

ADV Part 2A Appendix 1

Austin Capital Asset Management, LLC

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This wrap fee program brochure provides information about the qualifications and business practices of Austin Capital Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (214) 624-1006 or via email at info@austincapitalllc.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.

Austin Capital Asset Management, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information that you may use to determine whether to hire or retain them. Additional information about Austin Capital Asset Management, LLC is also available on the SEC's web site at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Our last annual amendment filing was on March 31, 2014. We have made the following material changes:

- We have updated our equity fee schedule for institutional clients in the investment program.
- We have added additional investment adviser representatives.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year which is December 31st. We will provide other ongoing disclosure information about material changes as necessary. We will also provide you with a new Brochure, as necessary, based on changes or new information. Currently, our Brochure may be requested at any time, without charge, by contacting Leslie Stephenson at (214) 624-1004 extension 243.

Additional information about Austin Capital Asset Management, LLC ("ACAM") is also available via the SEC's web site www.adviserinfo.sec.gov. You can search this site by using a unique identifying number, known as a CRD number. The CRD number for ACAM is 147869. The SEC's web site also provides information about any persons affiliated with ACAM who are registered, or are required to be registered, as investment adviser representatives of ACAM.

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Item 4 – Services, Fees and Compensation

Austin Capital Asset Management, LLC (“ACAM”) is a Registered Investment Adviser (“Adviser”) which offers investment advice, portfolio management, securities and other financial services to clients and investment advisors. We are registered with and regulated by the United States Securities and Exchange Commission (“SEC”).

ACAM was founded in 1993 with a vision to provide portfolio management services to individuals, high net worth individuals, trusts, estates, corporate pension and profit-sharing plans, charitable organizations, foundations, endowments, corporations and small businesses through investment advisors associated with our firm. We also offer access to a turnkey asset management program (“TAMP”) to independent investment advisors (“Advisors”) for use with their clients.

We offer portfolios that are structured so that a lack of performance in one asset class is offset by over performance in another asset class. We have the ability to invest in any market anywhere in the world to help us achieve global diversification with the objective that no one market or asset has too large an impact. We endeavor to be invested in most asset classes while varying the allocation to those we feel will perform best. We can also select portfolios that work to manage the risk and volatility of the portfolio. We do not focus on just achieving a certain return for any client.

We also offer our Platform program as a “wrap fee program” to Advisors and their Clients. A wrap program is one in which you pay a single “wrapped” fee for both investment advisory and brokerage execution services. This wrap fee is not based on the number of transactions made in Client accounts. It is based on the size of the account(s). Because wrap programs do not have fees or charges associated with each transaction, wrap fees are generally higher for similar services than non-wrap fees. This brochure describes our wrap fee program only. For information on our non-wrap fee program please refer to our ADV Part 2A Brochure.

Services

We manage assets on a model driven discretionary basis for clients, which you have given us the authority to determine the following without your consent:

- Securities to be bought or sold for your account (within the model parameters)
- Amount of securities to be bought or sold for your account
- Broker-dealer to be used for a purchase or sale of securities for your account
- Commission rates to be paid to a broker or dealer for your securities transaction.

Trading may be required to meet initial allocation targets, after substantial cash deposits that require investment allocation, and/or after a request for a withdrawal that requires liquidation of a position. Additionally, your account may be rebalanced or reallocated periodically in order to reestablish the targeted percentages of your initial asset allocation. This rebalancing or reallocation will occur on the schedule we have determined together. You will be responsible for any and all tax consequences resulting from any rebalancing or reallocation of the account. We are not tax professionals and do not give tax

advice. However, we will work with your tax professionals to assist you with tax planning. You will have the opportunity to meet with us periodically to review the assets in your account.

1. Platform Models

The Platform provides access to portfolio management services using the model asset allocations which are managed by our affiliated entity, Austin Capital Trust Company, LLC through their platform, Family Wealth™. These models are available in our wrap fee program. Austin Capital Trust Company, LLC is responsible for constructing and maintaining the asset class and sector allocations for the Models, subject to the oversight and review of the Investment Committee. Austin Capital Trust Company, LLC evaluates and selects the investments, including target allocation and cash levels as determined by the Portfolio's investment guidelines. ACAM offers access to the Family Wealth™ to Advisors and their clients.

These Models offer investment opportunities for particular asset allocation strategies. It may be invested in a range of market sectors and/or asset classes (e.g., large cap, small/med cap, international or high yield income) represented by any number of underlying funds (typically at least five at any given time).

It is anticipated that any given time, the underlying funds in which the Model invests may fall anywhere on the entire spectrum of asset classes and sectors currently available. Furthermore, Austin Capital Trust Company, LLC is not constrained by any particular investment style. For example, at any given time, an underlying equity fund in which the Models invest may buy "growth" or "value" stocks, or some combination of both. ACAM reviews and re-balances the underlying funds in which the Model invests as necessary to reflect its current analysis of the approximate mix of assets among and within asset classes and sectors.

Austin Capital Trust Company, LLC monitors the specific investment objective and strategy with the goal of predictable and reliable investment results. As a means to pursue its investment objective, the Models intend to remain fully invested in shares of underlying investment companies at all times. The Models may, however, pursue an investment strategy of investing its assets directly in securities in lieu of indirect investment through other investment companies. The Model's direct investment will remain consistent with its asset allocation strategy and will typically be close or identical to those securities held by one or more of the underlying funds in which the Models currently invest. In addition, under adverse market or other conditions, the Models may adopt a temporary defensive position and invest a portion of its assets in cash or similar investments.

These models may be appropriate for Advisors and clients that do not have the time or the experience to choose from a list of funds and create their own portfolios that offers a single investment option blended with stocks, bonds, and short term investments. Choosing a managed portfolio can provide an easy solution to clients who want the convenience of professional management including asset rebalancing and professional oversight.

Separate Managed Accounts and Advisor-Directed Unified Managed Accounts

ACAM also provides fee-based asset management through Separate Managed Accounts (SMA) and Advisor-Directed Unified Managed Accounts (UMA).

In the SMA program the client or Advisor is offered access to an actively managed portfolio where a variety of different asset managers can be selected. In a separately managed account, the portfolio of individually

owned securities can be tailored to fit the Client's investing needs. ACAM may assist the Advisor in selecting appropriate investment vehicles or the Advisor may select them themselves.

In UMA accounts, clients can enjoy the benefits of separate account management, with the added convenience of consolidating assets into a single account. An UMA combines multiple separate account managers, along with mutual funds or ETFs, into one account structure. The Client's Advisor, using the Platform tools, customizes the asset allocation models to fit the individual Client's needs or selects one of the Platform's existing asset allocation models already on the Platform. The Advisor then determines the actual securities to include in the account. ACAM may provide overlay management services and implement trade orders based on the directions of the investment strategies contained in the UMA portfolio.

Third Party Models

Some of the asset managers available on the Platform are accessed through the use of Third Party Models where an asset manager constructs an asset allocation and selects the investments for each portfolio model. ACAM may provide overlay management by implementing trade orders and periodically updating and rebalancing the models per the direction of the third party manager. Third Party Models are subject to change and may not always be available on the Platform.

Solicitors

For clients referred to ACAM by a solicitor, the client will enter into an investment management agreement directly with ACAM and ACAM will be the Advisor. For these clients, ACAM will provide the services outlined above as the Platform provider and will provide investment advisory services, which include, but are not limited to:

- determining suitability of the Platform and the model portfolio selected by the client
- exercising discretion regarding whether, how and when to implement transactions in a client's account based on the model(s) selected by the client
- arranging for the execution of trades in clients' accounts (with the exception of accounts invested in SMA's, as described further above)
- The complete services provided by ACAM as the Advisor will be fully outlined in the agreement executed between ACAM and the client

Depending on the type of arrangement made between ACAM and the solicitor, the solicitor may assist the client in completing Platform account applications and other applicable forms and submit them to ACAMs. The solicitor may also obtain information from the client regarding the client's investment objectives and financial situation and may assist the client in determining a suitable model portfolio(s) based on such objectives and financial information. The client is ultimately responsible for making the final selection of the model portfolio(s). The client is further responsible for promptly notifying ACAM in writing of any change in the client's investment objectives, financial situation, and/or the selection of model portfolio(s).

For clients referred by a solicitor, ACAM reserves the right to not accept and/or terminate the account, if ACAM believes at any time, based on information provided by the client that the model portfolio selected by the client is not suitable and the client's decision is to not change the selection.

2. Fees and Compensation

A wrap fee program (“bundled”) allows you to pay a specified fee for portfolio management services and the execution of transactions. The fee is not based directly upon transactions in your account. The fee is bundled with our costs for executing transactions in your account(s).

Since the Adviser does not charge Clients higher advisory fees based on trading activity, the Adviser may have an incentive to limit trading activities in Client account(s) because the Adviser is charged for executing trades. In addition, the amount of compensation received by the Adviser may be more than what the Adviser would receive if the Client paid separately (“unbundled”) for investment advice, brokerage, and other services. Therefore the Adviser may have a financial incentive to recommend the wrap fee program over other programs or services. The Adviser monitors all Client accounts to ensure that the Adviser’s fiduciary duty is met for all Clients. Any breaches of the Adviser’s fiduciary duty are noted and appropriate repercussions are initiated to deter such behavior.

By participating in a wrap fee program, Clients may end up paying more or less than they would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to the Client by the executing broker. Clients could also invest in debt and equities directly, without the Adviser’s services. In that case, Clients would not receive the services provided by the Adviser which are designed, among other things, to assist in determining which funds are appropriate for the portfolio and the Client’s Account.

There are other fees that Clients may be charged by other parties. In our wrap fee program we include all trade charges for your account. However, our fees do not include other related costs and expenses. You may incur certain charges imposed by custodians, and other third parties. These include fees charged by managers, custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds, money market funds and exchange-traded funds (ETFs) also charge internal management fees, which are disclosed in the fund’s prospectus. These fees may include, but are not limited to, a management fee, upfront sales charges, and other fund expenses. We do not receive any compensation from these fees. All of these fees are in addition to the management fee you pay us. You should review all fees charged to fully understand the total amount of fees you will pay. Services similar to those offered by us may be available elsewhere for more or less than the amounts we charge.

Our Advisory-Agreement defines what fees are charged and their frequency. We bill fees in arrears on a quarterly basis. You will authorize the custodian to directly debit fees from your account held at the custodian and to pay us. Management fees are prorated for each contribution and withdrawal made during the applicable calendar quarter (with the exception of small inconsequential contributions and withdrawals). You will be provided with a quarterly statement reflecting deduction of the advisory fees.

Either party may terminate the relationship at any time. Upon termination of any account, any prepaid fees that are in excess of the management services performed will be promptly refunded to you. Any fees that are due, but have not been paid, will be billed to you and are due immediately.

Platform Services

Austin Capital Trust Company charges an annual Platform Fee for the services provided which includes a technology charge. These charges are passed on to the end Client. This Platform Fee is based on a percentage of the market value of the portfolio. The maximum annual Base Platform Fee is 0.50%. Some clients may be paying a lower Platform fee depending on certain factors including what the Platform Fee was when their account opened or when their Advisor began doing business with the firm. In addition, Austin Capital Trust Company will charge an annual Separate Account Manager fee to cover the cost of the services provided by certain Strategists and Separate Account Managers (SMA's) if any. Such fees will range from 0.10% to 0.65%, depending upon the Strategist and/or Separate Account Manager selected. This fee may be negotiable for family relationships with accounts in excess of \$5 million.

ACAM's Platform Fees are payable quarterly in arrears at the beginning of each calendar quarter. We generally charge the fee based on the market value of the client's portfolio as of the last day of the prior calendar quarter. The formula used for the Platform and Advisor Fee calculation generally is as follows: $(\text{Annual Rate}) \times (\text{Total Assets Under Management at Quarter---End}) / 365$ (X the number of days in the subsequent quarter). ACAM may aggregate client account balances that have family relationships with each other for purposes of calculating the Platform and Advisor Fees applicable to each client.

At the time in which a Client account is first opened and funded and any time an additional deposit of \$10,000 or more is received, the initial Platform Fees shall be calculated based on the value of the deposit, prorated for the number of days remaining in the quarter. This initial fee will be charged at the end of each month.

In the event that a client account is terminated during a calendar quarter or any time a withdrawal of \$10,000 or more is taken from an account, ACAM will compute the unearned Platform fees, prorated for the number of days remaining in the quarter.

Each calendar quarter, and each calendar month for new client accounts and accounts with deposits of \$10,000 or more, ACAM instructs the custodian to automatically withdraw the Platform Fee from the client's account held by the independent custodian. Typically, the custodian withdraws advisory fees from the client's account during the first several weeks after the quarterly or monthly billing period based on ACAM's instruction. All clients will receive statements from the custodian no less frequently than quarterly. The custodian statement will show the deduction of the advisory fee. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

ACAM reserves the right to change its Platform Fees at any time. ACAM may negotiate with any Advisor different Platform Fees and different fee terms than those described above. For example, ACAM may negotiate lower Platform fees based on the total amount of assets placed under management by the Advisor.

Solicitor Fees

For accounts referred by a solicitor in which ACAM performs services as the Advisor and the Platform provider, ACAM will charge a maximum Investment Advisory Fees of 2.25%. This fee will be negotiable for family relationships with accounts in excess of \$5 million.

These fees are inclusive of the Platform Fee charged by ACAM for their services as the Platform provider and fees for the solicitor. As with the Platform fee above, fees for the Strategist and Separate Account Manager will be added to the fees above.

Investment Manager Services

Under this service, ACAM will not compute fees or deduct fees for our services from client's custodian accounts. The third-party platform administrator will handle collection of client fees and will pay ACAM an annual fee based on the market values of the accounts participating in the service. We receive a portion of the advisory fee that clients pay to their independent investment advisor. Generally, ACAM charges an annual fee between 0.40% - 0.50% based on the total assets under management. This fee is ACAM's fee for our services and is not the total advisory fee the client pays their independent investment advisor. The fees that the client pays their independent investment advisors are established and payable in accordance with the terms outlined in the independent investment advisors' agreement, brochure or other equivalent disclosure document.

Item 5 – Account Requirements and Types of Clients

We require an initial minimum account size opening balance of \$100,000. The account size may be negotiable based upon the individual circumstances. Participation in the wrap fee program generally is initiated by submitting a completed account application, portfolio management agreement, and questionnaire.

We provide portfolio management services to individuals, high net worth individuals, trusts, estates, corporate pension and profit-sharing plans, charitable organizations, foundations, endowments, corporations, small business owners and churches. The services are generally made available through ACAM for each client's Advisor and in some circumstances directly to the client themselves.

Several factors may influence the selection of the account structure including but not limited to:

- The Client's preference for a wrap vs. transaction charges per trade on certain or all securities;
- Account size;
- Anticipated trading frequency;
- Anticipated securities to be traded;
- Management style; and
- Long term investment goals.

Item 6 – Portfolio Manager Selection and Evaluation

Austin Capital Trust Company serves as the portfolio manager for some Client accounts for the wrap fee program. ACAM may also provide a layer of management for Advisors. In addition third party money managers selected by the Advisor and Client may serve as portfolio managers.

With respect to the wrap program, the Client has the ability to impose reasonable restrictions on the management of your account, including the ability to instruct us not to purchase certain mutual funds, stocks or other securities. These restrictions may be a specific company security, industry sector, asset class, or any other restriction requested.

If such investment restrictions are implemented, the Client will experience a different investment return than what will be realized by the particular model itself. Such performance may be better or worse than the particular model. For these reasons, if a Client wishes to make a request concerning restrictions based on specific securities, it may be more appropriate for the Client to participate in other portfolio management programs. It should be noted, any standardized reports of model performance will not reflect the performance of the particular model with restrictions applied. However, performance reports of the Client's account will accurately reflect the Client's actual account performance with restrictions.

We use a variety of analyses and strategies including Fundamental, Charting and Technical and Cyclical analyses to manage your portfolios and provide investment advice to you. We may also blend traditional and non-traditional asset classes as part of our overall risk management strategies.

We also provide Advisors with a variety of portfolio construction methods to help them create models appropriate for their Clients. In assisting the Advisor with asset allocation and portfolio construction, ACAM uses demographic and financial information provided by the Advisor and his/her Client to determine the risk profile and investment objectives.

1. Fundamental Analysis

Fundamental analysis is a technique that attempts to determine a security's value by focusing on the underlying factors that affect a company's actual business and its future prospects. Fundamental analysis is about using real data to evaluate a security's value. It refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.

Fundamental analysis serves to answer questions, such as:

- Is the company's revenue growing?
- Is it actually making a profit?
- Is it in a strong-enough position to beat out its competitors in the future?
- Is it able to repay its debts?
- Is management focused on increasing shareholder value?

One of the primary assumptions of fundamental analysis is that the price on the stock market does not fully reflect a stock's "real" value. We use a combination of qualitative and quantitative factors to try and find stocks that are undervalued. We look at both macroeconomic factors such as the overall economy

and industry conditions and company-specific factors such as financial condition and management. When we are examining a stock, we might look at the stock's annual dividend payout, earnings per share, Price to Earnings ratio and many other quantitative factors. However, no analysis is complete without taking into account brand recognition and other qualitative factors.

The end goal of performing fundamental analysis is to produce a value that we can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short).

Once we discover undervalued funds, funds that are investing in undervalued stocks; we look at the company offering these funds to determine stability and volatility of the funds.

2. Modern Portfolio Theory

We may also use Modern Portfolio Theory to help select the securities in our investment programs and portfolios. Modern portfolio theory tries to understand the market as a whole, rather than looking for what makes each investment opportunity unique. Investments are described statistically, in terms of their expected long-term return rate and their expected short-term volatility. The volatility is equated with "risk", measuring how much worse than average an investment's bad years are likely to be. The end goal is to identify your acceptable level of risk tolerance, and then to find a portfolio with the maximum expected return for that level of risk

3. Cyclical Analysis

While we do not attempt to time the market, we may use cyclical analysis in conjunction with other strategies to help determine if shifts are required in your investment strategies depending upon long and short-term trends in financial markets and the performance of the overall national and global economy.

4. Technical Analysis

Technical Analysis is a technique that attempts to determine a security's value by developing models and trading rules based upon price and volume transformation. Technical analysis assumes that a market's price reflects all relevant information so the analysis focuses on the history of a security's trading behavior rather than external drivers such as economic, fundamental and news events. The practice of technical analysis incorporates the importance of understanding how market participants perceive and act upon relevant information rather than focusing on the information itself. Ultimately, technical analysts develop trading models and rules by evaluating factors such as market trends, market participant behaviors, supply and demand and pricing patterns and correlations.

As with other types of analysis, the predictive nature of technical analysis can vary greatly; models and rules are often modified and updated as new patterns and behaviors develop. Past performance is not an indicator of future return.

5. Targeted Asset Allocation

We combine analyses to determine asset allocation strategies in our resultant investment programs. Three targeted asset allocation model portfolios covering everything from Conservative to Growth oriented approaches have been compiled by us. We will advise you and you will choose which program or combination of programs most appropriate suits your goals and time horizon, while addressing the

level of risk you are comfortable assuming. The strategic model portfolio allocation in our programs remains constant; your specific portfolio model may change infrequently to reflect shifts in your risk tolerance and goals. We screen and select funds and securities to be added to or removed from the model portfolio, which can be done on a regular basis. Rebalancing can occur after shifts in the market, changes in your financial circumstances, according to your specific requests and after significant deposits or withdrawals to and from your accounts. The timing and nature of rebalancing are dictated by your specific investment objectives and financial situation in consultation with us.

In order to perform this analysis, we use many resources, such as:

- Morningstar
- Financial newspapers and magazines (e.g. Wall Street Journal, Forbes, etc.)
- Annual reports, prospectuses, filings with the Securities and Exchange Commission
- Research materials prepared by others
- Company press releases
- Corporate rating services
- Company websites
- Inspections of corporate activities

6. Investment Strategies

The investment strategies we use to implement any investment advice given to you include, but are not limited to:

- Long term purchases -securities held at least a year
- Short term purchases - securities sold within a year
- Trading -securities sold within 30 days

ACAM provides Advisors with access to many investment strategies and Funds. Advisors can use the Platform to access portfolios historically, across multiple programs, custodians to allow the Advisor to assess the Client's needs.

7. Risks

We cannot guarantee our analysis methods will yield a return. In fact, a loss of principle is always a risk. Investing in securities involves a risk of loss that you should be prepared to handle. You need to understand that investment decisions made for your account by us are subject to various market, currency, economic, political and business risks. The investment decisions we make for you will not always be profitable nor can we guarantee any level of performance. For a more comprehensive description of all the risks associated with our strategies, methodology, and products please refer to the glossary under Risks.

A list of risks associated with the strategies, products and methodology we offer are listed below:

1. Bond Fund Risk

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields of the risks associated with bond funds include:

- Call Risk - The possibility that falling interest rates will cause a bond issuer to redeem—or call—its high-yielding bond before the bond's maturity date.
- Credit Risk — the possibility that companies or other issuers whose bonds are owned by the fund may fail to pay their debts (including the debt owed to holders of their bonds). Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.
- Interest Rate Risk — the risk that the market value of the bonds will go down when interest rates go up. Because of this, you can lose money in any bond fund, including those that invest only in insured bonds or Treasury bonds.
- Prepayment Risk — the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off (or "retire") its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

2. Fundamental Analysis Risk

Fundamental analysis, when used in isolation, has a number of risks:

- When using this method with mutual funds, the funds are composed of many companies and not all of them will be undervalued
- The data used may be out of date.
- It is difficult to give appropriate weightings to the factors.
- It assumes that the analyst is competent.
- It ignores the influence of random events such as oil spills, product defects being exposed, and acts of God and so on.
- It assumes that there is no monopolistic power over markets.

3. Mutual Funds Risk

The following is a list of some general risks associated with investing in mutual funds.

- Country Risk - The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.
- Currency Risk -The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
- Income Risk - The possibility that a fixed-income fund's dividends will decline as a result of falling overall interest rates.
- Industry Risk - The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.

- Inflation Risk - The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns.
- Manager Risk -The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.
- Market Risk -The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- Principal Risk -The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

4. Overall Fund Risk

- Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund goes up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.
- Before you invest, be sure to read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals.

While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you'll need your money to meet a financial goal in the near-term, you probably can't afford the risk of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

5. Stock Fund Risk

Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons, such as the overall strength of the economy or demand for particular products or services.

6. Technical Analysis Risk

- Technical analysis is derived from the study of market participant behavior and its efficacy is a matter of controversy.
- Methods vary greatly and can be highly subjective; different technical analysts can sometimes make contradictory predictions from the same data.
- Models and rules can incur sufficiently high transaction costs.

8. Performance-Based Fees and Side-by-Side Management

The Adviser does not charge any performance-based fees. These are fees based on a share of capital gains on or capital appreciation of the assets of a Client. The Adviser does not perform side-by-side management.

9. Voting Client Securities

As a matter of firm policy and practice, we do not have any authority to and do not vote proxies on behalf of advisory clients. You retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios. We are authorized to instruct the Custodian to forward you copies of all proxies and shareholder communications relating to your account assets.

We shall not render any advice with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in your advisory account. Furthermore, we shall not render any advice or take any action on behalf of you with respect to securities or any other investments held in your advisory account or the issuers of such securities or investments that become the subject of any legal proceedings, including bankruptcies or class-action suits relating to the securities held in the account. You retain the right and obligation to take any action with respect to any legal proceedings, including bankruptcies and class-action suits relating to securities held in the account.

Item 7 – Client Information Provided to Portfolio Managers

ACAM and Austin Capital Trust Company have access to all Client information with respect to the particular Client accounts. ACAM and Austin Capital Trust Company do not provide Client information to any other portfolio managers except as allowed by the Client or their Advisor.

Item 8 – Client Contact with Portfolio Managers

The primary point of contact for Clients with respect to this wrap fee program is their Advisor. The Client's Advisors may contact ACAM regarding any questions or concerns they have about their portfolios or other matters.

Item 9 – Additional Information

1. 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 us or the integrity of our management. We have no information to disclose here about the firm or any of our investment advisors. We adhere to high ethical standards for all advisors and associates. We strive to do what's in your best interests.

2. Other Financial Industry Activities and Affiliations

Trust Company

ACAM is wholly owned by Austin Capital Corporate Holdings, LLC. Austin Capital Trust Company, LLC is affiliated with Austin Capital Asset Management, LLC. Austin Capital Trust Company, LLC is a professional financial services firm assisting institutional and individual clients with their investment management, trust and estate service's needs.

These affiliations may create certain conflicts of interest because both the investment adviser representative and Austin Capital Asset Management, LLC may have an incentive to recommend Austin Capital Trust Company, LLC for specialized trust and estate services, in which case both Austin Capital Asset Management, LLC and the investment adviser representative would receive separate compensation. If we were to recommend this affiliated firm to Clients for separate services, we will first disclose the affiliation and advise Clients that they are free to seek similar services from any investment management firm they wish.

Technology Tools

ACAM offers access to the Platform for Advisors, broker-dealers and other institutions which include web-based asset management software.

Advisor Directed UMAs

ACAM offers access to the Platform for Advisors to create their own investment models for their Clients. ACAM only provides administrative services for these accounts and is not responsible for investment selections made by the Advisor.

Reporting Services

ACAM also provides reporting services to allow Advisors the ability to monitor Client accounts. Performance reporting is calculated according to industry standards.

Back Office Services

ACAM provides access to back office services including billing, account reconciliation and implementing trades.

3. Code of Ethics

General Information

We have adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and fiduciary duty to you, our client. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All of our supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

We may recommend securities to you that we have purchased for our own accounts. We may trade securities in our account that we have recommended to you as long as we place our orders after your

orders. This policy is meant to prevent us from benefiting as a result of transactions placed on behalf of advisory accounts.

We have established the following insider trading restrictions in order to ensure our fiduciary responsibilities to you are met:

- We shall not buy or sell securities for our personal portfolio(s) where this decision is substantially derived, in whole or in part, from our role as an Investment Advisory Representative of ACAM, unless the information is also available to the investing public on reasonable inquiry. In no case, shall we put our own interests ahead of yours.
- We emphasize your unrestricted right to decline to implement any advice rendered.

In addition, open-end mutual funds and/or investment sub-accounts which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value. Therefore, purchases of mutual funds and/or variable insurance products by an advisor are not likely to have an impact on the prices of the fund in which you invest. These types of transactions are not prohibited by our policies and procedures.

Certain affiliated accounts may trade in the same securities with your accounts on an aggregated basis when consistent with our obligation of best execution. When trades are aggregated, all parties will share the costs in proportion to their investment. We will retain records of the trade order (specifying each participating account) and its allocation. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

You may request a copy of the firm's Code of Ethics by contacting Christine Mora, Esq., Executive Vice President.

Privacy Statement

We are committed to safeguarding your confidential information and hold all personal information provided to it in the strictest confidence. These records include all personal information that we collect from you or receive from other firms in connection with any of the financial services they provide. We also require other firms with whom we deal with to restrict the use of your information. Our Privacy Policy is available upon request.

Conflicts of Interest

We have a duty to disclose potential and actual conflicts of interest. We have a duty to report potential and actual conflicts of interest to management. Gifts (other than de minimis gifts, which are usually defined as having a value under \$100.00) should not be accepted from persons or entities doing business with us.

Our representatives may employ the same strategy for their personal investment account as they do for their own clients. However, they do not place their orders in a way to benefit from the purchase or sale of a security. We monitor the personal trading activity of certain of our employees to ensure compliance with the Code of Ethics. This trading activity is reviewed at least quarterly. Violations are reported to the Chief Compliance Officer and remedial action may be imposed ranging from verbal warning to termination of employment.

We act in a fiduciary capacity. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We strive to do what is equitable and in the best interest of all the accounts we advise.

4. Brokerage Practices

Soft Dollars

We do not receive any soft dollars from broker-dealers, custodians or third party money managers.

As part of our agreement with the custodians we typically use, we may receive additional research and access to systems and processes that assist us in our investment research and analysis. These benefits may not be allocated equally among all of our clients or their accounts. We may also receive services which can include investment profiles, sales literature and advertising and other materials.

Brokerage for Client Referrals

We do not receive any compensation or incentive for referring you to certain broker-dealers for brokerage trades.

Best Execution

We will arrange for the execution of securities brokerage transactions for your account through Broker-Dealers that we reasonably believe will provide “best execution.” These transactions will typically take place through one of our approved broker-dealers/custodians. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Broker-Dealer’s services including the value of research provided, execution capability, commission rates, and responsiveness. Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for account transactions.

Directed Brokerage

By directing brokerage to one of our approved broker-dealers, you may pay higher fees or transaction costs than those obtainable by other broker-dealers. In most cases, we believe you are paying a discounted and reasonable rate. You may pay higher or lower fees if you select another broker-dealer. Generally, we will not negotiate lower rates below the rates established by the executing broker-dealer for this type of directed brokerage account, unless we believe that such rate is unfair or unreasonable for the size and type of transaction. These commissions are reasonable and customary.

Not all advisory firms require you to direct brokerage to a specific broker-dealer. You may direct us to execute your transactions and custody your assets at a specific firm. By directing us to a specific custodian or Broker-Dealer, we may not be able to obtain the most favorable costs or execution. You may pay higher fees or transaction costs. You may also lose any benefits that we have been able to obtain for our other clients such as volume discounts or block trades. You will have the sole responsibility for negotiating the commission rate and other transaction costs with the Broker-Dealer and/or custodian. While you may direct us to a Broker-Dealer and/or custodian for execution of your transactions, you agree that we will not be required to effect any transactions through that directed broker if we reasonably deem doing so

may result in a breach of our duties as a fiduciary. By directing brokerage, a disparity may exist between the commissions borne by your account and the commissions borne by our other clients that do not direct brokerage.

Trading

ACAM may aggregate by Custodial Broker transactions for Platform clients in the same securities for the purpose of obtaining best execution, negotiating more favorable commission rates, or allocating equitably among clients the differences in prices and commission or other transaction costs that might not have been obtained had such orders been placed independently.

No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per Custodial Broker) for all transactions in that security on a given business day.

ACAM does not aggregate trades of our personnel with those of client accounts unless our personnel have personal accounts that are managed by ACAM through the Platform.

Trade in Third Party Managers will be allocated based on that manager's trade allocation procedures.

5. Review of Accounts

Reviews

The timing & nature of reviews for accounts are dictated by a variety of factors. Such factors include but are not limited to the following:

- Type of account relationship
- Contribution of withdrawals of cash from an account
- A determination to change the cash level of an account
- The allocation of a block of a particular security purchasing for or sold from
- A particular objective
- Your request for tax-loss selling
- Restrictions imposed by you to refrain from purchasing a particular security, or class of securities, for your accounts
- Your request for information regarding the performances or structure of an account
- The performance of an account
- Option maturity dates.

You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Generally, we will monitor for changes and shifts in the economy, changes to the management and structure of a mutual fund or company in which client assets are invested, and market shifts and corrections. You should notify us promptly of any changes to your financial goals, objectives or financial situation as such changes may require us to review your portfolio and make recommendations for changes.

Advisors are required to review accounts with Clients on an annual basis.

Reports

The custodian will provide at least quarterly, statements that include the following:

- A valuation report showing cash, securities owned, total data, and other data
- A schedule of realized gains & losses, interest & dividends, and a performance report on the status of the account.

You will be provided with confirmations for each securities transaction executed in the account. You must notify us of any discrepancies in the account or any concerns you have about the account.

6. Client Referrals and Other Compensation

We have a program under which account executives & other professionals, i.e. Certified Public Accountants ("CPAs"), attorneys, et al., that refer institutional or retail clients to us will receive a percentage of the management fees earned by us for managing those qualifying accounts.

We receive referral fees from other Advisors who use our Turnkey Asset Management Program offered through Austin Capital Trust Company, LLC. We are paid a portion of the total asset management fee charged to the Advisor's clients.

This does present a conflict of interest since we will receive compensation from referral fees and compensation in the form of advisory consulting fees for providing advisory services. The Adviser will mitigate this conflict of interest by always putting the client first and doing what is in each client's best interests. The Adviser will monitor all client accounts to verify that this fiduciary responsibility is being met.

ACAM may compensate Advisors or advisory firms for referring Clients to the Platform. We may pay this Advisor a referral fee in accordance with the requirements of Rule 206(4) of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. These Clients will not incur any additional charge because of these referral fees. Advisory Clients will pay the normal fees as outlined in this document and the Agreement.

7. Custody

We do not have physical custody of any accounts. However, we may be considered to have custody if we have the ability to debit the client fees directly from their advisory account. We will use one of our approved custodians for all your accounts. You should receive at least quarterly statements from the custodian that holds and maintains your investment assets. We urge you to carefully review such statements and compare this official custodial record to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. If you notice any discrepancies, please contact Christine Mora.

8. Investment Discretion

We usually receive discretionary authority from you at the beginning of an advisory relationship to select the identity and amount of securities to be bought or sold. This information is described in the Advisory

Agreement you sign with us. In all cases, however, this discretion is exercised in a manner consistent with your stated investment objectives for your account.

When selecting securities and determining amounts, we observe the investment policies, limitations and restrictions you have set. For registered investment companies, our authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to us in writing.

9. Financial Information

We are required to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that would impair our ability to meet any contractual and fiduciary commitments to you, our client. We have not been the subject of any bankruptcy proceedings.