

**Part 2A of Form ADV: Firm Brochure**

**Durbin Bennett Private Wealth Management, LLC**

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**03/29/2020**

This brochure provides information about the qualifications and business practices of Durbin Bennett Private Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (512) 610-6930 or [contact@durbinbennettwealth.com](mailto:contact@durbinbennettwealth.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 Durbin Bennett Private Wealth Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 107722.

**DURBIN  
BENNETT**

Private Wealth Management

## **Item 2      Material Changes**

This Firm Brochure, dated 03/29/2020, provides you with a summary of Durbin Bennett Private Wealth Management, LLC's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The following summarizes new or revised disclosures based on information previously provided in our Firm Brochure dated 03/29/2019:

- Cherry Thi Phan is an equity partner as of 1/1/20.
- For additional information about Durbin Bennett, you may request a copy of the full revised version of our Brochure by calling us at (512) 610-6930.

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## **Item 4      Advisory Business**

Durbin Bennett Private Wealth Management, LLC ("DB") is a SEC-registered investment adviser with its principal place of business located in Texas. DB (formerly Durbin Bennett Peterson Private Wealth Management, LLC) began conducting business in 2001.

Listed below are the firm's equity shareholders:

- Richard Baldwin Bennett, Founding Partner
- Matthew Paul Jachimiak, Chief Investment Officer
- Margaret Huang Casey, Chief Operations Officer & Chief Compliance Officer
- Paul Darter Lueb, Jr, Director of Client Experience/Partner
- Tylor Bordelon Seaman, Managing Partner

DB offers the following advisory services to our clients:

### **1) INVESTMENT SUPERVISORY SERVICES – INDIVIDUAL PORTFOLIO MANAGEMENT**

DB provides advice to a client regarding the investment of client funds based on the individual needs of the client. We provide discretionary and non-discretionary asset management services and investment consulting services to high net worth individuals, trusts, estates, foundations, endowments and other related entities. We manage portfolios of financial assets for clients that may include, but is not limited to: equities and fixed income securities, mutual funds, exchange traded funds, separate accounts, and private funds, including hedge funds, private equity investments and limited partnerships. These private funds will generally be managed by third-party, professional portfolio managers ("Money Managers").

DB's portfolio management services are tailored to the individual needs and particular circumstances of the client. Through personal consultations, we typically develop a personalized, documented Investment Policy Statement (IPS). The IPS articulates the client's investment objectives, time horizons, risk tolerance, liquidity needs, and other considerations important to managing the client's assets. We provide portfolio management services in the context of the client's overall wealth and financial situation, including outside accounts that are not managed by DB. The client's portfolio is implemented and managed by the criteria defined in the IPS.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Clients will retain individual ownership of all securities.

## **INVESTMENT PHILOSOPHY**

### **Overview**

DB constructs globally diversified portfolios to help generate long term appreciation while weathering changing market conditions. DB strategically and tactically constructs portfolios according to our clients' Investment Policy Statement, which outlines their needs, goals, and risk tolerances. The DB investment philosophy and process is continuously scrutinized by the firm's internal investment committee and research staff. Through rigorous due

diligence, DB endeavors to provide access to proven and progressive investment management approaches and strategies for our clients.

### **Core Tenets**

Markets are efficient over the long term, however, over the short term, DB believes that markets can be irrational or inefficient. Due to this belief, DB constructs portfolios that have more passive “core” and more active “satellite” components. The balance between core/satellite is determined through a series of suitability discussions between the client and DB.

DB believes that rebalancing is one of the keys to long-term portfolio performance. Rebalancing forces a client to sell asset classes that have performed well and reallocate those dollars into asset classes that have underperformed on a relative basis. Ultimately, DB employs a sell high and buy low strategy. Rebalancing also helps to keep the overall risk, as measured by standard deviation, within a specific band.

Rebalancing is performed as needed and is not time specific (i.e. monthly, quarterly). DB adheres to predetermined tolerance ranges for various assets classes. Observing tolerance ranges for rebalancing decisions helps to limit transactions costs as well as capital gain generation within client portfolios.

DB believes that net return (net of fees and taxes) rather than gross return is a more accurate representation of the performance our clients care most about. As such, when trades are performed in client accounts, we look to capture losses when possible, but if not, long term gains are preferable over short term gains. Additionally, when we construct client portfolios, we look to locate tax dis-advantaged assets (income strategies) within tax deferred accounts (IRAs) to reduce any tax impacts.

### **Portfolio Implementation**

DB utilizes an allocation model that segments assets into two primary asset classes: Equities and Fixed Income. Those two primary asset classes further break down into more specific sub-asset classes, including: traditional fixed income, fixed income alternatives, traditional equities, equity alternatives (i.e. private equity and hedged strategies), real assets, and other. Each asset class provides specific beneficial characteristics to a client portfolio.

***Traditional Fixed income*** includes both domestic and international/emerging market long-only bonds, as well as sovereign and corporate debt. This asset class is added as a risk mitigation and income generation strategy. This asset class can be thought of a deflation hedge and tends to have low to moderate volatility.

***Fixed income Alternatives*** include investments that are not necessarily public debt instruments, but share the same characteristics of dampening overall portfolio volatility, while retaining the potential for income generation. By being less correlated to public markets, fixed income alternatives potentially have an added risk mitigation benefit to the overall portfolio. This asset class can be thought of as an interest rate hedge and tends to have low to moderate volatility.

***Traditional Equities*** includes public and private equity of domestic and international/emerging market companies. This asset class adds long-term appreciation with the potential of income generation. Equities have historically captured the return associated with general global economic growth. This asset class tends to have high

volatility.

**Equity Alternatives** include assets which may be only partially exposed to public equity markets, or even completely decoupled. Examples include long/short equity funds, hedged strategies with high volatility, and private equity. Like fixed income alternatives, equity alternatives have the potential to add risk mitigation to the overall portfolio while retaining the characteristics of the traditional asset class (high growth potential). This asset class adds long-term appreciation with the potential of income generation, and it tends to have high volatility.

**Real Assets** include both public and private investments that tend to have physical assets represented as the underlying investment. Examples would include private real estate, commodities, and energy. This asset class can be thought of as an inflation hedge along with the potential for income generation. Real Assets tend to have moderate to high volatility characteristics.

**“Other” Strategies** include those strategies that do not logically fit into the previous asset classes. Examples would include global macro, event strategies, currency, and volatility. These strategies are used with the premise that they have little to no market correlation and can help provide some protection in volatile markets. This asset class tends to have low to moderate volatility characteristics.

Beyond the two primary asset classes and subsequent sub-asset classes, DB takes into account two additional factors: liquidity and domicile. Liquidity is the understanding of how quickly a client's portfolio can be liquidated in times of market stress. We believe that allocations to semi-liquid and illiquid assets can be beneficial for certain clients, but we also believe that having too much in illiquid assets can present other risks to clients. Domicile is the understanding of where a client portfolio is allocated globally. DB maintains relative balance between investments made domestically versus internationally.

## **2) SELECTION AND MONITORING SERVICES**

DB provides several advisory services separately or in combination. Our Selection and Monitoring Services are comprised of three distinct services. Clients may choose to use any or all of these services.

- Investment Policy Statement Preparation (hereinafter referred to as IPS):

We will meet with the client (in person, video, or over the telephone) to determine the client's investment needs and goals. We will then prepare a written IPS stating those needs and goals and encompassing a policy under which these goals are to be achieved. The IPS will also list the criteria for selection of investment vehicles and the procedures and timing interval for monitoring of investment performance.

- Selection of Investment Vehicles:

We will review various investments, consisting of mutual funds and ETFs (both index and managed; separate accounts and private funds if appropriate) to determine which of these investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

- Monitoring of Investment Performance:

For clients that engage us for performance monitoring, client investments will be monitored continuously based on the procedures and timing intervals delineated in the IPS. Although we will not be involved in any way in the purchase or sale of these investments, we will supervise the client's portfolio and make recommendations to the client as market factors and the client's needs dictate.

### **3) INVESTMENT ADVISEMENT SERVICES**

Adviser will provide ongoing access to the firm's investment committee for basic investment analysis. For an additional project fee (to be negotiated based on an estimated time commitment), the firm will also provide project- or investment-specific detailed analysis.

Adviser will provide Client quarterly and annual written statements or reports of the inventory in Client's Accounts with the current market value and performance data for the period (or since the opening of the Accounts). Where appropriate, reports will be issued on a consolidated basis, which combines all outside accounts into a consolidated format. Adviser will also provide access to online portals with holdings and updated performance data (where possible).

Adviser will provide ongoing access to private deals and investment opportunities that are presented to the firm. The firm reserves the right to limit or restrict the amount of the investment based on sizing estimates by the investment committee for the firm's managed assets.

### **4) STRATEGIC WEALTH PLANNING**

We provide financial planning services termed Strategic Wealth Plan (SWP). This service includes a general review of a client's financial matters, including retirement needs, cash flow, investments, insurance, and tax matters. Generally, the SWP is designed to be a financial model to assist the client in making current and future financial decisions to achieve or maintain financial independence.

A SWP may help the client in one or more of the following: (i) determining accumulation of assets needed for retirement, (ii) developing current and future spending budgets, (iii) quantifying and planning for educational funding or other significant life events, (iv) identifying insurance or risk management needs, (v) determining a general investment allocation needed to meet financial objectives, (vi) identifying estate planning needs, and (vii) addressing other related financial issues. Specific recommendations may be developed based on this planning. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or financial consultant. Implementation of the SWP recommendations is entirely at the client's discretion.

The SWP may be used as a dynamic model and updated periodically. The scope and term of the planning is agreed upon in advance with the client.

## **5) CONSULTING SERVICES**

Clients can also receive investment advice on a specific item. This may include advice on an isolated area(s) of concern such as estate planning, retirement planning, risk management, or any other particular topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

In certain limited situations as the client's needs dictate, we may also develop and implement hedging transactions or other unique investment strategies on assets held in a client's portfolio.

## **6) SUBADVISORY SERVICES**

Under an Investment Sub-Advisory Agreement dated August 1, 2012, between DB ("Subadvisor") and SALI Fund Management, LLC ("Investment Advisor"), Investment Advisor appointed Subadvisor to act as an investment sub-advisor to the Zilker Diversified Insurance Dedicated Fund Series Interests of the SALI Multi-Series Fund, L.P. (the "Fund"). The Fund is an interest in the SALI Multi-Series Fund, L.P., a Delaware limited partnership ("Partnership"). Pursuant to the Sub-Advisory Agreement, Subadvisor is responsible for: conducting initial and ongoing due diligence on the underlying funds, managers, and investment strategies; monitoring the performance of all underlying investments and making changes to the investments, including allocations, as necessary; providing an investment mandate, which describes the investment style, and details of the potential risks associated with investments in the Fund; assisting the Investment Advisor in the creation of marketing materials and, as appropriate, providing periodic client service communication, typically a narrative on past performance and outlook on future directions.

The Partnership's General Partner, SALI Fund Partners, LLC (the "General Partner"), exercises ultimate authority over the Partnership and is responsible for its day-to-day operations. Investments in the Partnership are available only to insurance company investors on behalf of certain of their segregated separate accounts for owners of variable life insurance and variable annuity contracts.

## **7) PRIVATE FUND ADVISORY SERVICES**

Under an Investment Advisory Agreement between Zilker Multi-Strategies Insurance Dedicated Fund, LP (the "Partnership" or "Fund", Skyway Private Ventures, LLC, (the "General Partner"), and Durbin Bennett Private Wealth Management, LLC (the "Investment Manager"), Durbin Bennett was appointed Investment Manager to act as an investment advisor to Series I and Series II of the Zilker Multi-Strategies Insurance Dedicated Fund, LP. The agreement for Series I and Series II was dated October 1, 2017 and July 1, 2017 respectively.

Investment Manager is responsible for the management, operation, and control of the investment and trading activities of the Series I and II Funds. The investments in the Series Funds are investments underlying life insurance and annuity contracts usually purchased by individuals (or entities created by individuals) seeking insurance protection and tax benefits afforded by these contracts.



## **AMOUNT OF MANAGED ASSETS**

As of 12/31/2019, we were actively managing \$1.16 billion of clients' assets on a discretionary basis plus \$49.69 million of clients' assets on a non-discretionary basis.

### **Item 5 Fees and Compensation**

#### **INVESTMENT SUPERVISORY SERVICES – INDIVIDUAL PORTFOLIO MANAGEMENT**

The annualized fee for clients will be charged as a percentage of assets under management, according to the following schedule:

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
First \$1,000,000	1.00%
\$1,000,001 to \$5,000,000	0.75%
\$5,000,001 to \$10,000,000	0.50%
\$10,000,001 to \$25,000,000	0.35%
Over \$25,000,000	0.20%

A minimum of **\$1,000,000** of assets under management is required for this service. This account size may be negotiable under certain circumstances. DB may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Clients will be billed in advance at the beginning of each calendar quarter based upon the value (market value, or fair market value in the absence of market value, plus any credit balance in the event of a margin balance), of the client's account at the end of the previous quarter. Our firm directly debits our advisory fee from client accounts. Clients will receive a copy of the quarterly invoice.

Our fee is in addition to the fees charged by selected managers. When evaluating the advisory services being provided, clients should review the manager's disclosure document to fully understand the total amount of fees to be paid. Additional fees will have a direct effect on net investment performance.

**Limited Negotiability of Advisory Fees:** Although we have established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts may be offered to family members and friends of associated persons of our firm.

## INVESTMENT ADVISEMENT SERVICES

Under this agreement, Adviser provides the following services for fees rendered:

- Investment performance monitoring and reporting
- Access to investment team for basic outside investment analysis

### **Fee Structure (based on market value of portfolio):**

<u>Portfolio Value</u>	<u>Fees</u>
First \$10 million	.20%
Next \$10 million	.15%
Above \$20 million	.10%

## SELECTION and MONITORING SERVICES - CONSULTING SERVICES FEES

DB's Selection and Monitoring Services and Consulting Services fees will be billed at an hourly rate ranging from \$125 to \$350 per hour, depending upon the personnel used. Alternatively, clients can choose to use a flat rate of between \$3,000-\$5,000/quarter instead of an hourly rate. The fees will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client and will be due as incurred. Typically, consulting services require at least a six month commitment.

As discussed in Item 4 of this Brochure, our firm may develop and implement hedging transactions or other unique investment strategies on assets held in a client's portfolio. The fee for these additional services would typically be a flat fee based on asset values negotiated with the client as appropriate.

## STRATEGIC WEALTH PLANNING FEES

If a client utilizes our Investment Supervisory Services, then no additional fee will be charged for our Strategic Wealth Planning services. If they do not utilize our Investment Supervisory Services, then the fee will be charged as a fixed fee, typically ranging from \$5,000 to \$40,000 depending on the nature of the services provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client. The fee will be charged to the client in advance or on an agreed upon schedule.

## SUBADVISORY SERVICES FEES

Refer to the series supplement to the Confidential Private Offering Memorandum of the Zilker Diversified Insurance Dedicated Fund Series Interests of the SALI Multic Series Fund, L.P. for a description of the fees to be charged.

SALI Fund Management, LLC will charge a fee to the fund and then pay a portion of that fee to DB for its investment subadvisory services. DB will not charge its clients a fee for assets invested in this fund.

## PRIVATE FUND ADVISORY SERVICES FEES

Refer to the series supplement to the Confidential Private Offering Memorandum of the Zilker Multic Strategies Insurance Dedicated Fund, LP for a complete description of the fees to be charged.

## GENERAL INFORMATION ON FEES

***Termination of the Advisory Relationship:*** A client agreement may be cancelled at any time, by either party, for any reason upon receipt of 30 days' written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any

reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

***Mutual Fund Fees:*** All fees paid to DB for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives.

Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Separately Managed Account Fees:*** Clients with separately managed accounts may be charged various fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent managers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Grandfathering of Minimum Account Requirements:*** Pre-existing advisory clients are subject to DB's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

***ERISA Accounts:*** DB is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, DB may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset DB's advisory fees.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

Refer to the series supplement to the Confidential Private Offering Memorandum of the Zilker Multi-Strategies Insurance Dedicated Fund, LP for a complete description of the performance fees to be charged.

## **Item 7 Types of Clients**

DB provides advisory services to the following types of clients:

- Individuals, including high net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above
- Other investment advisers
- Pooled Investment Vehicles

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

### **METHODS OF ANALYSIS**

DB has an internal investment committee that is responsible for conducting the due diligence on all recommended publicly traded and privately placed securities. We utilize Bloomberg and Morningstar Direct software tools to conduct our investment research and analysis.

### **Investment Due Diligence**

Our investment portfolios will typically be comprised of a combination of financial instruments, which may include mutual funds, exchange traded funds, separate accounts, and private funds. We select managers that we believe will contribute to the portfolio's long term capital appreciation under various market conditions. Investment decisions or recommendations regarding such funds take into account, among other considerations, the following criteria:

- Investment objective and strategy
- Experience, expertise, and track record
- Fees and expenses
- Personnel and firm structure
- Suitability within a client's portfolio

We perform ongoing due diligence by monitoring the fund's performance, underlying

holdings, strategies, business compliance, firm structure, and other factors that may affect future participation in the fund.

Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment objectives, risk tolerance, time horizon, tax considerations, liquidity needs, and other factors of wealth planning.

**Risks:** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

## **INVESTMENT STRATEGIES**

DB takes a top-down approach to building each portfolio, positioning clients according to their customized Investment Policy Statement. Within the policy allocation, we strategically and tactically shift asset allocations according to opportunities and client preference in an attempt to enhance return and/or mitigate risk.

Our asset allocation recommendations and decisions are principally based on the client's risk/return profile. We evaluate which investment strategy is most appropriate, based on client specific factors such as the client's investment objectives, risk tolerance, and other client-specific considerations.

In addition, certain financial market conditions and/or macroeconomic events are monitored to determine potential risks and opportunities that may be gained through tactical allocation shifts. These tactical shifts aim to manage risk while capturing market opportunities, and may move within the upper and lower allocation limits for each asset as agreed upon in the client's Investment Policy Statement.

Once the investment policy for a client is agreed upon, we implement the portfolio by investing in a combination of mutual funds and exchange traded funds. When appropriate, other vehicles such as partnerships, separately managed accounts, hedge funds, private

equity, structured products, and commodities may also be utilized. As an independent and objective entity, we incorporate strategies that suit clients' needs and select investments from the universe at large emphasizing diversification, risk management, cost containment, and tax efficiency.

**Risks:** Securities investments are not guaranteed as past performance is not indicative of future returns, and you may lose money on your investments. Securities prices can move up or down along with the overall market regardless of economic and financial factors considered. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

We ask clients to work with us to help us understand their risk tolerance.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Our firm and our related persons are not engaged in other financial industry activities.

DB has entered into a relationship with an unaffiliated third party, SALI Fund Management, LLC. Under this agreement, DB serves as an investment subadvisor to the Zilker Diversified Insurance Dedicated Fund Series Interests of the SALI Multi-Series Fund, L.P. As appropriate, we may recommend this fund to our clients as one among several investment vehicles. Any client assets invested in this fund will be excluded from the computation of DB's advisory fee. Please refer to the Subadvisory Services section in Item 4 (Advisory Business) of this Form ADV for additional information.

Although DB serves as the Investment Manager to the Zilker Multi-Strategies Insurance Dedicated Fund, it does not provide any other services and is not involved in any other business activities, it does have related companies engaged in other activities and some of the firm's management personnel work for the related companies.

The General Partner and the Investment Manager are separate, but affiliated companies as the members and manager of the General Partner are the principal owners and/or key employees and principals of the Investment Manager. The duties and responsibilities of the General Partner and Investment Manager as described in the Partnership Agreement, the Memorandum and this Series Supplement may give rise to situations in which there is a conflict of interest between the General Partner and the Investment Manager.

The Investment Manager also serves as a sub-adviser to another insurance dedicated fund that is managed according to a different investment strategy and that has an unaffiliated registered investment adviser that has the ultimate authority to manage the investments of that fund. Although there are no current circumstances that create a conflict of interest as a result of the responsibilities and activities of the Investment Manager relating to that other insurance dedicated fund, it is possible that a conflict of interest could

arise in the future.

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

### **CODE OF ETHICS AND PERSONAL TRADING**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

DB and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

DB's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [contact@durbinbennettwealth.com](mailto:contact@durbinbennettwealth.com), or by calling us at (512) 610-6930.

DB and individuals associated with our firm are prohibited from engaging in principal transactions and agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

Our firm does not aggregate trades for itself or for any associated person with client block trades.

## **Item 12 Brokerage Practices**

### **INVESTMENT SUPERVISORY SERVICES – INDIVIDUAL PORTFOLIO MANAGEMENT**

As our firm does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients must direct DB as to the broker-dealer to be used.

DB recommends that clients direct us to place trades through the Schwab Advisor Services division of Charles Schwab & Co. ("Schwab") or Fidelity Investments ("Fidelity"). We have evaluated Schwab and Fidelity and believe that either will provide our clients with a blend of execution services, commission costs and professionalism that will assist our firm in meeting our fiduciary obligations to clients.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than Schwab or Fidelity if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. In directing the use of Schwab or Fidelity, it should be understood that DB will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients (who may direct the use of another broker).

Clients should note, while DB has a reasonable belief that Schwab and Fidelity are able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers. Not all advisers require clients to direct it to use a particular broker-dealer.

In situations where we determine that it is beneficial for a client to invest in fixed income and derivative securities, we may recommend additional brokers to clients for implementation of these particular transactions.

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, we may recommend the use of one of several brokers (including, but not limited to Schwab and Fidelity), provided that such recommendation is consistent with our firm's fiduciary duty to the client. Our clients must evaluate the broker(s) before opening an account. The factors considered by DB when making these recommendations are the broker's ability to provide professional services, our experience with the broker, the broker's reputation, the broker's quality of execution services and costs of such services, among other factors. Clients are not under any obligation to effect trades through any recommended broker.

DB will block trades where appropriate. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. DB's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice



is prohibited by or inconsistent with the client's advisory agreement with DB, or our firm's order allocation policy.

2) DB's traders in concert with the Senior Advisor must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.

3) The Senior Advisor must reasonably believe that the order aggregation will benefit, and will enable DB to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.

4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.

5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.

7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.

8) DB's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

9) Funds and securities for aggregated orders are clearly identified on DB's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

10) No client or account will be favored over another.

## **SELECTION AND MONITORING SERVICES**

DB does not implement securities transactions for Selection and Monitoring Service clients. These clients are responsible for the implementation of securities recommendations. Our

firm does not recommend brokers to Selection and Monitoring Service clients.

## **STRATEGIC WEALTH PLANNING / CONSULTING SERVICES**

Implementation of a Strategic Wealth Plan or Consulting recommendation is entirely at the client's discretion. Clients will be required to select their own broker-dealers and insurance companies for the implementation of Strategic Wealth Plan and Consulting recommendations. When consistent with its fiduciary duty, we will recommend the use of Schwab or Fidelity. Strategic Wealth Planning and Consulting clients may use any broker-dealer of their choice.

## **ADDITIONAL COMPENSATION**

As disclosed above, DB generally recommends that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), or Fidelity Investments ("Fidelity"), both FINRA registered broker-dealers and members SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at Schwab or Fidelity, it is the client's decision to custody assets with Schwab or Fidelity. DB is independently owned and operated and not affiliated with Schwab or Fidelity.

Schwab and Fidelity provide DB with access to its institutional trading and custody services, which are typically not available to Schwab or Fidelity retail investors. These services are not contingent upon our firm committing to Schwab or Fidelity any specific amount of business (assets in custody or trading commissions). Schwab's and Fidelity's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab or Fidelity generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed or settled through them.

Schwab and Fidelity also make available to our firm other products and services that benefit DB 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 client accounts, including accounts not maintained at Schwab or Fidelity.

Schwab and Fidelity's products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- i. provide access to client account data (i.e. 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 clients' accounts; and
- v. assist with back-office functions, recordkeeping and client reporting.

Schwab and Fidelity also offers 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.

Schwab and Fidelity may make available, arrange and/or pay third-party vendors for the types of services rendered to DB. Schwab and Fidelity may discount or waive fees it 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 our firm. Schwab and Fidelity 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 Schwab or Fidelity, 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 on the nature, cost or quality of custody and brokerage services provided by Schwab or Fidelity, which may create a potential conflict of interest.

As an investment adviser, DB has negotiated the commission rates and transaction costs charged by Schwab and Fidelity to our advisory clients. We have also negotiated with Schwab to provide for certain research tools that are beneficial to use on behalf of our clients. The estimated value of these items is \$30,000. Our firm receives investment research and database softwares from Schwab. Schwab provides these research tools to us based on the total volume of commissions derived from trades placed in our clients' accounts.

Because these tools are provided to our firm, our clients may potentially pay higher commission costs than they might otherwise be charged by Schwab if we did not receive them. Because of this arrangement, our firm believes we should advise you that we have a conflict of interest in recommending Schwab to our clients. We believe that the overall benefit of the tools and services to our clients justifies any potentially higher commission costs. Additionally, the tools and services received benefit all of our clients and are not allocated in any way to particular client accounts. Each of the tools is used strictly for investment research purposes.

## **Item 13 Review of Accounts**

### **INVESTMENT SUPERVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT**

#### **Investment Management and Subadvisory Services**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. On a daily basis, we review transactions and cash flow activities that have occurred within individual accounts. In addition, clients' portfolio asset allocations are reassessed monthly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by any of all of the following: Chief Investment Officer, Investment Committee, or an Advisor that is also a Registered Investment Advisor within our firm.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that these clients receive from their respective broker-dealer, DB provides a quarterly report

summarizing account performance, balances and holdings.

## **SELECTION and MONITORING SERVICES**

**REVIEWS:** DB will provide reviews of investment vehicle recommendations at least quarterly. More frequent reviews may be provided as required by the terms of the plan document or as contracted for by the client.

These accounts are reviewed by any of all of the following: Chief Investment Officer, Investment Committee, or an Advisor that is also a Registered Investment Advisor within our firm.

**REPORTS:** DB will provide these client accounts with reports as contracted for at the inception of the advisory relationship.

## **STRATEGIC WEALTH PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Strategic Wealth Planning clients unless otherwise contracted for.

**REPORTS:** Strategic Wealth Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

## **PRIVATE FUND ADVISORY SERVICES**

**REVIEWS:** While the underlying managers within the Series Funds of the Zilker Insurance Dedicated Fund are reviewed on a continuous basis, the Series Funds are reviewed at least on a monthly basis by the Chief Investment Officer and/or Investment Committee.

**REPORTS:** The fund administrator associated with the Series Funds of the Zilker Insurance Dedicated Fund send out monthly investor statements. Upon investor request, DB will provide any additional compliance or reporting requirements.

## **CONSULTING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting Services clients unless otherwise contracted for. Such reviews will be conducted by the client's relationship manager.

**REPORTS:** These client accounts will receive reports as contracted for at the inception of the advisory engagement.

## **Item 14 Client Referrals and Other Compensation**

It is DB's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is DB's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

The principals of the Adviser and the associated persons of the Adviser may receive

compensation for referring clients to the Adviser. For the conflict of interest in these arrangements refer to Item 10 of this brochure. Clients do not pay higher fees for the Advisers' services as a result of any compensation to the principals or associated persons.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Also, as disclosed at Item 13 of this brochure, we will send account statements directly to our Investment Supervisory Services clients, on a quarterly basis, in addition to the periodic statements that clients receive directly from their custodians. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

In the event that the Adviser's custodial agreement enables the Adviser to withdraw, or transfer, client funds or securities upon instruction to the custodian is in conflict with the Adviser's Investment Management Agreement. In most cases, the Adviser only takes custody within the scope of fee withdrawal from a client's account. The Principal and CCO of the Adviser reviews money handling activity of the adviser to ensure that custody of client funds is not exercised beyond what is provided for in the Investment Management Agreement irrespective to the terms of the Adviser's custodial agreement(s). There are related persons of DB that are considered to have custody, Richard Bennett and Matt Jachimiak, who are members of Skyway PrivateVentures, LLC ("Skyway"), which acts as the General Partner for Series 1, Zilker Multi-Strategies Insurance Dedicated Fund ("Zilker 1"), LP and Series II, Zilker Multi-Strategies Insurance Dedicated Fund LP ("Zilker II").

Based on the No-Action Letter submitted by the Investment Adviser Association dated February 21, 2017, the SEC indicates that an adviser generally has custody where a client grants the adviser power in a standing letter of authorization ("SLOA") to conduct third party transfers (i.e. Instruct the qualified custodian to accept the adviser's direction on the client's behalf to move money to a third party designated in the SLOA). These SLOAs have been put in place upon the client's written request and signature. For instance, the amount or timing of the transfers may not be on the SLOA submitted to the custodian; however, at a future date, a client will contact the Adviser requesting that the adviser submit instructions to the custodian to remit a specific dollar amount from the account to the designated third-party (both of which are identified in the SLOA that is on file). As further outlined in the No-Action Letter, the Adviser is exempt from certain ongoing requirements of the Custody Rule as we comply with the stated conditions of the letter.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by providing us with written instructions.

Should a client elect not to grant us investment discretion over their account, we note that trades in their accounts will typically be executed after trades in the same securities are placed in discretionary accounts, due to the time involved in obtaining the requisite client approval. Consequently, these clients may not participate in blocked trades and there may be a difference in the price paid per share of a given security and the commission rates paid by these clients as compared to other clients depending, in part, on the type of security traded.

## **INDIVIDUAL PORTFOLIO MANAGEMENT**

As previously disclosed in Item 4 of this brochure, we may provide clients access to independent money management firms through direct access to individual managers or on a separate account basis through a managed account program. We do not "manage" client portfolios in the traditional sense of the definition, rather DB manages the managers of client portfolios within this group. Accordingly, clients in this group grant us authority to hire and fire the selected asset manager(s) managing client accounts.

Clients give us this authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may change/amend these limitations by providing us with written instructions.

## **Item 17 Voting Client Securities**

As a general rule, DB does not vote proxies for its clients or give advice about how to vote proxies for securities held in a client's investment account. However, in a few limited cases we may accept this responsibility upon the client's specific request.

In situations where we have accepted proxy voting responsibility, we will vote proxies in the best interests of our clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies.

If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and request that they either vote the proxy themselves or retain an independent third-party to cast a vote.

Clients may instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. You can also instruct us on how to cast your vote in a particular proxy contest by contacting us at (512) 610-6930.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting us by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact us by telephone, email or in writing.

For accounts where we do not vote proxies, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

## **Item 18 Financial Information**

DB has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement. DB has not been the subject of a bankruptcy petition at any time during the past ten years.