

# **Silicon Hills Wealth Management, LLC**

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**March 28, 2023**

This Brochure provides information about the qualifications and business practices of Silicon Hills Wealth Management, LLC. If you have any questions about the contents of this Brochure, please contact SHWM at (512) 774-5340 or via email at [tom.brown@siliconhillswealth.com](mailto:tom.brown@siliconhillswealth.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Silicon Hills Wealth Management, LLC ("Silicon Hills Wealth Management") is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information that you may use to determine whether to hire or retain them.

Additional information about Silicon Hills Wealth Management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number, known as a CRD number. The CRD number for Silicon Hills Wealth Management is 166030. The SEC's web site also provides information about any persons affiliated with Silicon Hills Wealth Management who are registered, or are required to be registered, as Investment Adviser Representatives of Silicon Hills Wealth Management.

## Item 2 – Material Changes

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Our last update was on March 23, 2022. Since our last update, SHWM has had no material changes.

SHWM will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year which is December 31st. SHWM will provide other ongoing disclosure information about material changes as necessary. SHWM will also provide you with a new Brochure, as necessary, based on changes or new information. Currently, our Brochure may be requested at any time, without charge, by contacting Tom Brown at (512) 774-5340.

Additional information about Silicon Hills Wealth Management is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number, known as a CRD number. The CRD number for Silicon Hills Wealth Management is 166030. The SEC's web site also provides information about any persons affiliated with Silicon Hills Wealth Management who are registered, or are required to be registered, as Investment Adviser Representatives of Silicon Hills Wealth Management.

## Item 3 – Table of Contents

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Item 2 – Material Changes .....	2
Item 3 – Table of Contents .....	3
Item 4 – Advisory Business Introduction.....	5
Services .....	5
1. Financial Planning and Consulting Services .....	6
2. Investment Management.....	7
3. Separately Managed Accounts (“SMAs”) and Alternative Investments .....	8
Item 5 – Fees and Compensation .....	8
1. Financial Planning and Consulting Fees.....	9
2. Investment Management Fee Schedule .....	9
3. Separately Managed Accounts and Alternative Investments.....	11
Item 6 – Performance Based Fee and Side by Side Management.....	11
Item 7 – Types of Client(s) .....	11
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	11
1. Risks.....	12
Item 9 – Disciplinary Information .....	15
Item 10 – Other Financial Industry Activities and Affiliations.....	15
Item 11 – Code of Ethics, Participation or Interest in Client Accounts and Personal Trading .....	16
1. General Information.....	16
2. Participation or Interest in Client Accounts.....	16
3. Personal Trading .....	16
4. Responsibility .....	17
5. Privacy Statement .....	17
6. Conflicts of Interest.....	17
Item 12 – Brokerage Practices .....	18
1. Best Execution .....	18
2. Soft Dollars.....	18

3.	Brokerage for Client Referrals.....	18
4.	Directed Brokerage .....	18
5.	Trading.....	19
Item 13 – Review of Accounts .....		19
1.	Duty to Supervise.....	19
2.	Reviews.....	19
3.	Reports .....	19
Item 14 – Client Referrals and Other Compensation.....		19
Item 15 – Custody .....		20
Item 16 – Investment Discretion .....		20
Item 17 – Voting Client Securities.....		20
Item 18 – Financial Information .....		20

## Item 4 – Advisory Business Introduction

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Silicon Hills Wealth Management, LLC (“Silicon Hills Wealth Management” or “SHWM”) is a Registered Investment Adviser (“Adviser”) which offers financial planning, investment advice, and other financial services to our clients. SHWM is registered through and regulated by the United States Securities and Exchange Commission (“SEC”).

SHWM provides investment advice through Investment Adviser Representatives (“Advisor”) associated with us. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on our behalf. In addition, all advisors are required to have commensurate educational and industry experience.

Silicon Hills Wealth Management was founded in January 2013 by James Werner and Thomas Brown with Thomas serving as the Managing Member. SHWM provides financial planning, consulting and investment management services to individuals, high net worth individuals, trusts, estates, profit-sharing plans, corporations, and small businesses. At inception, the Adviser’s name was TBJW, LLC DBA Silicon Hills Wealth Management. The Adviser’s name was officially changed in February 2013 to Silicon Hills Wealth Management.

At Silicon Hills Wealth Management, we believe being wealthy is a mindset. A customized and holistic approach to financial planning, goal setting, and resource allocation serves as the foundation of our wealth management program. Our client’s financial goals and risk tolerance drive our investment portfolio structure. Our data visualization techniques and fully integrated technology suite allows for collaboration at critical decision points and continuous client education and empowerment.

### Services

SHWM provides financial planning, financial consulting services, and investment management services. SHWM’s focus is on helping you develop and execute plans that are based on your financial needs and objectives.

As of December 31, 2022, SHWM managed \$238,918,784 on a discretionary basis and \$1,785,869 on a non-discretionary basis.

Except for certain types of third-party manager engagements or alternative investments described in Item 16 below, accounts are managed on a discretionary basis, which means you have given SHWM the authority to determine the following without your consent:

- Securities to be bought or sold for your account
- Amount of securities to be bought or sold for your account
- Broker-dealer to be used for a purchase or sale of securities for your account
- Fees or commissions to be paid to a broker or dealer for your securities transaction.

While SHWM may have trading discretion on your account (i.e., placing trades in your account without

your approval), SHWM considers trading costs as a factor that we consider in trading. Trading may be required to meet initial allocation targets, after substantial cash deposits that require investment allocation, and/or after a request for a withdrawal that requires liquidation of a position. Additionally, your account may be rebalanced or reallocated periodically in order to reestablish the targeted percentages of your initial asset allocation. You will be responsible for any and all tax consequences resulting from any rebalancing or reallocation of the account. SHWM and its advisors are not tax professionals and do not give tax advice. However, SHWM will work with your tax professionals to assist you with tax planning. You will have the opportunity to meet with SHWM periodically to review the assets in your account.

SHWM is available during normal business hours either by telephone, fax, email, or in person by appointment to answer your questions.

## **1. Financial Planning and Consulting Services**

SHWM provides comprehensive fee-only financial planning and consulting services. Our financial planning is a comprehensive relationship which incorporates many different aspects of your financial status into an overall plan that meets your goals and objectives. The financial planning relationship consists of face-to-face meetings and ad hoc meetings with you and/or your other advisors (attorneys, accountants, etc.) as necessary.

In performing financial planning services, SHWM typically examines and analyzes your overall financial situation, which may include such issues as taxes, insurance needs, overall debt, credit, business planning, retirement savings and reviewing your current investment program. SHWM is also available to provide you with a review of your existing portfolio. SHWM's services may focus on all or only one of these areas depending upon the scope of the engagement with you. Other professionals are engaged directly by the client on an as-needed basis. It is our intent to offer a collaborative team of professionals working together for the client's best interests. Any perceived conflicts of interest will be disclosed upfront with the client in the unlikely event they should occur.

It is essential that you provide the information and documentation SHWM requests regarding your income, investments, taxes, insurance, estate plan, etc. SHWM will discuss your investment objectives, needs and goals, but you are obligated to inform SHWM of any changes. SHWM does not verify any information obtained from you, your attorney, accountant or other professionals.

SHWM may also provide consulting services directly to corporate sponsors of profit sharing plans. SHWM may assist sponsors in developing, designing and implementing pension and profit sharing plan solutions, which can provide plan participants with opportunities to save and invest in their employer sponsored pension and profit sharing plan. As a consulting service, SHWM may also offer the service of assisting a company to set up and establish a Simple IRA plan, SEP plan, or an individual 401K plan at a custodian. SHWM's services will be detailed in the Investment Services Consulting Agreement with the sponsor.

If you engage SHWM to perform these services, you will receive a written agreement detailing the services, fees, terms and conditions of the relationship. You will also receive this Brochure. If you are deemed to be a Retail Investor, you will also receive a copy of the Form CRS. You may

implement your financial plan through any financial organization of your choice. If you choose to implement your recommendations through us, you will receive and sign an Investment Advisory Agreement that details the services SHWM will provide and the fees SHWM will charge.

SHWM obtains information from a wide variety of publicly available sources. SHWM does not have any inside private information about any investments that are recommended. All recommendations developed by SHWM are based upon our professional judgment. SHWM cannot guarantee the results of any of the recommendations. Choosing which advice to follow is your decision.

## **2. Investment Management**

Investment management is the professional management of securities (stocks, bonds and other securities) and assets (e.g., real estate) in order to meet your specified investment goals. If you engage SHWM to manage your assets, you will receive our Investment Advisory Agreement which describes what services you will receive and what fees you will be charged. With an Investment Management Account, you engage SHWM to assist you in developing a personalized asset allocation program and custom-tailored portfolio designed to meet your unique investment objectives. The investments in the portfolio account may include mutual funds, stocks, bonds, equity options, futures, etc.

The advisors at SHWM will meet with you to discuss your financial circumstances, investment goals and objectives, and to determine your risk tolerance. These advisors will ask you to provide statements summarizing current investments, income and other earnings, recent tax returns, retirement plan information, other assets and liabilities, wills and trusts, insurance policies, and other pertinent information. Based on the information you share with us; these advisors will analyze your situation and recommend an appropriate asset allocation or investment strategy. The advisor's recommendations and ongoing management are based upon your investment goals and objectives, risk tolerance, and the investment portfolio you have selected. SHWM will monitor the account, trade as necessary, and communicate regularly with you. Your circumstances shall be monitored in quarterly and/or annual account reviews. These reviews will be conducted in person, or by telephone or video conference, based on individual preference.

You are obligated to notify SHWM promptly when your financial situation, goals, objectives, or needs change.

You shall have the ability to impose reasonable restrictions on the management of your account, including the ability to instruct SHWM not to purchase certain mutual funds, stocks or other securities. These restrictions may be a specific company security, industry sector, asset class, or any other restriction you request.

Under certain conditions, securities from outside accounts may be transferred into your advisory account; however, SHWM may recommend that you sell any security if SHWM believes that it is not suitable for the current recommended investment strategy. You are responsible for any taxable events in these instances. Certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is not indicative of future results.

SHWM will help you open a custodial account(s). The funds in your account will generally be held in a

separate account, in your name, at an independent custodian, not with us. SHWM recommends using either Fidelity or Charles Schwab & Co, Inc. for your investment advisory accounts. You will enter into a separate custodial agreement with the custodian. This agreement, among other things, authorizes the custodian to take instructions from SHWM regarding all investment decisions for your account. SHWM will select the securities bought and sold, and the amount to be bought and sold, within the parameters of the objectives and risk tolerance of your account. The custodian will effect transactions, deliver securities, make payments and do what SHWM instructs. You are notified of any purchases or sales through trade confirmations and statements that are provided by the custodian. These statements list the total value of the account at the start of the time period, itemize all transaction activity during the time period, and list the types, amounts, and total value of securities held as of the end of the time period. Your custodial statement may be in either printed or electronic form based upon your preferences. You will at all times maintain full and complete ownership rights to all assets held in your account, including the right to withdraw securities or cash, proxy voting and receiving transaction confirmations.

SHWM is available during normal business hours either by telephone, fax, email, or in person by appointment to answer your questions.

### **3. Separately Managed Accounts (“SMAs”) and Alternative Investments**

SHWM may determine that it is in your best interest to work with an established Separately Managed Account (“SMA”) Manager or to purchase other alternative investments that are available on the Custodian’s Platform. SHWM will select one or more managers or alternative investment products to diversify your portfolio. The manager and/or alternative investments are selected by matching their investment strategy and risk profile with your risk profile and stated investment needs and objectives. Any managers selected will have the discretion to determine the securities they buy and sell within the account. SHWM does not impose a minimum dollar value on the size of account SHWM will accept, however, the SMA manager or alternative investment issuers may impose a minimum dollar value.

SHWM monitors the performance of the selected manager and/or alternative investment and may recommend a change when and if SHWM believes such a change would be in your best interests. You must approve any change before it will be implemented. For alternative investments, there may be a lack of liquidity or no liquidity. Additionally, redemptions in alternative investments, if available, are often at the sole discretion of the Fund Manager.

Due to the nature of these programs, each of the managers is obligated to provide you with a separate disclosure document. You should carefully review this document for important and specific program details, including pricing. Any alternative investments will provide an offering document that you should carefully review before investing.

## **Item 5 – Fees and Compensation**

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SHWM provides investment management, financial planning and financial consulting services for a fee.

Either party may terminate initial agreements at any time by providing written notice to the other party within five (5) business days of signing the agreements. Refunds will be given on a pro-rata basis



promptly upon cancellation. Accounts opened or terminated during a calendar quarter will be charged a prorated fee. Once an account is established, either party may terminate the relationship at any time with thirty (30) days written notice. Upon termination of any account, any prepaid fees that are in excess of the management services performed will be promptly refunded to you.

## **1. Financial Consulting Fees**

You may want SHWM to create a financial recommendation for you. SHWM can provide analysis and recommendations for retirement needs, estate planning needs, income tax planning, life and disability insurance needs, divorce planning, investment needs, business planning, and college education planning. The specific manner in which fees are charged is established in the Consulting Agreement with us. Fees are determined at the start of the relationship; all fees are negotiable and predicated on the facts known at the start of the relationship. As a consulting service, SHWM may also offer the service of assisting a company to set up and establish a Simple IRA plan, a SEP IRA, or an individual 401K plan at a custodian.

Depending on the complexity and scope of the engagement, fixed fees may range from \$1,000 to \$5,000 and hourly fees may range from \$250 to \$500. In the event that the client's situation is substantially different than originally disclosed and the scope of work and deliverables require additional services, a revised fee agreement will be presented for mutual agreement. Consultation services and financial planning services require no minimum net worth. If the recommendations are implemented through us, SHWM may receive compensation from the sale of investment advisory, or other services SHWM recommends. This compensation would be in addition to the planning or consulting fee you pay. The fees and expenses you pay for the purchase of these products may be more or less than the expenses you would pay should you decide to implement our recommendations through another investment advisory firm and are typically determined by the investment company sponsoring the product.

All recommendations developed by SHWM are based upon our professional judgment. SHWM cannot guarantee the results of any of our recommendations.

## **2. Investment Management Fee Schedule**

SHWM offers our services on a fee basis which, depending on the engagement, may include fixed fees and/or fees based on assets under management. The specific manner in which fees are charged is established in the Investment Advisory Agreement with us. All fees are subject to negotiation, and the factors considered are the size of the account, services requested, and the type of assets managed.

Fees are charged quarterly, in advance. Payments are due and will be assessed on the last day of each quarter, based on the ending gross value (defined as the fair market value of all assets and funds, including but not limited to securities, cash, other investments, etc., within an account as reported by the custodian(s) at the end of the preceding quarter) of the account under management for the preceding quarter and will be calculated as follows:

Annual Percentage	Aggregate Household Account Size (AUM)
1.10%	Of the amount up to \$1,000,000
0.85%	Of the amount from \$1,000,001-\$2,500,000
0.70%	Of the amount from \$2,500,001- \$4,000,000
0.55%	Of the amount over \$4,000,001

The fees shown above are annual fees. You will be billed one quarter of this amount on a quarterly basis. SHWM reserves the right to impose an account or fee minimum based on the complexity of the relationship. No increase in the annual fee shall be effective without prior written notification to you. SHWM believes our advisory fee is customary considering the fees charged by other investment advisers offering similar services/programs.

In certain circumstances, advisory fees may be negotiable based upon prior relationships as well as related account holdings. Our Investment Advisory Agreement defines what fees are charged and their frequency.

Our fees do not include brokerage commissions, transaction fees, and other related costs and expenses. You may incur certain charges imposed by custodians, and other third parties. These include fees charged by managers, custodial fees, deferred sales charges, surcharge fees for specific types of securities, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees. Mutual funds, money market funds, and exchange-traded funds (ETFs) also charge internal management fees, which are disclosed in the fund's prospectus. These fees may include a management fee, upfront sales charges, and other fund expenses. SHWM does not receive any compensation from these mutual fund fees. These fees are in addition to the management fee you pay to SHWM. You should review all fees charged to fully understand the total amount of fees you will pay. Services similar to those offered by SHWM may be available elsewhere for more or less than the amounts SHWM charges.

You could invest in securities or investments directly, without our investment management services. In that case, you would receive the financial planning services provided by SHWM which are designed, among other things, to assist you in determining which mutual funds or investments are appropriate to your current financial condition and objectives.

Certain strategies offered by SHWM involve investments in mutual funds. Mutual funds may pay annual distribution charges, sometimes referred to as “12(b)(1) fees”. These 12(b)(1) fees come from fund assets, and thus indirectly from clients’ assets. SHWM does not receive any compensation from these fees. The 12(b)(1) fee, deferred sales charges and other fee arrangements will be disclosed upon your request and are typically described in the applicable fund’s prospectus.

Silicon Hills also manages accounts as part of the charitable or donor advised funds for all their Clients that make a donation through this program. Silicon Hills may be paid a percentage fee of a Client’s account in an amount below our scheduled fees.

Your account at the custodian may also be charged for certain additional assets that we manage for you that are not held on the custodian’s platform but are held directly at a life insurance company on their variable annuity platform. Silicon Hills may be paid a percentage fee of a Client’s account in an amount below our scheduled fees.

The fees SHWM charges will be deducted directly from your account at the custodian. SHWM will instruct the custodian to deduct the fees from your account at the beginning of the calendar quarter. This fee will be reflected as a management fee deduction on your following month's account statement. .

SHWM may consider multiple accounts as one consolidated account for billing purposes. The quarterly fee will be charged for the total of all the accounts comprising the consolidated account. The total fee will be billed to one selected Client account or calculated as an effective rate applied to each underlying account unless arranged otherwise.

### **3. Separately Managed Accounts and Alternative Investments**

Clients will sign a separate advisory agreement with the third-party manager as well as one with SHWM. There are fees charged by the SMA manager and SHWM will charge their normal fee per the fee schedule above. There may also be an additional fees for alternative investment products over and above the normal SHWM fee outlined above. Clients will be informed of these fees prior to purchase.

## **Item 6 – Performance Based Fee and Side by Side Management**

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SHWM does not charge any performance-based fees. These are fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7 – Types of Client(s)**

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SHWM provides financial planning, financial consulting services and investment management to individuals, high net worth individuals, trusts, estates, profit-sharing plans, corporations, and small businesses.

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

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For Financial Planning and Financial Consulting Services, SHWM analyzes the Client’s financial goals

and objectives, income and spending, savings and investments, risks and insurance needs, asset allocation, and tax implications. This analysis seeks to ensure that the Client's needs are addressed while making progress toward their financial goals and objectives.

For Investment Management Services, the investment strategies used will vary depending on the Client's financial goals and risk tolerances. Generally, Clients seeking capital preservation with limited risk may be managed with strategies using fixed income products (e.g. bonds) and index funds whereas Clients seeking growth with greater risk may be managed with active strategies using stocks, mutual funds, ETF's stock options and alternative investments.

While SHWM does not engage in day-trading, active investment or mutual fund strategies may entail additional risk due to a greater frequency in transactions, which may involve additional transaction costs, and taxes. Also, strategies that use options may entail additional risk as losses may exceed those seen in the underlying stock. Lastly, strategies that include private placement offerings entail greater risk as these offerings have limited regulatory oversight, have less or no liquidity, and depends on the information provided by the private placement sponsor which SHWM may not have the ability to independently verify.

SHWM primarily utilizes an asset allocation strategy based in part on Modern Portfolio Theory ("MPT"). MPT seeks to quantify expected portfolio returns in relation to portfolio risk by assessing expected return in relation to risk. We analyze real life factors not covered by MPT including tax implications, regulatory environments, fund expense ratios and trading costs. Including these factors may impact risks or return of a portfolio. Actively managed funds in our allocation may use fundamental, behavioral, options hedging, factor, and quantitative analysis as the terms are commonly used. Exchange traded funds may be based on a broad capital market segment, industry sector or factor index such as low volatility, equal weight, value, or price momentum.

Our process includes an independent review of asset allocations and research used by leading investment professionals, ongoing fund research of both passive and active strategies, and new offerings in alternative investments. Our asset allocations are designed using a model of model's strategy with the sub-models holding securities within major asset classes including equities, bonds, and other less-correlated asset classes.

As discussed in Item 4, SHWM allocates client's assets within a diversified asset allocation in accordance with the stated investment objectives within their financial plan. SHWM consults with clients on an ongoing basis to assess any changes in investment objectives, liquidity needs, and risk tolerance that are relevant to the management of the underlying asset allocation. Clients are obligated to notify SHWM promptly when your financial situation, goals, objectives or needs change.

## **1. Risks**

SHWM cannot guarantee our analysis methods will yield a return. In fact, a loss of principal is always a risk. Investing in securities involves a risk of loss that you should be prepared to handle. You need to understand that investment decisions made for your account by SHWM are subject to various market, currency, economic, political and business risks. The investment decisions SHWM makes for you will not always be profitable nor can SHWM guarantee any level of performance.

A list of risks associated with the strategies, products and methodology SHWM offers are listed below:

### 1. Alternative Investment Risk

Investing in alternative investments is speculative, not suitable for all clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment, which can include:

- Loss of all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices
- Lack of liquidity in that there may be no secondary market for the fund and none expected to develop
- Volatility of returns
- Absence of information regarding valuations and pricing
- Delays in tax reporting
- Less regulation and higher fees than mutual funds.

### 2. Bond Fund Risk

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields of the risks associated with bond funds include:

- Call Risk - The possibility that falling interest rates will cause a bond issuer to redeem—or call—its high-yielding bond before the bond's maturity date.
- Credit Risk — the possibility that companies or other issuers whose bonds are owned by the fund may fail to pay their debts (including the debt owed to holders of their bonds). Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.
- Interest Rate Risk — the risk that the market value of the bonds will go down when interest rates go up. Because of this, you can lose money in any bond fund, including those that invest only in insured bonds or Treasury bonds.
- Prepayment Risk — the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off (or "retire") its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

### 3. Insurance Product Risk

The rate of return on variable insurance products is not stable, but varies with the stock, bond and money market subaccounts that you choose as investment options. There is no guarantee that you will earn any return on your investment and there is a risk that you will lose money. Before you consider purchasing a variable product, make sure you fully understand all of its terms. Carefully read the prospectus. Some of the major risks include:

- Liquidity and Early Withdrawal Risk – There may be specific surrender charges for

withdrawals within a specified period, in addition to any applicable penalty or taxation for early withdraw.

- Sales and Surrender Charges – There may also be specific asset-based sales charges or surrender charges. These charges normally decline and eventually are eliminated the longer you hold your shares
- Fees and Expenses – There are a variety of fees and expenses which can reach 2% and more such as:
  - Mortality and expense risk charges
  - Administrative fees
  - Underlying fund expenses
  - Charges for any special features or riders.
- Bonus Credits – Some products offer bonus credits that can add a specified percentage to the amount invested ranging from 1 percent to 5 percent for each premium payment. Bonus credits, however, are usually not free. In order to fund them, insurance companies typically impose high mortality and expense charges and lengthy surrender charge periods.
- Guarantees – Insurance companies provide a number of specific guarantees. For example, they may guarantee a death benefit or an annuity payout option that can provide income for life. These guarantees are only as good as the insurance company that gives them.
- Market Risk – The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- Principal Risk – The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

#### 4. Mutual Funds and Exchange Traded Funds Risk

The following is a list of some general risks associated with investing in mutual funds and exchange traded funds.

- Country Risk - The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.
- Currency Risk -The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
- Income Risk - The possibility that a fixed-income fund's dividends will decline as a result of falling overall interest rates.
- Industry Risk - The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.

- Inflation Risk - The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns.
- Manager Risk -The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.
- Market Risk -The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- Principal Risk -The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

## 5. Overall Risks

- Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund go up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.
- Before you invest, be sure to read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals.
- While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you'll need your money to meet a financial goal in the near-term, you probably can't afford the risk of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

## Item 9 – Disciplinary Information

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Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SHWM or the integrity of SHWM's management. SHWM does not have any information to disclose concerning Silicon Hills Wealth Management or any of our investment advisors. SHWM adheres to high ethical standards for all advisors and associates. SHWM strives to do what is in your best interests.

## Item 10 – Other Financial Industry Activities and Affiliations

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SHWM is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of SHWM are registered representatives of a broker-dealer.

Neither SHWM nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an

associated person of the foregoing entities.

Silicon Hills Technologies, LLC (“SH Tech”) is an affiliate of SHWM that brings artificially intelligent ideas to fruition. The team evaluates an industry sector on behalf of the clients, provides advice from decades of experience and research, and deploys solutions to bring an idea to life. As a client of SH Tech, SHWM is using SH Tech’s services to build a data store that reaches into SHWM’s operational systems such as portfolio accounting, portfolio management, and CRM systems to efficiently manage and anticipate client experiences. SH Tech is also advising the SHWM’s portfolio team on further development of their proprietary trading strategies using data science techniques and statistical pattern recognition.

SHWM does not have any other relationships or arrangements with any related persons that is material to its advisory business or to its Clients.

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

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### **1. General Information**

SHWM has adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and fiduciary duty to you, our client. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All of our supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

### **2. Participation or Interest in Client Accounts**

Our Compliance policies and procedures prohibit anyone associated with Silicon Hills Wealth Management from having an interest in a client account or participating in the profits of a client’s account without the approval of the CCO.

The following acts are prohibited:

- Employing any device, scheme or artifice to defraud
- Making any untrue statement of a material fact
- Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading
- Engaging in any fraudulent or deceitful act, practice or course of business
- Engaging in any manipulative practices

You may request a copy of the firm's Code of Ethics by contacting Thomas Brown.

### **3. Personal Trading**

SHWM may recommend securities to you that SHWM will purchase for their own accounts. SHWM



may trade securities in their account that SHWM has recommended to you as long as SHWM places their orders after, or at the same time as, your orders. This policy is meant to prevent SHWM from benefiting as a result of transactions placed on behalf of advisory accounts.

SHWM has established the following restrictions in order to ensure our fiduciary responsibilities to you are met:

- No securities for our personal portfolio(s) shall be bought or sold where this decision is substantially derived, in whole or in part, from the role of Investment Advisory Representative(s) of Silicon Hills Wealth Management, unless the information is also available to the investing public on reasonable inquiry. In no case, shall SHWM put their own interests ahead of yours.

However, some securities trade in sufficiently broad markets to permit transactions by clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with our records as required.

Certain affiliated accounts may trade in the same securities with your accounts on an aggregated basis when consistent with our obligation of best execution. When trades are aggregated, all parties will share the costs in proportion to their investment. SHWM will retain records of the trade orders (specifying each participating account) and its allocation. Completed orders will be allocated as specified in the initial trade order. Partially filled Orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

#### **4. Responsibility**

It is the responsibility of all supervisory personnel to ensure that SHWM conducts business with the highest level of ethical standards and in keeping with our fiduciary duties to you. SHWM must put your interests first and refrain from having outside interests that conflict with your interests.

#### **5. Privacy Statement**

SHWM is committed to safeguarding your confidential information and hold all personal information provided to SHWM in the strictest confidence. These records include all personal information that SHWM collects from you or receives from other firms in connection with any of the financial services they provide. SHWM also restricts the use of your personal information by other firms with whom SHWM deals with. SHWM's Privacy Policy is available upon request.

#### **6. Conflicts of Interest**

Silicon Hills Wealth Management's advisors may employ the same strategy for their personal investment accounts as it does for its clients. However, advisors may not place their orders in a way to benefit from the purchase or sale of a security that conflicts with its Clients' investment strategy.

SHWM acts in a fiduciary capacity. If a conflict of interest arises between SHWM and you, SHWM shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that SHWM advises. SHWM will seek to allocate investment opportunities according to what SHWM believes is appropriate for each account. SHWM strives to do what is equitable and in the best interests of all the accounts SHWM advises.

## Item 12 – Brokerage Practices

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### 1. Best Execution

SHWM recommends that the custodian for your account be Schwab Advisor Services a division of Charles Schwab & Co., Inc. (“Schwab”) or Fidelity Investments

In recommending Schwab or Fidelity as custodians responsible for executing transactions for your portfolios, SHWM considers at a minimum their:

- Existing relationship with us,
- Financial strength,
- Reputation,
- Reporting capabilities,
- Execution capabilities
- Pricing, and
- Types and quality of research.

The determining factor in the selection of a custodian to execute transactions for your accounts is not the lowest possible transaction cost, but whether they can provide what is in our view the best qualitative execution for your account.

SHWM is independently owned and operated and not affiliated with Schwab or Fidelity.

### 2. Soft Dollars

Currently, SHWM does not receive research or other products or services other than execution from a broker-dealer or a third part in connection with Client securities transactions.

### 3. Brokerage for Client Referrals

SHWM does not receive any compensation or incentive for referring you to broker-dealers for brokerage trades.

### 4. Directed Brokerage

Not all advisory firms require you to direct brokerage to a specific broker-dealer or custodian. SHWM has an obligation to seek best execution for you. In seeking best execution, the determinative factor is not the lowest possible commission 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. Therefore, SHWM will seek competitive commission rates, but SHWM may not obtain the lowest possible commission rates for account transactions.

By directing brokerage to Schwab or Fidelity, you may pay higher fees or transaction costs than those obtainable by other broker-dealers or custodians. In most cases, SHWM believes you are paying a discounted and reasonable rate.

## 5. Trading

Transactions for each client account generally will be effected independently, unless SHWM decides to purchase or sell the same securities for several clients at approximately the same time. SHWM may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among SHWM’s clients’ differences in prices and commission or other transaction costs. Under this procedure, transactions will be price-averaged and allocated among the clients in proportion to the purchase and sale orders placed for each client account on any given day.

## Item 13 – Review of Accounts

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### 1. Duty to Supervise

SHWM is responsible for ensuring adequate supervision over the activities of all persons who act on our behalf. Specific duties include:

- Establish procedures that could be reasonably expected to prevent and detect violations of law by SHWM’s advisory personnel
- Analyze operations and create a system of controls to ensure compliance with applicable securities laws
- Ensure that all advisory personnel fully understand the Company’s policies and procedures
- Establish a review system designed to provide reasonable assurance that the policies and procedures are effective and being followed

### 2. Reviews

Reviews will be conducted at least annually or as agreed to by us. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Generally, SHWM will monitor for changes and shifts in the economy, changes to the management and structure of an equity or company in which client assets are invested, and market shifts and corrections.

### 3. Reports

You will be provided with account statements by the custodian reflecting the transactions occurring in your account at least quarterly. These statements may be written or electronic depending upon what you selected when you opened the account. You will be provided with confirmations for each securities transaction executed in the account. You are obligated to notify SHWM of any discrepancies in the account(s) or any concerns you have about the account(s).

## Item 14 – Client Referrals and Other Compensation

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SHWM does not receive any compensation for referring clients to another adviser nor does SHWM pay any compensation to another adviser if they refer clients to us.

## **Item 15 – Custody**

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We do not have physical custody of any accounts or assets maintained in investment management accounts. However, we may be deemed to have custody of your account(s) if we have the ability to deduct your quarterly fees from the custodian. We use Schwab or Fidelity as the custodian and/or broker-dealer for all your accounts. You should receive at least quarterly statements from the broker-dealer or custodian that holds and maintains your investment assets. We urge you to carefully review such statements and compare the official custodial record 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. If you notice any discrepancies, please contact SHWM.

## **Item 16 – Investment Discretion**

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SHWM usually receives discretionary authority from you at the beginning of an advisory relationship to select the identity and amount of securities to be bought or sold. This information is described in the Advisory Agreement you sign with us. In all cases, however, this discretion is exercised in a manner consistent with your stated investment objectives for your account.

When selecting securities, and determining amounts, SHWM observes the investment policies, limitations and restrictions you have set. For registered investment companies, SHWM's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

As indicated in Item 5, Clients may choose to sign a separate agreement with a third-party manager upon a recommendation from SHWM. Clients may also choose to sign a subscription agreement in alternative investments upon a recommendation from SHWM. Upon entering into such agreements, SHWM has no discretionary authority over a Client's investment with a third-party manager or alternative investment. However, SHWM will continue to monitor said investments on behalf of a Client and provide appropriate recommendations to the Client pursuant to the Client's agreement with SHWM.

SHWM requires that any investment guidelines and/or restrictions be provided to SHWM in writing.

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

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As a matter of firm policy and practice, SHWM does not have any authority to and does not vote proxies on behalf of advisory clients. You retain the responsibility for receiving and voting proxies for all securities maintained in your portfolios. SHWM may provide advice to you regarding your voting of proxies. SHWM is authorized to instruct the custodian to forward you copies of all proxies and shareholder communications relating to your account assets.

## **Item 18 – Financial Information**

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SHWM is required to provide you with certain financial information or disclosures about SHWM's financial condition. SHWM has no financial commitment that would impair SHWM's ability to meet any contractual and fiduciary commitments to you, the client. SHWM has not been the subject of any bankruptcy proceedings.

In no event shall SHWM charge advisory fees that are both in excess of twelve hundred dollars and more than six months in advance of advisory services rendered.