

**Item 1 Cover Page**  
**Form ADV Part 2A Appendix 1 Wrap Brochure**

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April 14, 2020

**This wrap fee program brochure provides information about the qualifications and business practices of Austin Money Management Corporation. If you have any questions about the contents of this brochure, please contact us at 512-431-4898. 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 as a registered investment advisor does not imply a certain level of skill or training.**

**Additional information about Austin Money Management Corporation also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 Material Changes**

April 14, 2020 – Item 9 was amended to include information concerning the firm's relationship with a custodian.

The material changes discussed above are only those changes that have been made to this wrap brochure since the firm's initial wrap brochure filed on February 14, 2020.

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## **Item 4 Services, Fees and Compensation**

### Advisory Services

Austin Money Management Corporation's ("AMMC" or "Advisor") principal service is providing fee-based investment management and consulting services and financial planning services. The Advisor practices custom management of portfolios, on a discretionary basis, according to the client's objectives. The Advisor's primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. The Advisor may use exchange listed securities, foreign securities, corporate debt securities, commercial paper, CDs, municipal securities, mutual funds, United States government securities, private investments (such as closely held stock, private equity investments, and real estate funds), and options on securities to accomplish this objective. The Advisor measures and selects mutual funds by using various criteria, such as the fund manager's tenure, and/or overall career performance. The Advisor may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The Advisor may recommend specific stocks to increase sector weighting and/or dividend potential. The Advisor may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. The Advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client's risk tolerance.

### Selection of Other Advisors

AMMC may recommend and refer clients to unaffiliated money managers or investment advisors through Managed Account programs sponsored by a third-party provider. In these arrangements, the client will then enter into a program and investment advisory agreement with the program sponsor and sub-advisors. AMMC will assist and advise the client in establishing investment objectives for the sub-advisors in the Managed Account program and continue to provide oversight of the client account and ongoing monitoring of the activities of the sub-advisors. The sub-advisors will develop an investment strategy to meet those objectives by identifying appropriate investments and monitoring such investments. In consideration for such services, the program sponsor will charge a program fee that includes the investment advisory fee of the sub-advisors, the administration of the program and trading, clearance and settlement costs. The program sponsor will add AMMC's investment advisory fee and will deduct the overall fee from the client account quarterly in advance based on the fair market value at the end of the quarter. The asset-based Managed Account program fee is tiered and varies depending on the size of the account, the asset class of the underlying securities and the sub-advisors selected.

### Asset Management Fees

Pursuant to an investment advisory contract signed by each client, the client will pay AMMC an annual management fee of up to 1.00%, payable monthly or quarterly, in advance or in arrears, as agreed between the client and Advisor. The fee will be calculated based on the value of portfolio assets of the account managed by the Advisor as of the beginning or end of the billing

period, depending on the agreed upon billing arrangement. The management fee may be adjusted to account for significant contributions or withdrawals made to the account during the quarter. New account fees will be prorated from the inception of the account to the end of the first quarter.

These fees may be negotiated at the sole discretion of the Advisor. Asset management fees will be directly deducted from the client account by the qualified custodian. The client will give written authorization permitting the Advisor to be paid directly from their account held by the custodian. The custodian will send a statement at least quarterly directly to the client. Where it is not practical to have the Advisor's fee deducted directly from the client account, client will be sent an invoice for any outstanding advisory fees due.

At no time will AMMC accept or maintain custody of a client's funds or securities except for authorized fee deduction. The Advisor will pay all securities execution and clearance fees out of its management fee (except for short-term trading or redemption fees which will be paid by clients). Certain miscellaneous fees are charged to the client account by the custodian, such as wire fees and overnight check fees, odd-lot differentials, early termination fees, short-term redemption fees, etc. This method of treating transaction fees is typically characterized as a "wrap fee", where the management fee includes the investment advisory services as well as all transaction costs and the client pays only that management fee and no other costs concerning the trading and maintaining of the account. Clients in wrap fee accounts, with the transaction costs included, will pay a slightly higher management fee than those clients of AMMC that are not managed with a wrap fee (see AMMC's Form ADV Part 2A Brochure). The specific arrangement for each client will be negotiated and defined in the investment advisory contract signed by each client. AMMC does not use any outside investment managers to provide services to its wrap fee clients except in a Managed Account program sponsored by the custodian as explained under "Selection of Other Advisors" above.

All fees paid to AMMC for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee and other fund expenses.

A client could invest in these products directly, without the services of AMMC. Therefore, clients could generally avoid the second layer of fees by not using the advisory services of AMMC and by making their own decisions regarding the investment. In that case, the client would not receive the services provided by AMMC which are designed, among other things, to assist the client in determining which products or services are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the product sponsor and the fees charged by AMMC to fully understand the total fees to be paid.

Investment advisor representatives of AMMC are not compensated differently for clients that choose the inclusive fee arrangement versus the non-inclusive fee and therefore they do not have a financial incentive to recommend one method over the other.

## **Item 5 Account Requirements and Types of Clients**

The Advisor does not have any minimum requirements for opening or maintaining an account.

The Advisor will offer its services to individuals, banks or thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations or other business entities.

## **Item 6 Portfolio Manager Selection and Evaluation**

AMMC offers the wrap fee alternative to clients as a pricing option and except as described under “Selection of Other Advisors” above, does not utilize unaffiliated money managers to serve the needs of wrap fee clients. All accounts in the wrap program are managed by Steven D. Aycock, President.

AMMC will tailor its advisory services to its client’s individual needs based on meetings and conversations with the client. If clients wish to impose certain restrictions on investing in certain securities or types of securities, the Advisor will define those restrictions with the client to have a clear understanding of the client’s requirements.

Clients will be charged a management fee that is inclusive of both the fee to AMMC for advisory services as well as securities execution fees charged by the executing broker-dealer (except for short-term trading or redemption fees), while other clients will pay a management fee to AMMC and pay the securities execution fees directly to the executing broker-dealer from their brokerage account. The specific client circumstances will be defined in the agreement between the client and AMMC.

A wrap fee program is defined as one where a fee is charged to the account that is not based directly on transactions in the account, and includes both the investment advisory services and the costs of executing the transactions in the account. AMMC offers both all-inclusive and separate pricing options to clients. AMMC provides its services to all clients in the same way, as described throughout this brochure, no matter which pricing option is chosen. Management fees for the wrap fee pricing option are typically higher than management fees where the client pays securities transactions and/or custody costs separately.

AMMC does not charge performance-based fees.

The Advisor may utilize fundamental and technical analysis techniques in formulating investment advice or managing assets for clients.

Fundamental analysis of businesses involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives; to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions and to calculate its credit risk.

Technical analysis is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall.

The investment strategies the Advisor will implement include long-term purchases of securities held at least for one year, short-term purchases for securities sold within a year, trading of securities sold within 30 days, margin transactions, and option writing, including covered options, uncovered options or spreading strategies.

Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear.

The methods of analysis and investment strategies followed by the Advisor are utilized across all of the Advisors clients, as applicable. One method of analysis or investment strategy is not more significant than the other as the Advisor is considering the client's portfolio, risk tolerance, time horizon and individual goals. However, the client should be aware that with any trading that occurs in the client account, the client will incur transaction and administrative costs.

Investing includes the risk that the value of an investment can be negatively affected by factors specifically related to the investment (e.g., capability of management, competition, new inventions by other companies, lawsuits against the company, labor issues, patent expiration, etc.), or to factors related to investing and the markets in general (e.g., the economy, wars, civil unrest or terrorism around the world, concern about oil prices or unemployment, etc.).

Risks of fundamental analysis may include risks that market actions, natural disasters, government actions, world political events or other events not directly related to the price or valuation of a specific company's fundamental analysis can adversely impact the stock price of a company causing a portfolio containing that security to lose value. Risks may also include that the historical data and projections on which the fundamental analysis is performed may not continue to be relevant to the operations of a company going forward, or that management changes or the business direction of management of the company may not permit the company to continue to produce metrics that are consistent with the prior company data utilized in the fundamental analysis, which may negatively affect the Advisor's estimate of the valuation of the company.

The primary risks in technical analysis are that the factors used to analyze the price, trends and volatility of a security may not be replicated, or the outcomes of such analysis will not be the same as in past periods where similar combinations existed. Because of the reliance on trends, technical analysis can signal buying at market peaks and selling at market troughs.

All investments involve some degree of risk. In finance, risk refers to the degree of uncertainty and/or potential financial loss inherent in an investment decision. In general, as investment risks rise, investors seek higher returns to compensate themselves for taking such risks.

Every saving and investment product have different risks and returns. Differences include how readily investors can get their money when they need it, how fast their money will grow, and how safe their money will be. The primary risks faced by investors include:

#### Business Risk

With a stock, you are purchasing a piece of ownership in a company. With a bond, you are loaning money to a company. Returns from both of these investments require that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left, which may be nothing.

The business risk in purchasing an annuity is that the financial strength of the insurance company issuing the annuity may decline and not be able to pay out the annuity obligation.

#### Volatility Risk

Even when companies aren't in danger of failing, their stock price may fluctuate up or down. Large company stocks as a group, for example, have lost money on average about one out of every three years. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

#### Inflation Risk

Inflation is a general upward movement of prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest. The principal concern for individuals investing in cash equivalents is that inflation will erode returns.

#### Interest Rate Risk

Interest rate changes can affect a bond's value. If bonds are held to maturity the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than the face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher rate of interest than older ones. To sell an older bond with a lower interest rate, you might have to sell it at a discount.

#### Liquidity Risk

This refers to the risk that investors won't find a market for their securities, potentially preventing them from buying or selling when they want. This can be the case with the more complicated investment products. It may also be the case with products that charge a penalty for early withdrawal or liquidation such as a certificate of deposit (CD).

The Advisor does not primarily recommend a particular type of security. However, clients are advised that many unexpected broad environmental factors can negatively impact the value of portfolio securities causing the loss of some or all of the investment, including changes in interest rates, political events, natural disasters, and acts of war or terrorism. Further, factors relevant to specific securities may have negative effects on their value, such as competition or government regulation. Also, the factors for which the company was selected for inclusion in a



client portfolio may change, for example, due to changes in management, new product introductions, or lawsuits.

AMMC will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, AMMC cannot give any advice or take any action with respect to the voting of these proxies. The client and AMMC agree to this by contract. Clients will receive proxy solicitations from their custodian and/or transfer agent.

#### **Item 7 Client Information Provided to Portfolio Managers**

In accordance with the Advisor's Privacy Policy, the Advisor does not communicate any non-public financial information to unaffiliated entities.

#### **Item 8 Client Contact with Portfolio Managers**

The Advisor does not place any restriction on the client's ability to contact and consult with their Portfolio Managers and encourages clients to communicate with their Portfolio Managers whenever their circumstances change that may cause a change to their investor profile.

#### **Item 9 Additional Information**

AMMC is not currently, nor has it been in the past, involved in any legal or disciplinary events.

In 1996, without his knowledge, Mr. Aycock was charged with a misdemeanor. Two years later, when he learned of the charge, he immediately made restitution and the charge was dismissed. He believed that because of the dismissal, the charge was not a reportable event on his application for registration as a registered representative. The misdemeanor charge has since been expunged. In 2017, after being registered for almost two decades, in connection with an application for registration submitted to the Florida Office of Financial Regulation, he learned that the charge did require disclosure. Without admitting or denying the finding, he consented to the entry an order for making a material misstatement on the application for registration and the denial of his application. The agreement and a subsequent amended order allowed Mr. Aycock to correct the Form U4 and reapply for registration in December 2017. Mr. Aycock's subsequent registration application as an associated person of a broker-dealer was approved by Florida in January 2018.

Neither AMMC nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither AMMC nor any of its management persons are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

AMMC does not currently have any relationships or arrangements that are material to its advisory business or clients with either a broker-dealer, municipal securities dealer, or

government securities dealer or broker, investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund” and offshore fund), other investment advisor or financial planner, futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, pension consultant, real estate broker or dealer or sponsor or syndicator of limited partnerships.

Steven D. Aycock, President, is also licensed and registered as an insurance agent to sell life, accident and other lines of insurance for various insurance companies. Therefore, he will be able to purchase insurance products for any client in need of such services and will receive separate, yet typical compensation in the form of commissions for the purchase of insurance products. This creates a conflict of interest because of the receipt of additional compensation by Mr. Aycock. Clients always have the right to decide whether to act on the insurance recommendation by Mr. Aycock, and if they choose to accept the recommendation, they can choose where to purchase those products. However, in instances where they utilize the services of Mr. Aycock, there is no advisory fee associated with these insurance products, and clients will be made aware of all commissions associated with the products prior to the transactions. Further, AMMC and Mr. Aycock are fiduciaries by law and required to only provide recommendations that are in the best interest of clients.

AMMC is registering with the SEC and maintains a Code of Ethics pursuant to SEC rule 204A-1. AMMC has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. In addition, the Code of Ethics governs personal trading by each employee of AMMC deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of AMMC are conducted in a manner that avoids any conflict of interest between such persons and clients of the adviser or its affiliates. AMMC collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve conflicts of interest. AMMC will provide a copy of the Code of Ethics to any client or prospective client upon request.

AMMC and/or its investment advisory representatives may from time to time purchase or sell products that they may recommend to clients. AMMC and/or its investment advisory representatives have a fiduciary duty to act in the client’s best interests. The trading of AMMC and its investment advisor representatives will not be permitted to front run or disadvantage the trading of client accounts.

AMMC requires that its investment advisory representatives follow its basic policies and ethical standards as set forth in its Code of Ethics.

The firm reviews client accounts on a quarterly basis, or when conditions would warrant a review based on market conditions or changes in client circumstances. Financial Plans, once prepared and delivered to the client are not reviewed again unless the client requests a financial plan be updated, or the client engages AMMC for ongoing financial planning and consulting services. Client accounts are reviewed by Steven D. Aycock, President. Triggering factors may include AMMC becoming aware of a change in client’s investment objective, a change in market

conditions, change of employment, or a change in recommended asset allocation weightings in the account that exceed a predefined guideline. The nature of the review is to determine if the client account is still in line with the client's state objectives.

The client is encouraged to notify the Advisor and Investment Advisor Representative if changes occur in his/her personal financial situation that might materially affect his/her investment plan.

The client will receive written statements no less than quarterly from the custodian. In addition, the client will receive other supporting reports from mutual funds, asset managers, trust companies or other custodians, insurance companies, broker-dealers and others who are involved with client accounts. AMMC does not deliver separate client reports.

AMMC participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

Advisor also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Services include subscriptions to Advyzon and eMoney for portfolio management services, and Morningstar Workstation for investment portfolio research with a total value of \$12,000. TD Ameritrade provides the Additional Services to Advisor in its sole discretion and at its own expense, and Advisor does not pay any fees to TD Ameritrade for the Additional Services. Advisor and TD Ameritrade have

entered into a separate agreement (“Additional Services Addendum”) to govern the terms of the provision of the Additional Services.

Advisor’s receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Advisor, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Advisor’s Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Advisor, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Advisor may have an incentive to recommend to its Clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. Advisor’s receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

AMMC does not directly or indirectly compensate any person who is not a supervised person for client referrals.

AMMC does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance, and is not required to file a balance sheet.

AMMC has discretionary authority over client accounts and is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If AMMC does become aware of any such financial condition, this brochure will be updated and clients will be notified.

AMMC has never been subject to a bankruptcy petition.