

# ADV PART 2A

## FIRM BROCHURE

03/31/2021



Hausman Advisors, LLC

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This Brochure provides information about the qualifications and business practices of Hausman Advisors, LLC (CRD# 152681). If you have any questions about the contents of this Brochure, you may contact us at (503) 922-3010, or email [jason@hausmanadvisors.com](mailto:jason@hausmanadvisors.com) to obtain answers and additional information. Hausman Advisors, LLC is a registered investment advisor with the Securities and Exchange Commission. Registration of an investment adviser does not imply any level of skill or training. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC).

Additional information about Hausman Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

This Item of the Brochure will discuss only specific material changes that are made to the Brochure since the last annual update and provide clients with a summary of such changes.

Our current Brochure has been updated as follows:

We have removed Item 19-Requirements for State-Registered Advisers as Hausman Advisors is transitioning to registration with the Securities and Exchange Commission.

Additionally, please note that we have updated the Assets Under Management information in Item 4 in accordance with the filing of our Annual Updating Amendment on March 8, 2021.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Any material changes and amendments to the Form ADV Part 2 will be made within 30 days of the event.

Currently, our Brochure may be requested by contacting Jason Smith, Managing Member & Chief Compliance Officer at (503) 922-3010, or by sending an email to [Jason@hausmanadvisors.com](mailto:Jason@hausmanadvisors.com).

Additional information about Hausman Advisors is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Hausman Advisors who are registered, or are required to be registered, as investment adviser representatives of Hausman Advisors.

(Brochure Date: 03/31/2021)

(Date of Most Recent Annual Updating Amendment: 03/08/2021)

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## Item 4 – Advisory Business

Hausman Advisors, LLC (“Hausman Advisors” “we” “us” and “Advisor”) is an Oregon Limited Liability Company registered as an investment advisor. Our principal places of business are Portland and Hood River, Oregon. Jason Smith, CFP®, is the Principal Owner, Managing Member and Chief Compliance Officer of Hausman Advisors, LLC, which was founded in 2009. Hausman Advisors was first registered with the SEC in February 2010 and multiple states in 2012.

As of December 31, 2020, Hausman Advisors managed \$105,159,302 on a discretionary basis and \$0 on a nondiscretionary basis.

### **Investment Management Services:**

Hausman Advisors manages investment portfolios for individuals, qualified retirement plans, trusts, corporations and small businesses. Hausman Advisors will work with a client to determine the client's investment objectives and investor risk profile and will design a written investment policy statement. Hausman Advisors uses investment and portfolio allocation software to evaluate alternative portfolio designs. Hausman Advisors evaluates the client's existing investments with respect to the client's investment policy statement. Hausman Advisors works with new clients to develop a plan to transition from the client's existing portfolio to the portfolio recommended by Hausman Advisors. Hausman Advisors will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and hold review meetings with the client regarding the account as necessary.

Hausman Advisors will typically create a portfolio of no-load mutual funds, and may use model portfolios if the models match the client's investment policy. Hausman Advisors will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. Hausman Advisors primarily recommends portfolios consisting of passively managed asset class and index mutual funds, such as Dimensional Fund Advisors (DFA). DFA sponsored mutual funds follow a passive asset class investment philosophy with low holdings turnover. Client portfolios may also include some individual equity securities in situations where disposition of these securities would present an overriding tax implication or the client specifically requests they be retained for a personal reason. These situations will be specifically identified in the client's Investment Policy Statement (IPS).

Hausman Advisors manages mutual fund and equity portfolios on a discretionary or nondiscretionary basis. A client may impose any reasonable restrictions on Hausman Advisors' discretionary authority, including restrictions on the types of securities in which Hausman Advisors may invest client's assets and on specific securities, which the client may believe to be appropriate.

Hausman Advisors may also recommend fixed income portfolios to investment management clients, which consist of managed accounts of individual bonds. Hausman Advisors will request discretionary authority from

investment management clients to manage fixed income portfolios, including the discretion to retain a third party fixed income manager.

Pursuant to its discretionary authority, Hausman Advisors will retain a fixed income securities manager. The fixed income securities manager will be provided with the discretionary authority to invest client assets in fixed income securities. The manager will also monitor the account for changes in credit ratings, security call provisions, and tax loss harvesting opportunities (to the extent that the manager is provided with cost basis information). The manager will obtain Hausman Advisors' consent prior to the sale of any client securities.

On an ongoing basis, Hausman Advisors will answer clients' inquiries regarding their accounts and review periodically with clients the performance of their accounts. Hausman Advisors will periodically, and at least annually, review clients' investment policy, risk profile and discuss the re-balancing of each client's accounts to the extent appropriate. Hausman Advisors will provide to investment manager any updated client financial information or account restrictions necessary for investment manager to provide sub-advisory services.

In addition to managing the client's investment portfolio, Hausman Advisors may consult with clients on various financial areas including income and estate tax planning, business sale structures, college financial planning, retirement planning, insurance analysis, personal cash flow analysis, establishment and design of retirement plans and trust designs, among other things.

#### **Employee Benefit Retirement Plan Services:**

Hausman Advisors also provides advisory services to participant-directed retirement plans through third party administration services, which are online bundled service providers offering an opportunity for plan sponsors to provide their participants with daily account access, valuation, and investment education.

Hausman Advisors will analyze the plan's current investment platform, and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed. Hausman Advisors will recommend investment options to achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles.

Hausman Advisors will recommend changes in the plan's investment vehicles as may be appropriate from time to time. Hausman Advisors generally will review the plan's investment vehicles and investment policy as necessary.

For certain retirement plans, Hausman Advisors also works in coordination and support with Buckingham Strategic Partners, LLC. Retirement plan clients will engage both Hausman Advisors and Buckingham Strategic Partners, LLC. Buckingham Strategic Partners, LLC will provide to the client additional discretionary investment management services and will exercise discretionary authority to select the plan investments made available to the plans' participants by selecting and maintain the plans' investments according to the goals and investment objectives of the plan.

Hausman Advisors will continue to work with plans to monitor plan investments, provide fiduciary plan advice including regular considerations of the goals and objectives of the plan, and provide participant education services to the plan.

### **Financial Planning Services:**

In certain circumstances, Hausman Advisors also provides financial planning services as a stand-alone service apart from Investment Management services. Clients purchasing this service will typically receive a written financial plan, providing the client with a detailed financial plan designed to achieve their stated financial goals and objectives. The types of reports provided to clients will vary depending upon the services requested by the client.

In general, the financial planning will address any or all of the following areas of concern:

1. PERSONAL: Family records, budgeting, personal liability, estate information and financial goals.
2. EDUCATION: Education IRAs, financial aid, state savings plans, grants and general assistance in preparing to meet dependent's continuing educational needs through development of an education plan.
3. TAX & CASH FLOW: Income tax and spending analysis and planning for past, current and future years. Hausman Advisors may illustrate the impact of various investments on a client's current income tax and future tax liability.
4. DEATH & DISABILITY: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
5. RETIREMENT: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
6. INVESTMENTS: Analysis of investment alternatives and their effect on a client's portfolio.

Hausman Advisors gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed and various types of written reports may be prepared by Hausman Advisors. Should a client choose to implement the recommendations in the plan, Hausman Advisors suggests the client work closely with his/her attorney, accountant or insurance agent. Implementation of financial planning recommendations is entirely at the client's discretion.

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

In certain circumstances, all fees, account minimums and their applications to family circumstances may be negotiable.

Hausman Advisors has contracted with Buckingham Strategic Partners, LLC, for services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. Hausman Advisors has also contracted with Buckingham Strategic Partners, LLC for sub-advisory services with respect to clients' fixed income accounts. Hausman Advisors pays a fee for Buckingham Strategic Partners, LLC's services based on management fees paid to Hausman Advisors on accounts that use Buckingham Strategic Partners, LLC. The fee paid by Hausman Advisors to Buckingham Strategic Partners, LLC consists of a portion of the fee paid by clients to Hausman Advisors and varies based on the total client assets participating in Buckingham Strategic Partners, LLC through Hausman Advisors. These fees are not separately charged to advisory clients and the fee schedules disclosed below reflect the total advisory fees that clients are charged.

The specific manner in which fees are charged by Hausman Advisors is established in a client's written agreement with Hausman Advisors. Investment Management and Employee Benefit Plan clients will be invoiced in advance at the beginning of each calendar quarter based upon the value (market value based on independent third party sources or fair market value in the absence of market value; client account balances on which Hausman Advisors calculates fees may vary from account custodial statements based on independent third-party valuations and other accounting variances, including mechanisms for including accrued interest in account statements) of the client's account at the end of the previous quarter. New accounts are charged a prorated fee for the remainder of the quarter in which the account is inception (date of first trade). Hausman Advisors will send the qualified custodian written notice of the amount of the fee to be deducted from client account concurrently Hausman Advisors will send the client a written invoice itemizing the fee, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based. It is the client's responsibility to verify the accuracy of the fee calculation as the custodian will not determine whether the fee is properly calculated.

For Investment Management and Employee Benefit Plan Services, Hausman Advisors will request authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to Hausman Advisors or its designated service provider, Buckingham Strategic Partners, LLC, to withdraw fees from the account. Clients will receive custodial statements showing the advisory fees debited from their account(s). Certain third party administrators will calculate and debit Hausman Advisors' fee and remit such fee to Hausman Advisors.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. The

client has the right to terminate an agreement without penalty within five business days after entering into the agreement if the client has not received ADV Part 2 within 48 hours of signing the Agreement.

Hausman Advisors' fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians,

brokers, third party investment and other third parties such as fees charged by managers, custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. These fees will generally include a management fee and other fund expenses. All fees paid to Hausman Advisors for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders.

Such charges, fees and commissions are exclusive of and in addition to Hausman Advisors' fee, and Hausman Advisors shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Hausman Advisors considers in recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g., commissions).

### **Advisory Fees**

#### **Investment Management Services:**

The annual fee for investment management services will be charged as a percentage of assets under management, according to the schedule below:

<b>Assets under management</b>	<b>Annual Fee (%)</b>
First \$500,000	1.00%
Next \$2,500,000	0.75%
Next \$3,000,000	0.50%
Next \$1,000,000 or greater	0.40%

Hausman Advisors maintains a minimum account fee of \$5,000 annually. The client fee will never be in excess of 3% of the assets under management. Fees may be negotiable based on household relationship or individual circumstances and the level and scope of the services requested. Individual accounts for immediate family members (such as husband, wife, and dependent children) are aggregated, and the fee is charged based on the total value of all family members' accounts. The specific fee schedule charged by Hausman Advisors will be established in the client's written agreement with Hausman Advisors.

Hausman Advisors generally requires a minimum of \$500,000 for investment management services. Minimum relationship size and fees may be negotiable under certain circumstances. The client fee will never be in excess of 3% of the assets under management.

Certain pre-existing Investment Management Services clients may be on a different fee schedule.

Advisor shall have the right to amend the fee schedule above. Any such amendment shall be effective upon receipt of written Client acknowledgement agreeing to such revisions. All Client amendments must be in writing and signed by Advisor.

Fees are computed and billed quarterly, in advance, and are based on the market value of Client's Account on the last day of the month in the prior quarter. As set up by Client and agreed upon with Advisor, the "Account Value" and the applicable "Annual Fee" applied will include assets where Advisor is providing investment advice but Advisor does not have trading discretion. Fees will be prorated, on a monthly basis, with respect to new Accounts opened during a quarter.

Upon termination, advisory fees will be pro-rated to the effective date of termination. Client will receive a refund of any fees paid but not yet earned through the effective date of termination.

#### **Employee Benefit Retirement Plan Services:**

The annual fee for plan services will be charged as a percentage of assets within the plan.

Assets Under Management	Buckingham Strategic Partners' Annual Fee	Hausman's Annual Fee	Total Fee
On the first \$1,000,000	0.30%	0.70%	1.00%
On the next \$4,000,000	0.20%	0.45%	0.65%
On the next \$5,000,000	0.15%	0.25%	0.40%
On all amounts above \$10,000,000	0.10%	0.15%	0.25%

#### **Financial Planning Services:**

Fees for financial planning and consulting services are based on an hourly rate of \$250.00 per hour for Financial Planner and \$125 per hour for Paraplanner services. Financial planning fees are due 50% of anticipated projected cost upon signing of an Agreement and the balance due upon presentation of the financial plan to the Client. Consultant will never hold client funds greater than \$500 for more than six months in advance of completion of the financial plan.

Advisor will prepare a letter of engagement detailing the scope of services and deliverables for all prospective financial planning clients. Advisor will typically prepare a written financial plan for all financial planning Clients. The plan includes gathering all information necessary to provide Client with appropriate and agreed upon services, which may include one or more of the following: budgeting and cash flow planning, disability planning and income protection, debt management, estate planning, retirement planning and investment planning. The plan considers all Client assets, liabilities, goals and objectives.

Fees for financial planning services includes our time and activities necessary to work with Client's attorney and/or accountant in reaching agreement on solutions, as well as assisting those advisors in implementation of all appropriate documents. However, Hausman Advisors is not responsible for attorney or accountant fees that may be charged directly to Client as a result of the above activities.

Clients are encouraged to review their plans on a regular basis, based on individual circumstances.

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

Hausman Advisors does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

## **Item 7 – Types of Clients**

We provide investment advice to the following types of Clients:

1. Individuals, including high-net worth individuals
2. Pension and profit sharing plans
3. Trusts, estates and charitable organizations
4. Corporations and other business entities

Because each Client is unique, we encourage involvement in the planning and processes involved in the management of their accounts. Such involvement does not have to be time consuming, however we want our Clients to remain informed and have a sense of security about their investments.

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

### *Methods of Analysis and Investment Strategy*

Hausman Advisors' services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. Hausman Advisors' investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. Hausman Advisors recommends globally diversified portfolios, principally through the use of passively managed mutual funds that are available only to institutional investors and clients of a network of select investment advisors.

Although all investments involve risk, Hausman Advisors' investment advice seeks to limit risk through broad global diversification and investing in high-quality fixed income securities. Hausman Advisors' investment philosophy is designed for investors who desire a buy and hold strategy of at least 5 years, and preferably longer. Frequent trading of securities increases brokerage and other transaction costs that Hausman Advisors' strategy seeks to minimize.

Clients may hold or retain other types of assets as well, and Hausman Advisors may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the client.

Hausman Advisors' strategies do not utilize securities that we believe would be classified as having any unusual risks, and we do not recommend frequent trading, which can increase brokerage and other costs and taxes.

Hausman Advisors' security analysis is based on factors derived from commercially available software technology, securities rating services, general market and financial information, and due diligence reviews. Hausman Advisors receives additional supporting research from Buckingham Strategic Partners, LLC and from other consultants, including economists affiliated with Dimensional Fund Advisors ("DFA"). DFA provides historical market analysis, risk/return analysis, and continuing education to Hausman Advisors.

#### *Analysis of a Client's Financial Situation*

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, Hausman Advisors relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, Hausman Advisors may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals. They include:

1. The risk that expected future cash flows will not match those used in the analysis
2. The risk that future rates of return will fall short of the estimates used in the simulation
3. The risk that inflation will exceed the estimates used in the simulation
4. For taxable clients, the risk that tax rates will be higher than was assumed in the analysis

#### *Risk of Loss*

**Investing in securities involves risk of loss that clients should be prepared to bear.**

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the

appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by Hausman Advisors may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in Hausman Advisors' investment strategies are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by Hausman Advisors may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses managing assets within each applicable sector.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Hausman Advisors or the integrity of Hausman Advisors' management. Hausman Advisors has no information applicable to this Item.

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

Hausman Advisors and management persons or employees of Hausman Advisors currently do not have any financial industry activities or affiliations.

### **Buckingham Strategic Partners, LLC**

As described above in Item 4, Hausman Advisors may exercise discretionary authority provided by a client to select an independent third party investment manager for the management of portfolios of individual fixed income securities. Hausman Advisors selects Buckingham Strategic Partners, LLC for such fixed income management. Hausman Advisors also contracts with Buckingham Strategic Partners, LLC for back office services and portfolio research. Hausman Advisors has a fiduciary duty to select qualified and appropriate

managers in the client's best interest, and believes that Buckingham Strategic Partners, LLC effectively provides both the back office services that assist with its overall investment advisory practice and fixed income portfolio management services. The management of Hausman Advisors continuously makes this assessment. While Hausman Advisors has a contract with Buckingham Strategic Partners, LLC governing a time period for back office services, Hausman Advisors has no such fixed commitment to the selection of Buckingham Strategic Partners, LLC for fixed income management services and may select another investment manager for clients upon a determination that doing so is in the best interest of its clients.

#### Business Continuity and Succession Plan

As a fiduciary, Hausman Advisors has certain legal obligations, including the obligation to act in a clients' best interest. Hausman Advisors maintains a Business Continuity and Succession Plan and seeks to avoid a disruption of service to clients in the event of an unforeseen loss of key personnel, due to disability or death. To that end, Hausman Advisors has entered into a succession agreement with Buckingham Wealth Partners, LLC effective March 9, 2017. Hausman Advisors can provide additional information to any current or prospective client upon request by contacting Jason Smith, Managing Member & Chief Compliance Officer at (503) 922-3010,

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

Hausman Advisors has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. Hausman Advisors' Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth Hausman Advisors' practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with Hausman Advisors may buy or sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of Hausman Advisors that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, Hausman Advisors requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's principal. Hausman Advisors also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

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

Hausman Advisors will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

It is Hausman Advisors' policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Hausman Advisors will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated private fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

Hausman Advisors arranges for the execution of securities transactions with the assistance of Buckingham Strategic Partners, LLC. Buckingham Strategic Partners, LLC assists Hausman Advisors with back office services, including assistance in Hausman Advisors' participation in institutional custodial platforms. Buckingham Strategic Partners, LLC has a dedicated client service team to assist Hausman Advisors in managing and communicating with custodians. Through Buckingham Strategic Partners, LLC, Hausman Advisors participates in the Schwab Advisor Services (SAS) program offered to independent investment advisers by Charles Schwab & Company, Inc., member FINRA/SIPC, and the Fidelity Institutional Wealth Services (FIWS) program offered to independent investment advisers, sponsored by Fidelity Brokerage Services, LLC ("Fidelity"), member FINRA/SIPC and TD Ameritrade, Inc. ("TDA") services program offered to independent advisers by TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"). Schwab, Fidelity and TDA are unaffiliated SEC-registered broker dealers and FINRA member broker dealers. Schwab, Fidelity and TDA offer to independent investment advisers, services, which include custody of securities, trade execution, clearance and settlement of transactions.

The Schwab, Fidelity and TDA brokerage programs will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions. Hausman Advisors regularly reviews these programs to ensure that its recommendations are consistent with its fiduciary duty. These trading platforms are essential to Hausman Advisor's service arrangements and capabilities, and Hausman Advisors may not accept clients who direct the use of other brokers. As part of these program's, Hausman Advisors receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 14 of this Brochure).

As Hausman Advisors will not request the discretionary authority to determine the broker dealer to be used or the commission rates to be paid for mutual fund and equity securities transactions, clients must direct Hausman Advisors as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that Hausman Advisors will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Not all investment advisers require clients to direct the use of specific brokers.

Hausman Advisors will not exercise authority to arrange client transactions in fixed income securities. Clients will provide this authority to a fixed income manager retained by Hausman Advisors on client's behalf by designating the portfolio manager with trading authority over client's brokerage account. Clients will be provided with the Disclosure Brochure (Form ADV Part 2) of portfolio manager.

SAS, FIWS and TDA do not generally charge clients a custody fee and are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts at the brokers. Trading client accounts through other brokers may result in fees (including mark-ups and mark-downs) being charged by the custodial broker and an additional broker. While Hausman Advisors will not arrange transactions through other brokers, the authority of the fixed income portfolio manager includes the ability to trade client fixed income assets through other brokers.

Hausman Advisors does not have any arrangements to compensate any broker dealer for client referrals.

Hausman Advisors does not maintain any client trade error gains. Hausman Advisors makes client whole with respect to any trade error losses incurred by client caused by Hausman Advisors. For clients utilizing TDA for brokerage services, TDA maintains a policy that any trade error gains will be donated by TDA to charity.

Hausman Advisors generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which Hausman Advisors arranges transactions. Buckingham Strategic Partners, LLC, in the management of fixed income portfolios, will aggregate certain transactions among client accounts that it manages, in which case a Hausman Advisors client's orders may be aggregated with an order for another client of Buckingham Strategic Partners, LLC who is not a Hausman Advisors client. See Buckingham Strategic Partners, LLC's Form ADV Part 2.

#### **Employee Benefit Retirement Plan Services:**

Hausman Advisors does not arrange for the execution of securities transactions for plans as a part of this service. Transactions are executed directly through employee plan participation.

### **Financial Planning Services:**

Hausman Advisors' financial planning practice, due to the nature of its business and client needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price. Clients will be required to select their own broker dealers and insurance companies for the implementation of financial planning recommendations. Hausman Advisors may recommend any one of several brokers. Hausman Advisors clients must independently evaluate these brokers before opening an account. The factors considered by Hausman Advisors when making this recommendation are the broker's ability to provide professional services, Hausman Advisors' experience with the broker, the broker's reputation, and the broker's financial strength, among other factors. Hausman Advisors' financial planning clients may use any broker or dealer of their choice.

## **Item 13 – Review of Accounts**

### **Reviews:**

#### **Investment Management Services:**

Account assets are supervised continuously and formally reviewed quarterly by Jason Smith and/or Karen Smith of Hausman Advisors. The review process contains each of the following elements:

- a. assessing client goals and objectives;
- b. evaluating the employed strategy(ies);
- c. monitoring the portfolio(s); and
- d. addressing the need to rebalance.

Additional account reviews may be triggered by any of the following events:

- a. a specific client request;
- b. a change in client goals and objectives;
- c. an imbalance in a portfolio asset allocation; and
- d. market/economic conditions.

For fixed income portfolios, certain account review responsibilities are delegated to a third party investment manager as described above in Item 4.

#### **Employee Benefit Retirement Plan Services:**

Retirement plan assets are reviewed no more than quarterly, and according to the standards and situations described above for investment management accounts.

**Financial Planning Services:**

Financial Planning accounts will be reviewed as contracted for at the inception of the advisory relationship.

**Reports:****Investment Management Services:**

All clients will receive quarterly reports, prepared by Buckingham Strategic Partners, LLC and reviewed by Hausman Advisors that summarize the client's assets allocation and detail the performance of the client's accounts. Clients will also receive at least quarterly statements from their account custodian, which will outline the client's current positions and current market value.

**Employee Benefit Retirement Plan Services:**

Plan sponsors are provided with quarterly information and annual performance reviews from Hausman Advisors. In addition, plan participant education information may also be provided to the Plan Sponsor or Administrator for distribution to the participants of the plan.

**Financial Planning Services:**

Financial Planning clients will receive reports as contracted for at the inception of the advisory relationship. Additional reports will not typically be provided unless otherwise contracted for.

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

As indicated under the disclosure for Item 12, SAS, FIWS and TDA each respectively provide Hausman Advisors with access to services, which are not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them.

These services benefit Hausman Advisors but may not benefit its clients' accounts. Many of the products and services assist Hausman Advisors in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Hausman Advisors' fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Hausman Advisors' accounts. SAS, FIWS and TDA also make available to Hausman Advisors other services intended to help Hausman Advisors manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. Hausman Advisors does not, however, enter into any

commitments with SAS, FIWS or TDA for transaction levels in exchange for any services or products from brokers. While as a fiduciary, Hausman Advisors endeavors to act in its clients' best interests, Hausman Advisors' requirement that clients maintain their assets in accounts at Schwab and Fidelity may be based in part on the benefit to Hausman Advisors of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

Hausman Advisors also receives software from DFA, which Hausman Advisors utilizes in forming asset allocation strategies and producing performance reports. DFA also provides continuing education for Hausman Advisors personnel. These services are designed to assist Hausman Advisors plan and design its services for business growth.

### **Item 15 – Custody**

Investment Management and Employee Benefit Plan Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Hausman Advisors urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Item 5 of this Brochure explains the calculation of asset values for the invoicing of advisory fees.

### **Item 16 – Investment Discretion**

Hausman Advisors requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. For fixed income securities, this authority will include the discretion to retain a third party money manager for fixed income accounts. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

When selecting securities and determining amounts, Hausman Advisors observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Hausman Advisors in writing.

### **Item 17 – Voting Client Securities**

Proxy Voting: As a matter of firm policy and practice, Hausman Advisors does not accept the authority to and does not vote proxies on behalf of advisory client. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly

from the issuer of securities held in clients' investment portfolios. Hausman Advisors, however, may provide advice to clients regarding the clients' voting of proxies.

Class Actions, Bankruptcies and Other Legal Proceedings: Clients should note that Hausman Advisors will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were 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 Hausman Advisors to transmit copies of class action notices to the client or a third party. Upon such direction, Hausman Advisors will make commercially reasonable efforts to forward such notices in a timely manner.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Hausman Advisors' financial condition. Hausman Advisors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.