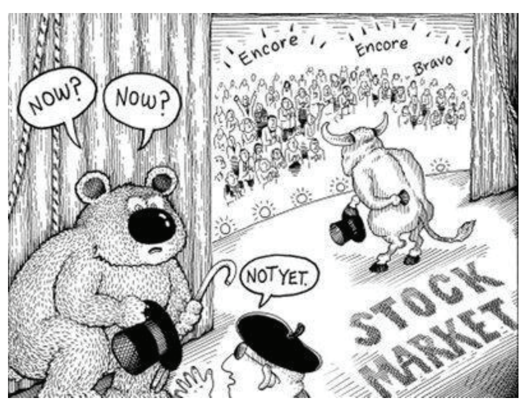
Another morsel of food for thought, is that stocks usually do well in the fourth quarter. On average since 1928, the fourth quarter has been positive 72% of the time. In mid-term election years that positive percentage jumps to 87%!

No matter what, it's imperative to stay disciplined about the quality of stocks you own. The strongest companies will naturally feel the pain of a correction to a lesser degree and for a shorter duration than other stocks. At Ascend we continually analyze the financials of stocks we hold to weed out unnecessary weakness where possible. We also vigilantly rebalance established long-term asset allocations frequently through the year.

Sincerely,

Ellen P. Le

Ellen P. Le, CFA
President



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Sensational Seniors

You've seen the statistics on our aging population and the effects on our economy, specifically healthcare structure and costs. In many ways, it's all good. We are living longer, more active lives. But our "Sensational Seniors" are, in some ways, "maturing" ahead of the systems that can take care of them. As a result, an industry of caregivers has arisen, along with kinks and danger areas.

Loneliness and neediness can make seniors less alert to and vigilant against bad people, making them vulnerable to the inept or even unscrupulous caregiver. Seniors in Assisted Living communities (and their families) are largely protected from having to choose caregivers and advocates. But those who live independently and who do not have family members nearby may need advocates to manage their affairs, such as: coordinating and advocating for medical care, negotiating and assisting with facilities and resources for aging independently, negotiating and helping resolve medical bills and insurance, balancing checkbooks and paying bills, preparing paperwork for Medicare/Medicaid, or, possibly, serving as a fiduciary agent for power of attorney.

Natalie Landro, Founder and President of Only Senior Matters (www.onlyseniormatters.com), offers a few tips to help family members decide when it's time to bring in an advocate to help care for a senior:

> **It's time for an advocate when seniors are: having difficulty following doctor's orders or difficulties with activities of daily living (showering, bathing, dressing, cooking, etc.); beginning to forget crucial things such as taking medications, getting prescriptions refilled or keeping medical appointments; overwhelmed by paying or making sense of bills.**

Who/what are senior advocates? The various designations often confuse and sometimes mislead seniors, who are too often targeted by scam artists or simply inept care advocates. There are a handful of designations but only the Certified Senior Specialist requires completion of a comprehensive training curriculum. Most others require just a few days or months of training. And, often the individuals who hold senior designations are connected to insurance companies and eager to earn fees from selling annuities. While senior designations differ substantially in the level of academic training required, none compares to the curricula for financial advisor designations such as CFP, CFA, CLU or ChFC.

Bottom line? It's dangerous to choose a senior advocate based solely on designation. Your attorney or financial advisor should be your primary source of recommendations. The best senior advocates work full time as advocates. Choose one who is a genuinely caring person with impeccable integrity and solid experience dealing with healthcare, legal and financial professionals.

SENIOR CITIZEN TEXTING CODE…	
ATD	At the Doctors
BFF	Best Friend Fell
BTW	Bring the Wheelchair
BYOT	Bring Your Own Teeth
FWIW	Forgot Where I Was
GGPBL	Gotta Go Pacemaker Battery Low
GHA	Got Heartburn Again
IMHO	Is My Hearing Aid On
LMDO	Laughing My Dentures Out
OMMR	On My Massage Recliner
OMSG	Oh My! Sorry Gas
ROFLACGU	Rolling On Floor Laughing and Can't Get Up
TTYL	Talk To You Louder

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