

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

March 14, 2020

This brochure provides information about the qualifications and business practices of Austin Asset. If you have any questions about the contents of this brochure, please contact us at (512) 453-6622 or [compliance@austinasset.com](mailto:compliance@austinasset.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 Austin Asset 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 105441.



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

There have been no material changes since the March 19, 2019 Form ADV filing on the IARD system.



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## Item 4 Advisory Business

Austin Asset is a SEC-registered investment adviser with its principal place of business located in Texas. Austin Asset began conducting business in 1986. Austin Asset is a fiduciary and is required to act in a client's best interest at all times.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- William Eric Hehman, Chief Executive Officer
- Gregory S. Van Wyk, Executive Vice President

Austin Asset has an Investment Policy Committee

The Chief Investment Officer chairs this committee and the committee typically meets monthly to discuss current market issues, investment philosophy, and/or allocation changes.

Austin Asset offers the following advisory services to our clients:

### WEALTH MANAGEMENT

Austin Asset provides ongoing advice to clients regarding the investment of assets based on their particular needs. Through discussions of a client's personal circumstances, objectives and goals are established, and a personalized investment policy statement is created. We then manage the portfolio based on that investment policy statement.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States government securities
- Options contracts on securities

Because some types of investments involve certain additional degrees of risk, we will only implement/ recommend ones that are consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.



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## WEALTH PLANNING

Austin Asset provides Wealth Planning services which are an evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the Wealth Planning process, we consider pertinent information and analysis that may impact or be impacted by the financial and life situation of the client. Clients purchasing this service receive a written report providing a detailed financial plan designed to assist the client in achieving his or her financial goals and objectives.

In general, the financial plan may address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's historical income tax, spending and saving habits, as well as plans for future expenditures and then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's needs of disability income, estate liquidity, and income needs of surviving dependents.
- **ESTATE:** We assist the client in assessing and developing appropriate long-term strategies including living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, and/or insurance agent. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

As with individual portfolio management, our Wealth Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States government securities
- Options contracts on securities

Typically, the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.



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## CONSULTING SERVICES

Austin Asset also provides expert witness work including counsel on areas of concern such as estate planning, retirement planning, or other specific topics regarding investment and financial issues 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 generic in nature.

## ASSETS UNDER MANAGEMENT

As of December 31, 2019, we managed \$1,021,522,641 of client assets on a discretionary basis and \$18,181,628 on a non-discretionary basis for a total of \$1,039,704,269.

## Item 5 Fees and Compensation

### WEALTH MANAGEMENT FEES

In consideration of the services provided by Austin Asset, Client will pay an annual fee (the "Fee") to Austin Asset based on Client's Accounts' assets under management ("AUM"). The Fee shall be calculated as follows:

\$5,000 as flat fee; plus:

0.65% of the amount up to \$7,500,000 AUM

0.40% of the amount from \$7,500,001 to \$15,000,000 AUM

0.30% of the amount from \$15,000,001 to \$25,000,000 AUM

0.25% of the amount over \$25,000,000 AUM

The Fee is calculated on a cumulative basis and is payable in quarterly installments in advance. AUM is determined on a quarterly basis. For each Account within the total of AUM, valuation is determined, as near as practicable, as of the last business day of the calendar quarter ended for which tracking is provided. AUM includes all assets in Client's Accounts.

If the assets in the Accounts are insufficient to satisfy the Fee, Austin Asset shall invoice Client for the Fee and Client shall pay such invoiced amount no later than fifteen (15) days after its receipt thereof. In the event of a termination of this Agreement, a *pro rata* portion of the Fee, based on the number of days remaining in that calendar quarter, shall be refunded by Austin Asset to Client, minus any amounts owed to Austin Asset for Account Expenses (defined herein) and any reserves or holdbacks for expenses.

The minimum annual fee is \$5,000. From time to time, external discretionary asset values are temporarily unavailable. In such circumstances, Austin Asset attempts to retrieve the value as of the last day of the quarter. If not available, fees will be calculated once values are obtained. Clients with contracts prior to May 1, 2019 will remain on their existing fee schedule until they are changed to the current fee schedule by their written authorization. Although Austin Asset has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a limited client-by-client basis. Each client's fee schedule is identified in the contract between adviser and client.

We may group related client accounts for the purposes of achieving the minimum account size requirements and determining annualized fees. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

#### Austin Asset

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## WEALTH PLANNING FEES

Austin Asset's Wealth Planning fees are 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.

Wealth Planning fees are calculated and charged on a fixed fee basis, typically ranging from \$4,000 to \$8,000 and may be higher in more complex situations.

We request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$1,200 for work that will not be completed within six months.

## GENERAL INFORMATION

**Termination of the Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of an agreement, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we prorate the reimbursement according to the number of days remaining in the billing period.

**Mutual Fund Fees:** All fees paid to Austin Asset 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 fund expenses and our fees to fully understand the total amount of fees to be paid by the client and to evaluate the advisory services being provided.

**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, transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**ERISA Accounts:** Austin Asset 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"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. 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, Austin Asset 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 Austin Asset'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.



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**Direct Deduction of Fees:** Investment management fees are typically deducted from clients' accounts at the Custodian or occasionally billed directly to clients as fees are incurred. Clients may select either method. We bill for wealth management fees quarterly in advance, and we receive written authority from the Client to directly deduct the fees from the account held with the Custodian selected by the Client. 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.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. 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.

Since we have client passwords to perform investment transactions for some client accounts, those accounts are subject to an annual surprise audit by an independent auditor.

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

Austin Asset does not charge performance-based fees.

## Item 7 Types of Clients

Austin Asset provides advisory services to the following types of clients:

- High net worth individuals
- Individuals (other than high net worth individuals)
- Pension and profit sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above

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

### METHODS OF ANALYSIS

Austin Asset believes that diversification spreads risk, that risk and return are related, and that the asset allocation decision is the primary determinant of a portfolio's risk and expected return. Additionally, it is our belief that investors are better rewarded for taking risk in equities than in fixed income. Our equity allocation is diversified globally, minimizing concentrations in any one company, industry, or asset class. The fixed income allocation is composed of high quality, short-term debt instruments in order to minimize interest rate and default risks.

The equity allocation is exposed to three risk premiums that academic studies have shown to produce returns: the equity risk premium, the value premium, and the small company premium. These risk premiums can explain over 96% of an equity portfolio's variation in return. Utilizing institutional share class mutual funds, we build a total





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market portfolio properly engineered to capture the risk premiums with low transaction costs and minimal portfolio turnover.

Since the asset allocation decision is the primary determinant of a portfolio's risk and expected return, we monitor portfolios to keep the allocation in balance. Rebalancing will occur when an asset class reaches either the minimum or maximum tolerance level as outlined by the Investment Policy Statement. Maintaining the relationship between a client's goals and wealth should ultimately determine the asset allocation decision. Therefore, we develop an asset allocation which we believe has the highest probability of achieving that goal. Asset allocation changes are not made in an attempt to time markets or in reaction to short-term volatility. Allocation changes will occur to achieve further diversification, to improve the risk return relationship, or to adjust to changes in a client's goal.

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Asset Allocation.** 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 goals and risk tolerance.

A risk of asset allocation is that a 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.

**Mutual Fund and/or ETF Analysis.** We look at the strategy of the mutual fund or ETF in an attempt to determine if that fund has a similar investment philosophy to Austin Asset. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

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.

**Risks for all forms of analysis.** 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.

## INVESTMENT STRATEGIES

Austin Asset develops investment strategies tailored to each client relationship. Sound investment solutions, nurtured over time, help cultivate wealth amassed over a lifetime. We strive for the highest probability of achieving our clients' unique financial goals by properly identifying the prudent level of risk necessary to achieve those goals.

Austin Asset utilizes an Investment Policy Committee which establishes and monitors the investment philosophy of the firm. There are currently ten members on this committee, all of whom are CERTIFIED FINANCIAL PLANNER™ practitioners. The committee meets monthly to examine and refine the firm's investment philosophy.

Clients work with a CERTIFIED FINANCIAL PLANNER™ practitioner through the Wealth Planning process to create a model that drives the formulation of the investment portfolio. Portfolios are tracked against a targeted asset



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allocation and reviewed for rebalancing opportunities. Clients are encouraged to meet with their Wealth Management team at least once per year to review and update the plan and make any necessary adjustments. We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the intent of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently underweighted, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we might not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Risk of Loss.** Securities investments are not guaranteed, and you may lose money on your investments. We ask that clients work with us to help us understand their tolerance for risk.

## 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 and have no other industry affiliations.

## Item 11 Code of Ethics, Participation or Interest in Client Transactions 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.

Austin Asset and our personnel owe a duty of loyalty, fairness and good faith toward 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.



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Austin Asset's Code of Ethics further includes the firm's policy prohibiting the use of material 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 [compliance@austinasset.com](mailto:compliance@austinasset.com), or by calling us at (512) 453-6622.

Our Code of Ethics is designed to ensure 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.

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.

## Item 12 Brokerage Practices

Austin Asset will endeavor to select those brokers or dealers which provide the best services at the most reasonable commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help Austin Asset in providing investment management services to clients. Austin Asset may, therefore, recommend (or use) a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all our clients, and not all such research may be useful for the account for which the particular transaction was effected.

Consistent with obtaining best execution for clients, Austin Asset may direct brokerage transactions for clients' portfolios to brokers who provide research and execution services to Austin Asset and, indirectly, to Austin Asset's clients. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment our own internal research and investment strategy capabilities. This may be done without prior agreement or understanding by the client (and done at our discretion). Research services obtained through the use of soft dollars may be developed by brokers to whom brokerage is directed or by third-parties which are compensated by the broker. Austin Asset does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research we receive will help us to fulfill our overall duty to our clients. Austin Asset might not use each research service, however, to service each client. As a result, a client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client. Broker-dealers we select may be paid commissions for effecting transactions for our clients that exceed the amounts other broker-dealers would have charged for effecting these transactions if Austin Asset determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or our overall duty to its ('brokerage') discretionary client accounts.

When Austin Asset uses client brokerage commissions to obtain research or brokerage services, we receive a benefit to the extent that Austin Asset does not have to produce such products internally or compensate third-parties with our own money for the delivery of such services. Therefore, such use of client brokerage commissions results in a conflict of interest because we have an incentive to direct client brokerage to those brokers who



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provide research and services we utilize, even if these brokers do not offer the best price or commission rates for our clients.

Within our last fiscal year, we have obtained products and services described in this section that may be considered to have been on a soft-dollar basis.

Brokers that we select to execute transactions may from time to time refer clients to our firm. Austin Asset will not make commitments to any broker or dealer to compensate that broker or dealer through brokerage or dealer transactions for client referrals; however, a conflict of interest arises between the client's interest in obtaining best price and execution and Austin Asset's interest in receiving future referrals.

Clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

As a matter of policy and practice, Austin Asset does not generally block client trades and, therefore, executes client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisors who block client trades.

Trades are typically reviewed and reconciled the next business day after trades are placed. Occasionally, the Firm may make an error in submitting a trade order on your behalf. When this occurs, Advisor may place a correcting trade with the broker-dealer which has custody of your account. If an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account and Schwab is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, the Firm will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted. The Firm maintains a trade error folder that includes the documentation and resolution of the trade error.

If a trade error results in a profit at Fidelity, the trade error net gain will be maintained by the executing broker-dealer and you will not keep the profit. The Firm has the discretion to determine whether or not gains might be given to a charity of choice.

Austin Asset recommends that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Austin Asset is independently owned and operated and not affiliated with Schwab.

Schwab provides Austin Asset with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab'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.



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For our client accounts maintained in its custody, Schwab 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 through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit Austin Asset 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.

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

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

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- compliance, legal and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Austin Asset. Schwab Institutional 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 Institutional may also provide other benefits such as educational events or occasional business entertainment to our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we 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, which creates a conflict of interest.

Austin Asset has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides our firm with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like Austin Asset in conducting business and in serving the best interests of our clients but that may also benefit us.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables Austin Asset to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Fidelity also makes available to our firm, at no additional charge to us, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by Austin Asset (within specified parameters). These research and brokerage services are used by our firm to manage accounts for which we have investment discretion.

Without this arrangement, we might be compelled to purchase the same or similar services at our own expense. As a result of receiving such services for no additional cost, we have an incentive to continue to use or expand the use of Fidelity's services. We examined this conflict of interest when we chose to enter into the relationship with



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Fidelity and have determined that the relationship is in the best interests of Austin Asset's clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while Austin Asset will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. Austin Asset and Fidelity are not affiliated.

## Item 13 Review of Accounts

### WEALTH MANAGEMENT

**Reviews:** While the underlying securities within clients' accounts are continually monitored, the accounts themselves are reviewed at least quarterly. 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 Jonathan Davison, Chief Investment Officer and Will Wike, Manager – Wealth Management.

**Reports:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings.

### 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 Wealth Planning clients unless otherwise contracted for.

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

### CONSULTING SERVICES

**Reports:** Consulting Services clients will not typically receive reports due to the nature of the service.

## Item 14 Client Referrals and Other Compensation

### CLIENT REFERRALS

Austin Asset pays referral fees to Charles Schwab & Co. (Schwab) for introducing clients to us. (We no longer participate in Schwab's Advisor Network, but may still pay referral fees from current clients who were referred to us through that service.)



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As a matter of firm practice, the advisory fees paid to us by clients referred by Schwab are not increased as a result of any referral.

It is Austin Asset'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.

## 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.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. 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.

We do not have physical custody of client assets; however, since we have client passwords to perform investment transactions for some client accounts, those accounts are subject to an annual surprise audit by an independent auditor. Clients may have standing letters of authorization on their accounts. We have reviewed those relationships and determined that they meet the IAA no action letter seven conditions and do not trigger the surprise custody audit.

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

## Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, 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



# Austin Asset

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custodian 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

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. As an advisory firm that maintains discretionary authority for client accounts and is deemed to have custody, we are required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Austin Asset has no additional financial circumstances to report.

Austin Asset has not been the subject of a bankruptcy petition at any time during the past ten years.

### Confidentiality

Protecting client privacy is very important to Austin Asset. Austin Asset views protecting its clients' private information as a top priority. Pursuant to the requirements of the Gramm-Leach-Bliley Act, Austin Asset has instituted policies and procedures to ensure that customer information is kept private and secure. Austin Asset does not disclose any non-public personal information about its clients or former clients to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client account, Austin Asset may share some information with its service providers, such as, but not limited to, transfer agents, custodians, broker/dealers, accountants, and lawyers.

Austin Asset restricts internal access to non-public personal information about its clients to those employees who need to know that information in order to provide products or services to the client. Austin Asset maintains physical and procedural safeguards that comply with federal standards to guard a client's non-public personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be Austin Asset's policy never to sell information about current or former customers or their accounts to anyone. It is also Austin Asset's policy not to share information unless required to process a transaction, at the request of Austin Asset customer, or as required by law.

A copy of Austin Asset's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the advisory agreement. Thereafter, Austin Asset will deliver a copy of the current privacy policy notice to its clients prior to changing its sharing practices.





## Part 2B of Form ADV: Brochure Supplement

Clayton Boone, CRD #5335696  
James Coffman, CRD #2765150  
Jonathan Davison, CRD #4559738  
Jessica Forrest, CRD #1812899  
W. Eric Hehman, CRD #4340147  
Jamie Ileks, CRD #6088827  
Kristin Jaggard, CRD #6635077  
James Kerr, CRD #2850646  
Ryann Marotta, CRD #5363047  
MaryBeth Meyer, CRD #4831666  
Thomas Stevenson, CRD #5957044  
Greg Van Wyk, CRD # 4189858  
William Wike, CRD #5514440

March 14, 2020

This brochure supplement provides information about the Firm's Supervised Persons that supplements the Austin Asset brochure. You should have received a copy of that brochure. Please contact us at (512) 453-6622 or [compliance@austinasset.com](mailto:compliance@austinasset.com) if you did not receive Austin Asset's brochure or if you have any questions about the contents of this supplement.

Additional information about the Firm's Supervised Persons is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



# Austin Asset

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## Item 2 Educational Background and Business Experience

### Supervised Persons

**Full Legal Name: Clayton Frazier Boone**  
**Born: 1984**

#### Education:

- The University of Texas at Arlington, TX – B.A. Business Administration and Finance, 2006

#### Business Experience:

- Austin Asset; Austin, TX, Manager - Wealth Planning from March 2019 to Present
- Dimensional Fund Advisors, Austin, TX, Senior Associate, from June 2014-March 2019
- Fidelity Investments, Lewisville, TX, Inbound Sales Representative, October 2008 to May 2014

#### Designations:

Clayton Frazier Boone has earned the following designation(s) and is in good standing with the granting authority:

- Chartered Financial Analyst (CFA); CFA Institute; June 2014
- CERTIFIED FINANCIAL PLANNER™ (CFP®); Certified Financial Planner Board of Standards, Inc.; 2019

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**Full Legal Name: James Barry Coffman**  
**Born: 1942**

#### Education:

- Sam Houston State University; Bachelor of Business Administration, Business; 1965

#### Business Experience:

- Austin Asset; Manager-Wealth Planning; from January 1997 to Present

#### Designations:

James Barry Coffman has earned the following designation(s) and is in good standing with the granting authority:

- Chartered Financial Analyst (CFA); CFA Institute; 1972
- Certified Public Accountant (CPA); Texas State Board of Public Accountancy; 1992
- CERTIFIED FINANCIAL PLANNER™ (CFP®); Certified Financial Planner Board of Standards, Inc.; 1996

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**Full Legal Name: Jonathan David Davison**  
**Born: 1980**

#### Education:

- Baylor University; BBA, Financial Planning and Risk Management; 2002

#### Business Experience:

- Austin Asset; Chief Investment Officer; from April 2014 to Present
- Austin Asset; Director of Portfolio Management; from December 2010 to April 2014
- Austin Asset; Portfolio Manager; from July 2007 to December 2010
- Austin Asset; Paraplanner; from June 2006 to July 2007



# Austin Asset

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## Designations:

Jonathan David Davison has earned the following designation(s) and is in good standing with the granting authority:

- CERTIFIED FINANCIAL PLANNER™ (CFP®); Certified Financial Planner Board of Standards, Inc.; 2006

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**Full Legal Name: Jessica Moller Forrest**

**Born: 1964**

## Education:

- St. Edwards University, Austin, TX – MBA, 2015
- St. Edwards University, Austin, TX – BBA, 2009

## Business Experience:

- Austin Asset; Austin, TX, Manager-Wealth Management; from January 2020 to Present
- Coyle Capital, LLC, Austin, TX, Investment Adviser Representative, from April 2018-January 2020
- SGH Management Company LLC, Austin, TX, Investment Officer, from February 2018-April 2019
- Alpha Capital Management, Austin, TX, Operations, from January 2004-February 2018

## Designations:

Jessica Moller Forrest has earned the following designation(s) and is in good standing with the granting authority:

- CERTIFIED FINANCIAL PLANNER™ (CFP®); Certified Financial Planner Board of Standards, Inc.; May 2007

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**Full Legal Name: William Eric Hehman**

**Born: 1974**

## Education:

- The University of Texas at Austin; Bachelor of Arts, economics; 1997

## Business Experience:

- Austin Asset; Chief Executive Officer; from May 2007 to Present
- Austin Asset; Chief Operations Officer; from March 2002 to April 2007

## Designations:

William Eric Hehman has earned the following designation(s) and is in good standing with the granting authority:

- CERTIFIED FINANCIAL PLANNER™ (CFP®); Certified Financial Planner Board of Standards, Inc.; 2000

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**Full Legal Name: Jamie Key Ileks**

**Born: 1968**

## Education:

- University of Texas at Arlington; Masters, Business Administration; 1995
- Texas A&M University; Bachelor of Arts, Accounting; 1990

## Austin Asset

7200 N. Mopac, Suite 315  
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**Fax** 512.453.4253

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[compliance@austinasset.com](mailto:compliance@austinasset.com)



# Austin Asset

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## Business Experience:

- Austin Asset; Senior Associate-Wealth Planning; from January 2016 to Present
- Austin Asset; Associate-Wealth Planning; from July 2007 to January 2016
- Whole Foods Market; Senior Business Analyst; from May 1998 to June 2007

## Designations:

Jamie Key Ileks has earned the following designation(s) and is in good standing with the granting authority:

- CERTIFIED FINANCIAL PLANNER™ (CFP®); Certified Financial Planner Board of Standards, Inc.; 2012
- Certified Public Accountant (CPA); Texas State Board of Public Accountancy; 1992

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**Full Legal Name: Kristin Lee Jaggard**

**Born: 1968**

## Education:

- California State University San Marcos, Bachelor of Science, Business Administration – Accounting; 1992

## Business Experience:

- Austin Asset; Chief Financial Officer; from January 2020 to Present
- Austin Asset; Senior Associate - Wealth Planning; from April 2016 to January 2020
- Austin Asset; Associate - Wealth Planning; from March 2014 to April 2016
- Paul Garcia & Associates, Accountant; from February 2003 to March 2014
- TCW Management LLC – Accountant/Executive Assistant; from September 2007 to February 2014

## Designations:

Kristin Lee Jaggard has earned the following designation(s) and is in good standing with the granting authority:

- CERTIFIED FINANCIAL PLANNER™ (CFP®); Certified Financial Planner Board of Standards, Inc.; 2016
- Enrolled Agent (EA); Internal Revenue Service; 2016

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**Full Legal Name: James Daugherty Kerr**

**Born: 1953**

## Education:

- The University of Texas at Austin; Bachelor of Arts, Sociology, 1978

## Business Experience:

- Austin Asset; Manager-Wealth Planning from July 2002 to Present

## Designations:

James Daugherty Kerr has earned the following designation(s) and is in good standing with the granting authority:

## Austin Asset

7200 N. Mopac, Suite 315  
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[www.austinasset.com](http://www.austinasset.com)  
[compliance@austinasset.com](mailto:compliance@austinasset.com)



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- Accredited Financial Counselor (AFC®); Association for Financial Counseling & Planning Education®; 2019
- CERTIFIED FINANCIAL PLANNER™ (CFP®); Certified Financial Planner Board of Standards, Inc.; 2001
- Chartered Life Underwriter (CLU®); The American College, 2011
- Enrolled Agent (EA); Internal Revenue Service; 2009
- Life and Health Insurance Counselor; Texas Department of Insurance; 2000

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**Full Legal Name: Ryann Alexis Marotta**

**Born: 1983**

**Education:**

- University of Florida, Gainesville, FL; Master of Arts, International Business; 2006
- University of Florida, Gainesville, FL; Bachelor of Science, BA, Finance; 2005

**Business Experience:**

- Austin Asset; Austin, TX, Manager - Wealth Management; from May 2017 to Present
- Vested Finance, Inc., Austin, TX, Senior Vice President, Finance, from July 2015 to April 2017
- Northern Trust Securities, West Palm Beach, FL, Senior Relationship Manager, from October 2010 to June 2015

**Designations:**

Ryann Alexis Marotta has earned the following designation(s) and is in good standing with the granting authority:

- Chartered Financial Analyst (CFA); CFA Institute; August 2014
- CERTIFIED FINANCIAL PLANNER™ (CFP®); Certified Financial Planner Board of Standards, Inc.; 2018

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**Full Legal Name: MaryBeth Christine Meyer**

**Born: 1982**

**Education:**

- The University of Texas at Austin, TX; Bachelor of Arts, Economics; 2003

**Business Experience:**

- Austin Asset; Manager - Wealth Planning; from April 2014 to Present
- Austin Asset; Senior Associate - Wealth Planning; from December 2010 to April 2014
- Austin Asset; Paraplanner; from November 2009 to December 2010
- Frost Bank; Senior Sales Associate; from February 2004 to August 2009

**Designations:**

MaryBeth Christine Meyer has earned the following designation(s) and is in good standing with the granting authority:

- CERTIFIED FINANCIAL PLANNER™ (CFP®); Certified Financial Planner Board of Standards, Inc.; 2011
- Life and Health Insurance Counselor; Texas Department of Insurance; 2011



# Austin Asset

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**Full Legal Name: Thomas James Stevenson**  
**Born: 1991**

**Education:**

- Baylor University, Waco, TX; Bachelor of Arts, Economics, 2009-2013
- Texas A&M University, College Station, TX, Attended: 2011-2011

**Business Experience:**

- Austin Asset; Austin, TX, Wealth Planning Supervisor from January 2020 to Present
- Austin Asset; Austin, TX, Service Advisor-Wealth Planning from June 2018 to January 2020
- Austin Asset; Austin, TX, Senior Associate-Wealth Planning from May 2017 to June 2018
- Austin Asset; Austin, TX, Associate-Wealth Planning from April 2016 to May 2017
- Austin Asset; Austin, TX, Associate-Wealth Management from November 2014 to April 2016
- Lucien, Stirling & Gray Advisory Group, Austin, TX, Dealer Interface Manager from September 2013 to November 2014

**Designations:**

Thomas James Stevenson has earned the following designation(s) and is in good standing with the granting authority:

- CERTIFIED FINANCIAL PLANNER™ (CFP®); Certified Financial Planner Board of Standards, Inc.; August 2016
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**Full Legal Name: Gregory Scott Van Wyk**  
**Born: 1977**

**Education:**

- The University of Texas at Austin; Bachelor of Arts, Economics; 2001

**Business Experience:**

- Austin Asset; Executive Vice President; from March 2010 to Present
- Austin Asset; Director of Financial Planning; from March 2009 to March 2010
- Austin Asset; Manager of Financial Planning from March 2007 to March 2009
- Austin Asset; Planning Support Manager from March 2005 to March 2007

**Designations:**

Gregory Scott Van Wyk has earned the following designation(s) and is in good standing with the granting authority:

- CERTIFIED FINANCIAL PLANNER™ (CFP®); Certified Financial Planner Board of Standards, Inc.; 2003
- 

**Full Legal Name: William Thomas Wike**  
**Born: 1980**

**Education:**

- The University of Texas at Austin; Bachelor of Science, Sociology; 2003

Austin Asset  
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[compliance@austinasset.com](mailto:compliance@austinasset.com)



# Austin Asset

Part 2 of Form ADV: Firm Brochure

## Business Experience:

- Austin Asset; Manager – Wealth Planning; from 08/2017 to Present
- Austin Asset; Manager - Wealth Management; from 01/2015 to 08/2017
- Austin Asset; Senior Associate - Wealth Management; from 07/2012 to 01/2015
- Austin Asset; Associate - Wealth Planning; from 02/2012 to 07/2012
- Ames & Weinheimer, LLC; Paraplanner; from 03/2010 to 01/2012
- Camber, LLC; Partner; from 03/2009 to 03/2010
- Ames & Weinheimer, LLC; Intern; from 03/2008 to 03/2009

## Designations:

William Thomas Wike has earned the following designation(s) and is in good standing with the granting authority:

- CERTIFIED FINANCIAL PLANNER™ (CFP®); Certified Financial Planner Board of Standards, Inc.; 2012

## Professional Certifications

Austin Asset's supervised persons may maintain professional designations, which required the following minimum requirements:

### *Designation Descriptions*

**Accredited Financial Counselor (AFC®) designation:** The gold standard: Comprehensive life-cycle financial education, providing the knowledge and skills to assist clients in complex financial decision-making. Educational eligibility requirements have been established to ensure that individuals certified by AFCPE® have the appropriate level of education, knowledge and proficiency necessary to provide financial counseling services as an AFC® professional. Candidates must then sit for the AFC® exam. Candidates must complete 1,000 hours of financial counseling experience and submit three letters of reference attesting to your professional competence. Candidates sign and adhere to the AFC® Code of Ethics. To maintain certification, professionals must submit an annual fee, meet the CEU requirements, and abide by a code of ethics. See more at: <https://www.afcpe.org/certification-and-training/accruited-financial-counselor/>

**Chartered Financial Analyst designation:** the charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 90,000 CFA charter holders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

**Certified Financial Planner (CFP®) designation:** In order to achieve and maintain certification, CFP® professionals must: 1) pass the comprehensive CFP® Certification Examination, 2) pass the CFP Board's Fitness Standards for Candidates and Registrants, 3) agree to abide by CFP Board's Code of Ethics and Professional Responsibility and Rules of Conduct which put clients' interests first, 4) comply with the Financial Planning Practice Standards which spell out what clients should be able to reasonably expect from the financial planning engagement, and 5) complete 30 hours of continuing education (including 2 hours of approved Ethics CE) every two years. - See more at: <http://www.cfp.net/become-a-cfp-professional/cfp-certification-requirements#sthash.qwXJz3yF.dpuf>.



**Certified Public Accountant** designation: licensure is governed by State Boards of Accountancy.

The CPA license is a voluntary certification; no federal or state law or regulation requires financial planners to hold a CPA license. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. There are approximately 76,000 individuals that have obtained a CPA license in the State of Texas.

To attain the right to use the CPA license, an individual must satisfactorily fulfill the following requirements:

- **Education** – Requirements vary by state/jurisdiction. Most states (including Texas) require 150 semester hours in a Bachelors Degree; Within those 150 hours, Texas requires the following:
  - 30 semester hours or equivalent quarter hours of upper level accounting courses (15 hours requires physical attendance on campus; 2 credit hours required in accounting or taxation research and analysis);
  - 24 semester hours or quarter hour equivalents of upper level related business courses (2 hours of accounting or business communications are required), and
  - 3 semester hours in a Board-approved ethics course.
- **Examination** – the Uniform Certified Public Accountant (CPA) Examination is the examination that an individual must pass in order to qualify for licensure as a Certified Public Accountant (CPA) in any of the 55 U.S. jurisdictions (the 50 states, the District of Columbia, Puerto Rico, U.S. Virgin Islands, Guam, and the Commonwealth of Northern Mariana Islands).

CPAs are the only licensed accounting professionals. CPA licenses are issued by state boards of accountancy in the 55 jurisdictions – there is no national CPA licensure process in the U.S.

The purpose of the Uniform CPA Examination is to provide reasonable assurance to Boards of Accountancy (the state entities that have statutory authority to issue licenses) that those who pass the CPA Examination possess the level of technical knowledge and the skills necessary for initial licensure in protection of the public interest. Public interest is protected when only qualified individuals are admitted into the profession.

The Uniform CPA Examination currently consists of four sections: Auditing and Attestation (AUD), Business Environment and Concepts (BEC), Financial Accounting and Reporting (FAR), and Regulation (REG). These four sections represent a total of 14 hours of testing.

- **Experience** – As for experience, most states/jurisdictions require at least two years public accounting experience. Texas requires one year work experience in the following categories or in any combination of these: client practice of public accountancy, industry, government, law firm, education, or internship. The board, on a case-by-case basis, may approve other areas of work experience which are recognized as non-routine accounting work.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CPA license:

- **Continuing Education** – As for continuing professional education (CPE), most states/jurisdictions require an average of 40 hours of CPE per year. Texas requires annual registration with a minimum of 120 hours in each three-year period





# Austin Asset

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**Chartered Life Underwriter (CLU®)** is an advanced insurance professional certification. The CLU® mark is the property of The American College, which reserves sole rights to its use, and is used by permission.

The CLU® certification is a voluntary certification; no federal or state law or regulation requires financial planners or insurance counselors to hold the mark.

To attain the right to use the CLU® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study on the insurance needs of individuals, business owners and professional clients. Courses include subject areas such as insurance planning, individual life insurance, life insurance law, fundamentals of estate planning, and planning for business owners and professionals;
- Experience – Complete at least three years of related full-time business experience planning-related experience (or the equivalent, measured as 2,000 hours per year);
- Ethics – Agree to be bound by the school's Code of Ethics outlining the professional pledge and canons;
- Continuing Education – Complete 30 hours of continuing education hours every two years to maintain competence and keep up with developments in the financial and insurance planning field.

**Enrolled Agent (EA)** is a person who has earned the privilege of practicing, that is, representing taxpayers, before the Internal Revenue Service. Enrolled agents, like attorneys and certified public accountants (CPAs), are unrestricted as to which taxpayers they can represent, what types of tax matters they can handle, and which IRS offices they can practice before.

- Examination – In lieu of past IRS experience, one can become an enrolled agent by demonstrating special competence in tax matters by taking a written examination. This track requires that you apply to take the Special Enrollment Examination (SEE) and achieve a passing score on all three parts of the SEE. The length of each part is 3.5 hours. The parts of the examination are:
  - SEE1 Part 1 – Individuals
  - SEE2 Part 2 - Businesses
  - SEE3 Part 3 - Representation, Practices and Procedures
- Continuing Education – In order to maintain the license, enrolled agents must complete 72 hours of Continuing Professional Education (CPE) within a 3 year cycle. The IRS enforces a 16 hour minimum per year and requires 2 hours on Ethics per year.

**Life and Health Insurance Counselor** designation: is a license offered by the Texas Department of Insurance that allows one to examine, advise, and recommend certain products including life insurance, annuities, and health insurance.

- Examination – Advisors who have the CLU®, ChFC® or CFP® designations are exempt from the exam requirement.
- Continuing Education – Complete 24 hours of continuing education hours every two years, including two hours on Ethics. 50% of the hours must be classroom or classroom equivalent.

## Item 3 Disciplinary Information

Neither Austin Asset nor any Supervised Persons have been involved in any activities resulting in a disciplinary disclosure.

## Item 4 Other Business Activities

Our firm and our Supervised Persons are not engaged in other financial industry activities, investment-related activities, and are not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of the Supervised Person's time.



# Austin Asset

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## Item 5 Additional Compensation

Our firm and our Supervised Persons do not receive any economic benefit from a non-advisory client for the provision of advisory services and do not receive commissions, bonuses or other compensation on the sale of securities or other investment products. All employees are eligible for a bonus payment based on the first year planning fee/asset under management fee for new external client referrals.

## Item 6 Supervision

**Supervisor:** Jonathan Davison

**Title:** Chief Investment Officer

**Phone Number:** (512) 453-6622

The firm continuously supervises account activity and Supervised Persons through various means. The CCO's personal securities transactions are reviewed by the CCO Designee. Reports of account activity are generated and reviewed firm-wide on a daily basis. Financial planners and portfolio managers review client accounts at least quarterly for possible rebalancing. Factors that would trigger prompt review of a client account would be changes in their investment objectives, financial needs, and or substantial market moves. Supervised Persons are monitored through weekly team meetings, periodic department meetings, and quarterly one-on-one meetings. In addition, the firm utilizes correspondence and communication tracking technology and software to periodically review communications between Supervised Persons and clients.

