



**Firm Brochure  
(Part 2A & 2B of Form ADV)**

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**This brochure provides information about the qualifications and business practices of Evanson Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at the phone number or email address listed above. 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. Registration does not imply a certain level of skill or training.**

**Additional information about Evanson Asset Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Evanson Asset Management, LLC is 135188**

**DATE  
March 5, 2018**

## **Item 2: Summary of Material Changes**

We now manage approximately \$4,482,209,345 in assets

There have been no other material changes since the last update of this Brochure.

Whenever you would like to receive a complete copy of our brochure, please contact us by telephone or by email.

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## **Item 4: Advisory Business**

We provide investment advisory services to individual clients, as well as trusts, endowments, qualified retirement plan sponsors, and business entities. We are in our 22nd year of operation. We are fee-only firm and we currently manage approximately \$3.8 billion in assets.

We manage securities accounts on your behalf. We have the authority to determine, without obtaining your specific consent, the securities to be bought or sold. We do not act as a custodian of your assets. You always maintain asset control. We place trades for you under a limited power of attorney.

We generally recommend institutional-class stock mutual funds with low annual expense ratios, and extremely low internal transaction costs. At times we may recommend other low-cost investment solutions, such as ETFs, low cost bond funds, individual fixed income securities, and other products. For more on our investment philosophies, and the risks of our strategies and/or specific investments recommended, please refer to Item 8.

We actively seek to avoid, or at least minimize, conflicts of interest which may exist between our firm and you. We sell no products. We accept no commissions. We do not recommend any fund which possesses a 12b-1 fee. However, all investment advisory firms will likely possess some unavoidable conflicts of interest. In those instances when conflicts of interest arise, we have adopted policies which seek to keep your best interests paramount at all times. See Items 5, 11 and 12 of this Brochure, and other items, which explore in further detail how we act to keep your best interests first at all times during the course of relationship with you.

## **Our Firm's History**

We were founded as a sole proprietorship in 1995 by Steven E. Evanson and we became an LLC in 2005.

## **Our Principal Owners**

Steven E. Evanson is the sole member and is the Chief Executive Officer.

## **Types of Advisory Services**

### **Asset Management**

We provide investment supervisory services, also known as asset management services; and manage investment advisory accounts not involving investment supervisory services.

We provide you with investment advisory services, defined as giving continuous advice to you or making investments for you based on your individual needs. Based on personal discussions and data gathering, your goals, stage in life, financial resources, tax situation, and capacity and tolerance for risk are evaluated. This information is used to develop an allocation plan for you, and to develop and manage your investment portfolio based on that plan.

Assets are invested primarily in no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. We do not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

We do not invest in wrap fee programs or manage assets for any wrap fee accounts. We do not recommend investing in Initial public offerings (IPOs).

### *Our Fees*

EAM fees are typically set as a fixed annual fee, paid quarterly, and based approximately on the total time required to service an account yearly. These run between \$625 per quarter, or \$2,500 per year, to \$2,000 per quarter, or \$8,000 per year, but may be more if complex multiple or very large accounts are involved. Fees include financial planning, routine account set-up, access to institutional indexes and bonds, quarterly reviews, rebalancing, and “on-call” consultation. If account set-up is complicated, a one-time additional set-up fee of up to \$250-\$750 may be charged.

We, in our sole discretion, may waive our minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with you, etc.).

Investment management fees are billed quarterly, in advance, meaning that we invoice you at the beginning of the three-month billing period. Payment in full is expected upon invoice presentation. Fees can also be deducted from an account designated by you to facilitate billing. You must consent in advance to direct debiting of your investment account.

### **Financial Planning**

EAM provides advice in the form of a Financial Plan. Clients purchasing this service will receive a written financial plan providing the client with detailed analyses and recommendations designed to help them achieve their stated financial goals and objectives. In general, the financial plan will address all or part of the following areas: portfolio restructuring; sustainable spending levels; projected long term care expenses; analysis of retirement income streams (including delaying social security and/or incorporating fixed annuities); and detailed analysis of taxation related to retirement withdrawal strategies.

Information gathered includes a client's current financial status and future life goals.

Assumptions based on historical information and risk tolerance are discussed and agreed upon. Related documents supplied by the client, including a questionnaire completed by the client, are carefully reviewed by EAM, and a written report is prepared. Should a client choose to implement the recommendations contained in the plan, EAM suggests the client work closely with his/her attorney, accountant, insurance agent, mortgage broker, and/or investment advisor.

Implementation of financial plan recommendations is entirely at the client's discretion. Clients may choose to have EAM assist with financial plan implementation.

### *Our Fees*

Fees for financial planning services are billed at the rate of \$150 per hour, upon completion of the financial plan.

### **Management of Conflicts of Interest between Clients**

Our relationship with you is non-exclusive; in other words, we provide investment advisory services and financial planning services to multiple clients. We seek to avoid situations in which one client's interest may conflict with the interest of another of our clients.

### **Return of Unearned Fees upon Termination**

Should you terminate your engagement of our firm during a quarter, for any reason, the fee for such quarter is prorated and the pro rata unearned amount will be refunded

### **Other Fees or Expenses Paid in Connection with Our Services**

All fees paid to us for investment advisory planning services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. Mutual fund expenses are generally described in each fund's prospectus. These expenses will generally include a management fee, other fund expenses, and possibly a distribution fee. In addition, mutual funds incur transaction costs and opportunity costs, which are not disclosed in the fund's prospectus or Statement of Additional Information, but which may be estimated.

You will incur transaction fees or commissions in connection with trading of mutual funds, ETFs, individual stocks and bonds (and/or principal mark-ups and mark-downs for principal trades), which are charged by the custodian (brokerage firm holding safekeeping of your assets for safekeeping). Mutual fund transaction fees charged by our recommended custodians generally vary from \$24 to \$49 for each purchase and sale transaction. Transaction costs for stock and bond trades vary. Accordingly, the client should review both the fees charged by the funds, the transaction fees charged by the custodian, as well as the fees charged by us, to fully understand the total amount of fees and costs paid by you, in connection with any recommended transaction. For a discussion of our practice in recommending brokers (custodians) to you and negotiating brokerage fees on your behalf, please see Item 12.

You may also incur "account termination fees" upon the transfer of an account from one brokerage firm (custodian) to another. The estimated range for these account termination fees



is \$0 to \$200, but at times may be much higher. You should contact your custodian (brokerage firms, bank or trust company, etc.) to determine the amount of account termination fees which may be deducted from existing accounts which may be transferred.

### Comparable Services

We believe that the charges and fees offered are competitive with alternative programs available through other firms offering a similar range of services; however, lower fees for comparable services may be available from other sources. You could invest in mutual funds directly, without our services. In that case, you would not receive the services provided by us which are designed, among other things, to assist you in determining which mutual fund or funds are most appropriate to your financial condition and objectives, undertake a disciplined approach to portfolio rebalancing while taking into account the tax ramifications of same, and to avoid ad hoc emotional reactions to shorter-term market events. Also, the funds of Dimensional Advisors may not be available to you directly without the use of an investment adviser granted access to such funds.

### Assets Under Management

As of December 31, 2017, we manage approximately \$4,468,870,584 on a discretionary basis and \$ 13,338,761 on a non-discretionary basis.

### Our Services are Tailored to Meet Your Needs and Investment Restrictions.

In general, our advisory services are tailored to meet your needs. All of our investment portfolios are individually designed using a list of preferred securities. Financial planning, tax planning, and risk management planning services are generally delivered upon your engaging us for such services. Your advisor is available to conference with you to review any changes to your financial situation, the investment portfolio upon which advice is provided by us, and planning issues.

Our Agreement with you may not be assigned without your consent.

## Item 5: Fees and Compensation

Please refer to the discussion about our fees under Item 4.

### Cancellation and Termination of Agreements

You may cancel a new advisory agreement without penalty by providing written notice of such cancellation to us within five (5) business days of the date of signing the agreement. Thereafter, either party may terminate the agreement without penalty upon notice in writing to the other party. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, with the refund calculations based pro rata to the date of termination. Termination of an agreement will not affect: (a) the validity of any action previously taken by us under the agreement; liabilities or obligations of the parties from transactions initiated before termination of the agreement; or your obligation to pay advisor fees (prorated through the date

of termination). Upon the termination of the agreement, we will not possess any obligation to recommend or take any action with regard to the securities, cash, or other investments in your account.

## **Item 6: Performance Based Fees**

Our fees are not based on a share of the capital gains or capital appreciation of managed securities.

We do not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to you.

## **Item 7: Types of Clients**

We provide investment advice primarily to individuals and their families, including high net worth individuals, and trusts. Our recommended account minimum is \$500,000 although exceptions may be made.

We also may provide investment advice to pension and profit sharing plans and plan participants as well as foundations and other institutions, and to business entities.

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

### **Methods of Analysis**

#### **General**

Academic research reveals that strategic asset allocation is determinative of the majority of the long-term gross returns of investor's portfolios. We will construct an asset allocation plan for your accounts unless you wish otherwise. The plan is the basis of the strategy we will use to assist you in meeting your stated long term personal financial goals. The advice which we provide is based upon long-term investment strategies which incorporate the principles of Modern Portfolio Theory. The utilization of several different asset classes as part of an investor's portfolio is emphasized, as this has been shown to usually effect a reduction in portfolio volatility (i.e., the standard deviation of the portfolio returns) over long periods of time. We allocate and diversify your assets among various asset classes and then among individual investments, following the allocation plan agreed to by you.

Our investment approach is firmly rooted in the belief that markets are fairly efficient (although not always rational) and that investors' gross returns are determined principally by asset allocation decisions. A focus is provided on developing and implementing globally diversified portfolios, principally through the use of low-cost and tax-efficient passively managed stock mutual funds that are generally available only to institutional investors and clients of advisers granted access to such funds.

Portfolio weighting of equities, fixed income and gold and commodities is based upon your

perceived risk tolerance, need to assume various risks to reach your investment goals, and investment time horizon. The composition of investments within each of the asset classes may follow models as developed by us or may be customized to meet the specific circumstances of a client, the presence of investments in 401(k) or other accounts, as well as a perception of the client's understanding of the fundamental forces affecting risk and return in the capital markets

In addition, your initial asset allocation plan may be influenced by a review of macroeconomic indicators, and revisions may be recommended. However, tactical asset allocation strategies are not generally employed in connection with the management of your portfolio.

### **Methods of Analysis; Sources of Information**

We use many sources of information to evaluate the investments we recommend, including securities rating services, general economic and market and financial information, financial newspapers and journals, academic white papers, periodicals, prospectuses, statements of additional information and other issuer-prepared communications.

Research is also received from consultants, including financial economists affiliated with Dimensional Funds Advisors (DFA) and other firms. DFA provides historical market analysis, risk/return analysis, and continuing education services. Various computer software programs from DFA and from other third parties may also be utilized to better model the historical and/or expected returns of designed portfolios. The historical valuation levels of various asset classes (as measured by p/b, p/e, p/c and/or p/s data) may be utilized to undertake estimates of the probable long-term (15-year) expected returns of various assets classes, as a means of aiding investment and financial planning decision-making.

### **Types of Investments**

You typically receive an investment portfolio which consists mainly of no-load stock and bond mutual funds. The passively managed mutual funds offered by Dimensional Fund Advisors (DFA) are generally recommended. DFA mutual funds offer broad diversification and most are structured for low turnover, so as to substantially lessen transaction costs and cap gains distributions. Consequently, the DFA funds' total fees and costs are believed to be generally lower than the total fees and expenses incurred by most other mutual funds (including many ETFs and index funds) when comparing funds in the same asset class(es). Vanguard funds, other index funds and some ETF's are also utilized, but DFA funds are generally preferred (see <https://www.evansonasset.com/dfa-vs-vanguard-vs-etfs-20.htm> article titled "DFA vs. Vanguard vs. ETF's" for more information).

Your investment portfolio may also include individual fixed income investments (bonds, C.D.'s, etc.) For clients with a substantial fixed income allocation, we generally recommend a combination of bond funds and individual fixed income investments, with recommended actual investments dependent upon our view of the risk/return relationship for various forms of fixed income investments or bond funds. We will typically request discretionary authority from you to manage individual fixed income assets, as such may be necessary to enable us to purchase or sell such assets in a timely manner at quoted prices.

Publicly traded real estate investment trusts (REITS), gold and commodities index or passive mutual funds or ETFs may be recommended to you if you desire to include real estate, gold or commodities in your asset allocation strategy.

Your existing investments are evaluated in light of the allocations plan. We work with you to develop a plan to transition from your existing portfolio to the desired portfolio. Investment advice may be offered on any investments held by you at the start of the advisory relationship. Your portfolio holdings and strategic asset allocation are then monitored quarterly and a review is sent to you.

### **Risk of Loss, Generally**

Investing in securities involves a risk of loss that you should be prepared to bear. The investment recommendations seek to limit risk through broad global diversification in equities (through broadly diversified stock mutual funds) and investment in high quality fixed income securities or diversified bond funds.

However, the investment methodology will still subject you to declines in the value of your portfolios which can at times be dramatic. We believe there exists a high probability in most market environments of a long-term (15-year or greater) outperformance of small cap and value stocks, relative to large cap and growth stocks, and hence the stock (equities) portion of your portfolio may be “tilted” toward small cap and value stocks. Accordingly, the normally greater expected returns of the equity portion of the portfolio will in turn often permit the overall allocation to equities (stocks, stock mutual funds) to be reduced, and the allocation to fixed income investments increased. We believe this is the best manner to temper the shorter-term volatility of the stock market, especially for clients who derive cash flow from their portfolios (such as clients who are in retirement years).

Given the long-term nature of the expected equity premium (i.e., the additional expected return for investing in the overall stock market, relative to less “risky” U.S. Treasury bills), and the long-term nature of the expected value and small cap effects, our investment philosophy is best suited for investors who desire a buy and hold strategy for a substantial portion of their funds. Even then, investing is inherently uncertain as to future returns. While both macroeconomic and microeconomic risks are evaluated, for purposes of weighing risks and returns and for the computation of the expected returns of various asset classes (for use in financial planning decision-making), we do not generally engage in market-timing activities. We believe the equity, value and small cap effects are highly likely to occur in the future, over long periods of time. However, there can be no assurance that these effects will occur over any given time period. While we seek to reduce non-compensated risks to which you may be exposed, other risks (including but not limited to the risk of a general stock market decline) may be assumed in order to seek to attain the client’s longer-term financial goals and objectives. We cannot provide any guarantee that the client’s goals and objectives will be achieved.

For our specific view on risk, go to <https://www.evansonasset.com/investment-risks-92.htm> and read the article titled “Investment Risk.”

## **Cash Balances in Client Accounts**

Cash in your investment accounts are typically swept into the bank or money market mutual fund accounts of the institutions (Charles Schwab, TD Ameritrade, or Fidelity). We discuss with you, during the time of review conferences and at other times, upcoming cash flow needs and seek to plan accordingly to meet those needs. While it is not the practice to encourage you to maintain a large amount of cash in your accounts, such may be undertaken at your request, to facilitate our billing of periodic fees, or for other reasons. Upon your request, cash balances will be maintained for temporary or short-term purposes.

## **Item 9: Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events of their firm or certain management personnel which would be material to your evaluation of us or our integrity in management of your investment portfolio.

We possess no legal or disciplinary events which, in the judgment of our Chief Compliance Officer, are required to be disclosed under the guidelines for such disclosure promulgated by the U.S. Securities and Exchange Commission.

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

### **Financial Industry Activities**

We are not involved in any other financial industry activities.

### **Affiliations**

We have no arrangements that are material to our advisory business or you with any other entity.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Our Code of Ethics**

We have adopted a Code of Ethics, to which all investment advisor representatives and employees are bound to adhere. The key component of our Code of Ethics states:

EAM and its investment advisor representatives and employees shall always:

- Act in the best interests of each and every client;
- Act with integrity and dignity when dealing with clients, prospects, team members, and others;
- Strive to maintain and continually enhance our high degree of professional education regarding Modern Portfolio Theory, strategic asset allocation, and financial, tax, estate, and risk management planning; and

- Seek at all times to preserve our firm's independence and to maintain our complete objectivity with respect to our advisory services and each recommendation made to our clients.

We further adopted a detailed Code of Ethics expressing our commitment to ethical conduct, which is utilized to guide the personal conduct of our various team members. This detailed Code of Ethics describes our fiduciary duties and responsibilities to you and sets forth our practice of supervising the personal securities transactions of employees with prior or concurrent access to client trade information.

A copy of the Code of Ethics is available to clients and prospects upon request.

### **Participation or Interest in Client Transactions and Personal Trading**

We do not purchase securities in which we have a material financial interest. We and our related persons, as a matter of policy, do not recommend to you, or buy or sell for your accounts, securities in which the firm or its related persons has a material financial interest.

Our Code of Ethics provides that individuals associated with our firm may buy or sell securities for their personal accounts identical or different than those recommended to you. However, it is the expressed policy of our firm that no person employed by the firm shall prefer his or her own interest to yours nor make personal investment decisions based on your investment decisions.

To supervise compliance with the Code of Ethics, we require that anyone associated with this advisory practice and who possesses access to advisory recommendations (before or at the time they are entered into) ("access persons") to provide annual securities holding reports and quarterly transaction reports to our Chief Compliance Officer or his or her designee. We also require access persons to receive advance approval from our Chief Compliance Officer or her designee prior to investing in any initial public offerings or private placements, and with regard to trading of certain individual securities.

The Code of Ethics further includes our policy prohibiting the use of material non-public information and protecting the confidentiality of client information. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

### **Item 12: Brokerage Practices**

We seek to avoid material conflicts of interest. Accordingly, neither we nor its investment adviser representatives nor its team members receive any third party direct monetary compensation (i.e., commissions, 12b-1 fees, or other fees) from brokerage firms (custodians) or mutual fund companies.

However, some additional services and non-direct monetary or other forms of compensation are offered and provided to us as a result of its relationships with custodian(s) and/or providers



of mutual fund products. For example, our investment advisors and employees may be invited to attend educational conferences and/or entertainment events sponsored by such brokerage firms or custodians or mutual fund companies. Other services may be provided as outlined below. We believe that the services and benefits actually provided to us by brokerage firms (custodians) and mutual fund providers do not materially affect the investment management recommendations made to you. However, in the interest of full disclosure of any potential conflicts of interest, we discuss the possible conflicts herein.

Although we believe that its business methodologies, ethics rules, and adopted policies are appropriate to eliminate, or at least minimize, potential material conflicts of interest, and to manage appropriate any material conflicts of interest that may remain, you should be aware that no set of rules can possibly anticipate or relieve all potential material conflicts of interest.

### **Use of Brokerage Firms (Custodians), Generally**

We utilize the services of Charles Schwab, TD Ameritrade and Fidelity. Each custodian respectively provides our team members with access to institutional trading and custody services, which services are typically not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis and at no charge to them. However, not all independent investment advisors recommend their clients to utilize particular custodians.

### **Discussion of Benefits to Adviser, to us as to Custodians**

There is no direct affiliation or fee sharing arrangement between Schwab, TD Ameritrade or Fidelity and us for participation in the institutional program. We do however receive economic benefits that we would otherwise not receive if we did not have an established relationship with Schwab, TD Ameritrade, and Fidelity. These benefits do not depend on the amount of transactions directed by us to Schwab, TD Ameritrade, or Fidelity (hereafter "Custodians") These benefits may include: a dedicated trading desk that services our clients, a dedicated service group and an account services manager dedicated to our account, electronic download of trades, duplicate and batched Client statements, confirmations and year-end summaries, the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements), and the ability to have custody or other fees waived for our clients.

For our client accounts maintained at Custodians, The Custodians generally do not charge separately for custody services but are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Custodians or that settle into custodial accounts.

Custodians also make available to us other products and services that benefit us but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our accounts, including accounts not maintained at Custodians.

Custodians' products and services that assist us in managing and administering clients' accounts include software and other technology that (i) provide access to client account data

(such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of our fees from our clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Custodians also offer other services intended to help us manage and further develop our business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Custodians may make available, arrange and/or pay third-party vendors for the types of services rendered to EAM. Custodians may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us. Custodians may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Custodians, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely the nature, cost or quality of custody and brokerage services provided by Custodians, which may create a potential conflict of interest.

In particular EAM receives a software maintenance credit from Charles Schwab & Company. This creates a conflict of interest vis a vis EAM and Schwab which we are hereby disclosing. The acquired software provides a benefit to EAM and is used by EAM to benefit all clients. We may, on occasion, be the recipient of software and other informational materials from distributors of mutual funds. These materials will be unsolicited and will be accepted with the intent to benefit all clients and the value of these materials will not be considered in the process of selecting funds to purchase for client accounts.

Our personnel may, on occasion, be offered the opportunity to attend conferences sponsored by discount brokers or others, and to visit the offices of various mutual funds in order to perform due diligence inspections. The research done will benefit all clients, and the payment of any expenses is not significant in the process of selecting funds to purchase for client accounts or executing client transactions with brokerage firms.

## **Our Recommendations of Brokerage Firms**

While as a fiduciary, we endeavor to act in your best interests, our desire that you maintain much of your assets in accounts at Charles Schwab, TD Ameritrade and Fidelity may be based in part on the benefit to our firms of the availability of some products and services (previously described) at no cost to us, or at reduced costs, and not solely on the nature, cost, or quality of custody and brokerage services provided by the brokers, and this may create a potential conflict of interest. You may, therefore, pay higher transaction fees, commissions (for individual stock and ETF trades), and principal mark-ups and mark-downs (relating to purchases and sales on a principal, as opposed to an agency, basis), than those charged by other discount brokers. However, we have negotiated fees with the custodians we recommend, and we have selected these custodians for their generally low fees relative to another large custodian. Also, please note that we prefer to recommend custodians whom possess significant size and financial resources, for purposes of enhanced safety of your funds. For all of these reasons, the lowest cost custodian for you may not be recommended to you by us.



## Soft Dollars

We receive a software maintenance credit of about \$13,500 per year from Charles Schwab & Company because some client assets are custodied at Schwab. This credit offsets annual maintenance fees for our portfolio management software. The selection of Charles Schwab & Company as a custodian for you is not affected by this nominal credit.

## Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

## Item 13: Review of Accounts

Your portfolios are monitored on a quarterly basis, and changes are made after consulting with you. Rebalancing may be suggested as a part of your quarterly review and does not occur without your approval.

Additional Portfolio Reviews are undertaken upon your request, such as when special cash needs arise or when additional cash or securities are added to the investment portfolio. We will respond to such requests within a reasonable period of time.

When purchasing securities in your accounts, preference is given to purchase additional shares in those funds which you currently own, unless for such valid reason as we determine (avoiding wash sale rules, fund closing, etc.) a substitute fund is, in our judgment, more appropriate.

Upon request, we will employ tax loss harvesting, but we do not recommend it. For more information see <https://www.evansonasset.com/tax-loss-harvesting-56.htm> and read the article titled "Tax Loss Harvesting." In undertaking rebalancing actions, we will seek to rebalance one or more asset classes closer to the targets. We may decline to rebalance a specific asset class, due to tax concerns, high transaction costs relative to the trade amount, or other reasons.

## Regular Reports

Quarterly Reports from us include an invoice, asset allocation analysis, performance analysis and position performance summary. Clients may also directly access account information online such as current account value, cash balances, cost basis, trade confirmations, monthly statements and tax forms via the secure websites provided by the custodian where the accounts are held. Please call us for information on who to contact at your custodian if you need help with online access to your accounts. Monthly or Quarterly Statements are sent to you directly from the corresponding brokers, banks, and/or insurance companies which hold your investments. These statements reflect the assets in the custodian's custody, together with confirmations of each transaction executed in the account(s) if desired by you. For some custodians, you may elect to receive these statements by e-mail rather than U.S. mail.

Clients will receive reports from both the custodian of Clients' securities and from EAM. EAM urges Clients to compare both statements to insure accurate reporting. There may be

variances between the reports because of the timing in posting of dividends or interest. In addition, certain assets may be managed by EAM but the assets may be held by the broker and/or custodian for retirement plans (e.g. 401(k), etc.); or employer securities (e.g. stock options). EAM requests that Clients contact EAM in the event that Clients see any discrepancies or have any questions.

You are strongly encouraged to review the monthly or quarterly statements you receive from custodians. Despite the best efforts of any firm to safeguard client's assets, fraud could still occur. While we hope that you trust our firm and advisors, and we have never had an instance of theft of client funds, we believe it is nevertheless important for you to verify your investment holdings.

We also encourage clients to compare the account statements received from us with those received directly the custodian in a timely manner. Please contact us should you detect any unauthorized trading in an account or unauthorized transfers of cash or securities at 1-800-624-1015.

## **Item 14: Payment for Client Referrals and Other Compensation**

### **Incoming Referrals**

We have been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

### **Referrals Out**

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

### **Other Compensation**

We do not receive any commissions or referral fees for any recommendations we make to other professionals.

## **Item 15: Custody**

It is our policy to not accept custody of your securities. In other words, we are not granted access to your accounts which would enable us to withdraw or transfer or otherwise move funds or cash from any of your account(s) to our accounts or the account of any third party (other than for purposes of fee deductions).

However, with your consent, we may be provided with the authority to seek deduction of our fees from your accounts. For security purposes, we discourage this practice, but will set it up as a courtesy to you if you prefer to pay us that way. When we deduct fees directly from client accounts at a selected custodian, EAM will be deemed to have limited custody of client's

assets and must have written authorization from the client to do so. Clients will receive account statements from the custodian and should carefully review those statements.

## **Item 16: Investment Discretion**

We accept limited forms of discretion over your accounts, as follows, with your consent. Your grant of discretion is evidenced in the client services agreement (or addendums thereto) signed by you, and is further evidenced to the custodians through a limited power of attorney contained in the account establishment form signed by you or a separate limited power of attorney document signed by you. Nearly all clients appoint us as the client's agent and attorney-in-fact with respect to undertaking trades in client accounts; our ability to enter trades electronically for you often provides reduced transaction fees and other benefits to the client.

We seek to undertake a minimal amount of trading in your account, in order to keep transaction fees, other expenses, and tax consequences associated with trading to minimal levels.

With your consent, we will accept discretion to purchase and sell individual fixed income securities. Only investment-grade individual fixed income securities will be purchased using this discretion. The purpose of this discretion is to enable us to undertake purchases and sales in a timely manner when securities are available at quoted prices.

## **Item 17: Voting Client Securities**

As a matter of firm policy and practice, we do not accept authority to vote proxies on your behalf. You retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios. Generally, you will receive their proxies or other solicitations directly from the custodian or transfer agent. However, you may call or e-mail us with questions regarding a particular proxy or other solicitation, and we may provide advice to you regarding your voting of proxies or such solicitations, upon your request.

You should note that we will not advise nor act on your behalf in legal proceedings involving companies whose securities are held or previously were held in the your account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, you may direct us to transmit copies of class action notices to you or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

## **Item 18: Financial Information**

We accept limited forms of discretion over your accounts, as described in Item 16 of this Brochure. Due to this acceptance, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. We currently possess no such financial condition. We have never been the subject of a bankruptcy proceeding.

A balance sheet is not required to be provided because we do not serve as a custodian for your funds or securities, and do not require prepayment of fees of more than \$1,200, and six months or more in advance.

Brochure Supplement (Part 2 B of Form ADV)



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**Carmel, CA 93923-9425**

**PHONE**  
**800-624-1015**

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**831-333-2063**

**WEBSITE**  
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**EMAIL**  
**Steven E. Evanson PhD ([steven@evansonasset.com](mailto:steven@evansonasset.com))**

This brochure supplement provides information about Steven E. Evanson, Jeri Lynn Crittenden, David Sherwood, and Laura Kelly that supplements the Evanson Asset Management, LLC brochure. You should have received a copy of that brochure. Please contact us if you did not receive Evanson Asset Management, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Steven E. Evanson, Jeri Lynn Crittenden, David Sherwood, and Laura Kelly is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**DATE**  
**August 4, 2015**

## Education and Business Standards

We require that advisors in our employ have a bachelor's degree and further coursework and/or work experience that demonstrates their aptitude for financial planning and investment management.

## Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

**Certified Financial Planner (CFP®):** Certified Financial Planners are licensed by the CFP® Board to use the CFP® mark. CFP® certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP® Board (<http://www.cfp.net/become/education.asp>).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

## **Steven E. Evanson, PhD**

### **Item 2. Educational Background and Business Experience:**

Year of birth: 1946

#### **Educational Background:**

PhD, Psychology; UC Santa Cruz, 1975

MS, Psychology; UC Santa Cruz, 1973

BS, Psychology; UC Berkley, 1970

#### **Business Experience:**

1995 to present, Founder and owner, Evanson Asset Management

### **Item 3. Disciplinary Information:**

None

### **Item 4. Other Business Activities:**

None

### **Item 5. Additional Compensation:**

None

### **Item 6. Supervision:**

Steven E. Evanson as Chief Executive Officer is responsible to provide supervisory oversight to the team; however, Steven E. Evanson also participates as a team member in the investment and trading processes. Steven E. Evanson may be contacted at the phone number as shown on the cover page.

## **Jeri Lynn Crittenden, MBA**

### **Item 2. Educational Background and Business Experience:**

Year of birth: 1953

#### **Educational Background:**

MBA, Finance, Western Michigan University, 1984

BBA, Marketing, Eastern Michigan University, 1978

#### **Professional Certifications and Licenses:**

2005-2007

Series 7 & Series 66 licenses

Master Financial Planner Designation

Life and Health Insurance License

#### **Business Experience:**

2005 to present, Investment Advisor Representative, Evanson Asset Management, LLC

2003 to 2005, Financial Consultant, AXA Advisors

1994 to 2006, Management Consultant, Crittenden Consulting

### **Item 3. Disciplinary Information:**

None

### **Item 4. Other Business Activities:**

None

### **Item 5. Additional Compensation:**

None

### **Item 6. Supervision:**

Jeri Lynn Crittenden is supervised by Steven E. Evanson, Managing Member. He reviews Jeri Lynn Crittenden's work through frequent office interactions as well as remote interactions.

SUPERVISOR'S contact information:

Steven E. Evanson may be contacted at the phone number shown on the cover page.



## David Sherwood

### Item 2. Educational Background and Business Experience:

Year of birth: 1968

#### **Educational Background:**

BA, English, Dartmouth College, 1990

#### **Business Experience:**

2006 to Present- Investment Advisor Representative, Evanson Asset Management, LLC

2004-2005 Vice President, Marketing, Alarm.com

2001-2004 Consultant, Self Employed

1998- 2001, Vice President, Microstrategy Incorporated

#### **Professional Certifications and Licenses:**

Series 65 license, 2006

### Item 3. Disciplinary Information:

None

### Item 4. Other Business Activities:

None

### Item 5. Additional Compensation:

None

### Item 6. Supervision:

David Sherwood is supervised by Steven E. Evanson, Managing Member. He reviews David Sherwood's work through frequent interactions.

SUPERVISOR'S contact information:

Steven E. Evanson may be contacted at the phone number shown on the cover page.

## **Laura Kelly, MBA, CFP®**

### **Item 2. Educational Background and Business Experience:**

Year of birth: 1963

#### **Educational Background:**

Graduate Certificate Personal Financial Planning, Golden Gate University, 2009

MBA, Golden Gate University, 2003

Bachelor of Arts Psychology, State University of New York at Fredonia, 1985

#### **Professional Certifications and Licenses:**

Certified Financial Planner, 2010

Series 65 License, 2006

#### **Business Experience:**

2006 to present- Investment Advisor Representative, Evanson Asset Management

1988 to 2006- Non-Profit Administration -Boys & Girls Clubs, YMCA, Golden Gate University

### **Item 3. Disciplinary Information:**

None

### **Item 4. Other Business Activities:**

None

### **Item 5. Additional Compensation:**

None

### **Item 6. Supervision:**

Laura Kelly is supervised by Steven E. Evanson, Managing Member. He reviews Laura Kelly's work through frequent office interactions as well as remote interactions.

SUPERVISOR'S contact information:

Steven E. Evanson may be contacted at the phone number shown on the cover page.