

Part 2A of Form ADV: *Brochure*

Item 1 Cover Page

Carl Stuart
Carl Stuart Investment Advisor, Inc
1301 South MoPac Expressway #300
Austin, TX 78746
Phone: 512-478-2275
Fax: 512-478-3062
January 25, 2017

This brochure provides information about the qualifications and business practices of Carl Stuart Investment Advisor, Inc. If you have any questions about the contents of this brochure, please contact us at 512-478-2275 or carl.stuart@raymondjames.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.

Additional information about Carl Stuart Investment Advisor, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

Carl Stuart Investment Advisor, Inc has made no material changes since its last brochure update January 25, 2017.

Item 3 Table of Contents

ITEM 4	ADVISORY BUSINESS	4
ITEM 5	FEES AND COMPENSATION.....	5
ITEM 6	PERFORMANCE BASED FEES	8
ITEM 7	TYPES OF CLIENTS.....	9
ITEM 8	METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	10
ITEM 9	DISCIPLINARY INFORMATION	11
ITEM 10	OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	12
ITEM 11	CODE OF ETHICS, PARTICIPATION OR INTEREST IN <i>CLIENT</i> TRANSACTIONS AND PERSONAL TRADING.....	13
ITEM 12	BROKERAGE PRACTICES.....	14
ITEM 13	REVIEW OF ACCOUNTS	15
ITEM 14	CLIENT REFERRALS AND OTHER COMPENSATION	16
ITEM 15	CUSTODY	17
ITEM 16	INVESTMENT DISCRETION	18
ITEM 17	VOTING <i>CLIENT</i> SECURITIES	19
ITEM 18	FINANCIAL INFORMATION.....	20
ITEM 19	EDUCATIONAL AND PROFESSIONAL BACKGROUND.....	21

Item 4 Advisory Business

Carl Stuart Investment Advisor, Inc. (“The Adviser”, or “CSIA”) was founded in 1997 by Carl W. Stuart., who is the firm’s President. The Adviser provides portfolio management and consultations for Clients through discretionary and non-discretionary accounts for a percentage of assets under management or fixed fees, as applicable. The Adviser focuses primarily on individuals, trusts, estates, charitable organizations, foundations, and retirement plans with the investments in mutual fund shares.

Advice is tailored to individual Client’s needs through interviews with Clients and the collection of pertinent information.

As of December 31, 2016 the Adviser had the following in assets under management:

Discretionary	Accounts: 679	Assets: \$ 240,480,510
Non-Discretionary	Accounts: 60	Assets: \$ 53,013,249
Total	Accounts: 739	Assets: \$ 293,493,759

PRIVACY POLICY NOTICE

Our Promise to You

As a Client of Carl Stuart Investment Advisor, Inc. you share both personal and financial information with us. Your privacy is important to us, and we are dedicated to safeguarding your personal and financial information. We pledge to maintain the confidentiality that you have entrusted to us. This notice describes our current privacy policy and practices.

Information Provided by Clients

In the normal course of doing business, we typically obtain the following non-public personal information about our Clients:

- Personal information regarding our Clients’ identity such as name, date of birth, address and social security number;
- Information regarding securities transactions effected by us; and
- Client financial information such as net-worth, assets, income, and bank account information.

How We Manage and Protect Your Personal Information

We may share information about you with outside companies that perform administrative services for us, such as mutual fund companies in which you are a shareholder. When authorized by you, we share information with your CPA, Tax Preparer, or attorney. Otherwise, we do not disclose any non-public personal information about you to anyone except as permitted by law. We follow the same policy with respect to non-public information received from all Clients and former Clients. Nonetheless, we are required to offer you the opportunity to direct us not to make or permit such disclosures by calling our offices at 512-478-2275. We restrict access to non-public personal information about you only to those employees who have need for that information to provide investment services to you, or to employees who assist those who provide those services to you. We maintain physical, electronic and procedural safeguards to protect your non-public personal information.

Client Notifications

We are required by law to annually provide a notice describing our privacy policy. In addition, we will inform you promptly if there are changes to our policy.

Please do not hesitate to contact us with questions about this notice.

Item 5 Fees and Compensation

CONSULTATION SERVICES

CSIA may provide consultation on securities and a Client's financial situation for a fixed fee of \$250. When individuals call and seek a consultation, Mr. Stuart describes the information the individual needs to bring to the meeting. He briefly describes the topics to be discussed and explains that the consultation should last approximately one to one and one-half hour.

ASSET MANAGEMENT SERVICES

CSIA provides investment advisory supervisory services under the following program:

Investment Management Program for Advisory Clients (IMPAC)

Account minimum: \$250,000

This is an account, administered through Raymond James & Associates ("RJA"), in which the Client is provided with ongoing investment advice and monitoring of securities holdings. The Investment Adviser Representative ("IAR") will manage the account on a non-discretionary or discretionary basis according to the Client's objectives. Equity trades and Preferred Stocks will have a \$9.95 transaction charge while Options and Bonds will have a \$30 transaction charge paid to the broker-dealer. Mutual Fund purchases will have a \$30 transaction charge. Mutual Fund redemptions (sales), systematic periodic purchases, and systematic automatic withdrawals do not have transactions charges. Some mutual fund companies may waive this fee. For a list of those companies, please contact CSIA. Mutual funds incur expenses for portfolio management services and fund administrative services. These expenses are disclosed in the mutual fund prospectus. Periodic investments, systematic withdrawals, exchanges and mutual fund liquidations are exempt from transaction charges. There will be a \$30 charge on purchases of partner funds not participating in the No Transaction Fee program and an additional \$10 charge on purchases of non-partner funds (load and no-load.)

Fee Schedule for IMPAC

First \$250,000	1.5%
Next \$750,000	1.0%
Greater than \$1,000,000	.75%

The annual asset-based fee is paid quarterly in arrears, as outlined in the Investment Advisory Agreement. The asset-based fee is calculated on the account asset value on the last business day of the billing quarter for the previous billing quarter. An investment advisory fee is not assessed for any cash or cash equivalent investments such as CD's and Money Market mutual funds based on the positions held in an account on the last day of each billing period. If money is added to or withdrawn from an account in an amount in excess of 10% of the market value, the advisory fee will be charged pro rata. Client authorizes and directs Raymond James Financial Services ("RJFS"), an affiliate of RJA, as Custodian to deduct asset-based fees from the Client's account; Client further authorizes and directs the Custodian to send a quarterly statement to the Client which shows all amounts disbursed from Client's account, including advisory fees paid to CSIA. Client understands that the brokerage statement will show the amount of the asset-based fee, the value of the assets on which the fee was based, and the specific manner in which the fee was calculated.

In addition to the forgoing transaction charge, the Client will incur a nominal charge per transaction for handling and postage charges. The Client may also incur charges for other account services provided by RJFS not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

Fees are non-refundable.

The Investment Management Agreement may be terminated by the Client or Carl Stuart at any time. There is no penalty for terminating the Client's account. The Client may be charged a fee pursuant to the number of days the account was managed for the current billing quarter.

ADDITIONAL DISCLOSURES ABOUT AMS PROGRAMS

Investment of Cash Reserves

With respect to cash reserves of advisory Client accounts, the Custodian of the account assets will determine where cash reserves are held. The Custodian may offer one or multiple options to different account types (such as non-taxable and managed accounts). In addition, the Custodian may, among other things, consider terms and conditions, risks and features, conflicts of interest, current interest rates, the manner by which future interest rates will be determined, and the nature and extent of insurance coverage (such as deposit protection from the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation). The Custodian may change an investment option at any time by providing the Client with thirty (30) days advance written notice of such change, modification or amendment. As of October 2008, Cash Sweep Options include the Raymond James Bank Deposit Program ("RJBDP"), sponsored by RJA, including the money-market and municipal money-market fund, or any combination thereof.

Raymond James Bank is an affiliate of Raymond James. The income earned by RJA is in addition to the asset-based fees that RJFS receives from these accounts.

Where an unaffiliated third party acts as Custodian of account assets, Client and/or the Custodian will determine where cash reserves are held.

Cash balances arising from the sale of securities, redemptions of debt securities, dividend and interest payments and funds received from customers are invested automatically on a daily basis. When securities are sold, funds are deposited on the day after settlement date. Funds placed in a Client's account by personal check usually will not be invested until the second business day following the day that the deposit is credited to the Client's account. Due to the foregoing practices, RJA may obtain federal funds prior to the date that deposits are credited to Client accounts and thus may realize some benefit because of the delay in investing such funds.

For further information please refer to the Cash Sweep Options disclosure statement, a copy of which is available from your IAR, or is available on the Raymond James public website, www.raymondjames.com.

Cash Rule Conflict

Participants in the IMPAC program with cash or money market investments will not be included in the value of Client's account for fee purposes. This fee billing provision is intended to equitably assess advisory fees to Client assets for which an ongoing advisory service is being provided, and the exclusion of cash from the advisory fee is intended to benefit Clients holding substantial cash balances (as a percentage of the total individual account value) for an extended period of time. However, this provision may pose a financial disincentive to an investment adviser representative ("IAR"), as the portion of cash or money market investments will not be included in the asset-based fee charged to the account. This may cause an IAR to reallocate a Client account from cash or money market investments to advisory fee eligible investments in order to avoid the application of this provision and therefore receive a fee on the full asset value in a Client's account(s).

Participants in the IMPAC program may be entitled to a discounted asset-based fee if they maintain one or more related accounts within these programs.

It is the Client's responsibility to include all Related Accounts for purposes of qualifying for an aggregated account fee discount. While CSIA may attempt to identify related accounts, it shall not be held responsible for failing to consider any related accounts not listed by the Client.

CSIA rebates all Mutual Fund 12(b)-1 fees to Clients.

Clients should understand that the annual advisory fees charged in the IMPAC program are in addition to the management fees and operating expenses charged by open-end, closed-end and exchange-traded funds. To the extent that a Client intends to hold fund shares for an extended period of time, it may be more economical for the Client to purchase fund shares outside of these programs. Clients may be able to purchase mutual funds directly from their respective fund families without incurring Carl Stuart's advisory fee. When purchasing directly from fund families, Clients may incur a front-or back-end sales charge.

Clients should also understand that the shares of certain mutual funds offered in these programs may impose short-term trading charges (typically 1%-2% of the amount originally invested) for redemptions generally made within short periods of time. These short-term charges are imposed by the funds (and not Carl Stuart) to deter "market timers" who trade actively in fund shares.

Clients should consider these short-term trading charges when selecting the program and/or mutual funds in which they invest. These charges, as well as operating expenses and management fees, which may increase the overall cost to the Client by 1%-2% (or more), are available in each fund's prospectus.

A Client's total cost of the services provided through this program, if purchased separately, could be more or less than if the Client purchased the same securities outside of this program. Cost factors may include the Client's ability to:

- 1) obtain the services provided within the program separately with respect to the selection of mutual funds,
- 2) invest and rebalance the selected mutual funds without the payment of a sales charge, and
- 3) obtain performance reporting comparable to those provided within the program.

When making cost comparisons, Clients should be aware that the combination of multiple mutual fund investments, advisory services, custodial and brokerage services available through this program may not be available separately or may require multiple accounts, documentation and fees. If an account is actively traded or the Client otherwise may not qualify for reduced sales charges for fund purchases, the fees may be less expensive than separately paying the sales charges and advisory fees.

The Client's IAR may have a financial incentive to recommend a fee-based advisory program rather than paying for investment advisory services, brokerage, performance reporting and other services separately.

CSIA believes the charges and fees offered within the fee-based program are competitive with alternative programs available through other firms and/or investment sources, yet makes no guarantee that the aggregate cost of a particular program is lower than that which may be available elsewhere.

Clients that terminate the advisory agreement(s) within the first five (5) business days of entering into the advisory agreement will have any advisory fees that were charged refunded back to them. The Investment Management Agreement may be terminated by the Client or CSIA at any time. There is no penalty for terminating the Client's account. The Client may be charged a fee pursuant to the number of days the account was managed for the current billing quarter.

Item 6 Performance Based Fees

Carl Stuart Investment Advisor, Inc. does not have performance-based fees or utilize side-by-side management. The only fees charged to Client are noted in the “Fees and Compensation” section.

Item 7 Types of Clients

The Adviser has the following types of Clients:

- Individuals
- Retirement Plans
- Trusts
- Estates
- Charitable Organizations
- Foundations

CSIA has a minimum account relationship of \$250,000.00. Accounts below the \$250,000 threshold may be accepted on a negotiated basis.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

The Adviser uses the Fundamental method of analysis in its Client accounts. Fundamental analysis examines:

- all the material factors of the security,
- the economy

The Adviser receives research from a variety of sources, including available for public viewing such as:

- Financial newspapers and magazines
- Research materials prepared by others
- Corporate rating services
- Annual reports, prospectuses, filings with the Securities Exchange Commission, and Company press releases
- Onsite due diligence meetings with mutual fund companies' portfolio managers and research analysts

Investment Strategies

The Adviser employs investment strategies that are long term purchases (held for more than a year).

CSIA offers investments in mutual fund shares.

Risk of Loss

The potential risks of using Fundamental analysis are that the IAR is using historical information, which may not predict the future outcome of a security.

Each investment strategy may entail unique risks including the possibility of incurring a loss. In a long term investment strategy, returns may be adversely affected by market downturns or inflation.

Clients investing in mutual fund shares should be aware of the risks involved. These types of securities may incur expenses above and beyond management fees deducted by the Adviser. While the Adviser does not collect or receive any portion of these fees, the Client is responsible for paying any applicable fees or costs assigned by the custodian.

By its nature, investment planning looks to the long term. After CSIA makes sure the Client's short term cash needs are satisfied, they design investment strategies to help the Client achieve their financial goals.

Item 9 Disciplinary Information

CSIA and Mr. Carl W. Stuart do not have any disciplinary history.

Item 10 Other Financial Industry Activities and Affiliations

Securities Brokerage

Mr. Stuart is a registered representative of Raymond James Financial Services, member FINRA/SIPC, which is a wholly owned subsidiary of Raymond James Financial, Inc. As a registered representative, he acts as broker or agent and effects securities transactions for compensation. However, Carl Stuart Investment Adviser, Inc., is solely responsible for all investment advice rendered.

Insurance Broker/Agent

Mr. Stuart may have insurance company affiliations from which he may receive commissions. Clients are under no obligation to execute recommendations relating to insurance and/or annuity products through CSIA.

Other Activities

Mr. Stuart may participate in events or accept speaking engagements regarding various financial topics unrelated to investment services or securities products.

Mr. Stuart also hosts a weekly radio show, in which he discusses various financial topics.

Mr. Stuart spends approximately 5% of his time on these activities.

Pursuant to Rule 204A-1 under the Advisers Act, Carl Stuart Investment Advisor, Inc. has adopted a Code of Ethics. Carl Stuart Investment Advisor, Inc. monitors the personal securities transactions of its employees, officers and investment adviser representatives. The Code of Ethics (“COE”) set forth standards of conduct and addresses potential conflicts of interest among its personnel and advisory Clients. All investment advisory Clients may request a copy of the Carl Stuart Investment Advisor, Inc. Code of Ethics by contacting 512-478-2275. The COE ensures the following:

- The interests of the Advisory Clients must be placed first at all times. Access Persons must avoid serving their own personal interests ahead of the interests of the Adviser’s Clients.
- Conduct all personal securities transactions in full compliance with the COE.
- Access Persons must comply with applicable federal laws.
- Access Persons must avoid taking inappropriate advantage of the Access Person’s position.

There may be occasions in which employees of the Adviser buy or sell securities that it also recommends to Clients. This may create a conflict of interest between the Adviser and Clients. However, the Adviser has put policies and procedures into place to ensure that the Client’s interests always come first.

Item 12 Brokerage Practices

The Adviser currently uses Raymond James & Associates (“RJA”) as a Custodian. Clients may use a Custodian of their choice and have no obligation to utilize the custodian recommended by CSIA. However, the Adviser will retain the right not to accept the account.

The Custodian may have their own fee and cost schedules they are entitled to as a Custodian of the account. These fees and costs are completely independent of the Adviser, and the Adviser does not receive any portion of these collected costs.

The Client may incur charges for other account services provided by the Custodian not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

The Adviser does not have any soft dollar arrangements.

Item 13 Review of Accounts

Client account reviews are performed monthly. A review of securities positions and their relative price performance and any changes in fundamentals of holdings are considered in conjunction with the investment objectives of the Client. A review may be triggered at any time by unusual price activity. Carl Stuart is the reviewer of the accounts. He is President of the applicant and performs all advisory functions.

Clients receive monthly statements if there is any account activity from their broker-dealer. If not, Clients receive quarterly statements. Clients receive a monthly letter, which includes a financial markets update, as well as timely financial and investment planning commentary. Clients receive a quarterly investment commentary update and a time weighted portfolio performance summary.

Item 14 Client Referrals and Other Compensation

The Adviser does not pay for or receive compensation for Client referrals.

Item 15 Custody

The Adviser does not have custody of Client's assets.

Item 16 Investment Discretion

The Adviser may have limited discretionary authority to determine what securities a Client may hold and in what amount for certain accounts if granted by the Client. This authority is granted in writing by the Client for each account via a discretionary asset management agreement. This authority does not allow the Adviser to take possession of Client funds or securities. However, the Client does not have to grant discretion to the Adviser unless the Client so chooses.

Item 17 Voting *Client* Securities

The Adviser does not vote proxies on the behalf of Clients. Clients should receive their proxy materials from the custodian or transfer agent. However, in the event the Adviser receives such material, it will forward all proxy materials to Clients. Furthermore, the Adviser will not advise Clients on how to vote their proxies.

Item 18 Financial Information

The Adviser does not have custody of Client's assets. CSIA does not solicit payments of \$500 per Client or more six (6) months in advance for services. The Adviser has not been subject to bankruptcy and knows of no reason that its financial condition would be impaired in meeting its contractual obligations to Clients.

Item 19 Educational and Professional Background

Carl Stuart Investment Advisor, Inc. is registered with the U.S. Securities and Exchange Commission. It has one IAR. Below is his education and employment background.

Carl W. Stuart (DOB 1947), CFP® is the President of Carl Stuart Investment Advisor, Inc. He is also trained and well versed in investment management techniques and services. He is also a Registered Representative and a Registered Principal with Raymond James Financial Services, Inc.

The CFP (Certified Financial Planner) designation can only be obtained by achieving and complying with several requirements. These current requirements include having at least a bachelor's degree, three (3) years of full time relevant work experience, pass a rigorous examination, complete continuing education, and meet the CFP Board's ethics standards.

To be a Registered Representative and Registered Principal with Raymond James Financial Services, Inc., Mr. Stuart has a General Securities Registered Representative (Series 7) and Registered Principal (Series 24) licenses. He also holds the Uniform Securities Agent State Law (Series 63), NASAA Investment Advisors Law (Series 65), Municipal Fund Securities Principal (Series 51) licenses, and Texas Resident General Lines License (Life, Accident, Health & HMO). All of these licensures require the successful passing of examinations and ongoing continuing education.

He has been active in the financial industry for 38 years.

Education: University of Iowa, BA in Political Science

FINRA Licenses held:

Series 7 General Securities Representative

Series 24 Registered Principal

Series 51 Municipal Fund Securities Principal

Series 63 Uniform State Law

Series 65 NASAA Investment Advisors Law

Texas Resident General Lines License - Life, Accident, Health & HMO

Business Background:

Carl Stuart Investment Advisor

Owner / Financial Advisor

Raymond James Financial Services

Registered Representative

As Mr. Stuart is the owner of CSIA, he is solely responsible for all his activities and advice.