



**Disclosure Brochure  
(Part 2A of Form ADV)**

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This brochure provides information about the qualifications and business practices of AssetBuilder, Inc. If you have any questions about the contents of this brochure, please contact us at: 972-535-4040, or by email at: [info@assetbuilder.com](mailto:info@assetbuilder.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

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

January 2024

## **Item 2. Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

General formatting and spelling corrections

Item 4. Fees and Compensation

Item 6. Types of Clients

Item 13. Client Referrals and Other Compensation

Item 20. Brochure Supplement (Part 2B of Form ADV)

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 972-535-4040 or by email at: [info@assetbuilder.com](mailto:info@assetbuilder.com). Our Firm Brochure is also available on our web site at the following address: [www.assetbuilder.com](http://www.assetbuilder.com)

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## Item 3. Advisory Business

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### Firm Description

AssetBuilder, Inc. (AssetBuilder), founded in 2006, is an investment and asset management advisory service registered with the Securities and Exchange Commission.

AssetBuilder offers risk-managed portfolios comprised of mutual funds, ETFs and cash investments. These portfolios are designed to provide growth or income based on clients' objectives using asset allocation. Asset allocation is the division of a portfolio's investments among asset classes to balance expected risk and expected reward. These asset classes include small and large stocks, value and growth stocks, domestic and international securities, emerging market securities, real estate, government bonds and corporate bonds.

AssetBuilder's approach to asset allocation is influenced by the work of Nobel Prize laureates William Sharpe and Harry Markowitz, who shaped the role of financial science in investing through their development of Modern Portfolio Theory. Modern Portfolio Theory states that a portfolio diversified across asset classes offers the best opportunity for an investor to achieve the highest possible return for a given level of risk.

AssetBuilder employs a "buy and hold" approach to asset management. The practice of this style of asset management is based on the belief that market timing is not proven as successful. The focus for the investor should be how much the investor can risk losing (conservative, moderate and aggressive) and how long they are willing to stay invested in the market. Clients who are interested in market timing are discouraged from opening an account at AssetBuilder.

AssetBuilder is strictly a fee-only registered investment advisory firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. No commissions in any form are accepted. In addition, no finder's fees are accepted.

Investment advice is provided, with the client making the final decision on investment selection. The client may engage other professionals (e.g., lawyers, accountants, insurance agents, etc.) at their discretion to help them with their investment decision. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which investment management may be beneficial to the client.

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct a custodian to deduct our advisory fees directly from your account. The custodian maintains actual custody of your assets. You will receive account statements directly from the custodian at least quarterly.

They will be sent to the email or postal mailing address you provided to the

custodian. You should carefully review those statements promptly when you receive them. We also urge you to compare the custodian's account statements with the periodic account statements and portfolio reports you will receive from us. The client always maintains asset control. AssetBuilder places trades for clients under a limited power of attorney.

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### **Principal Owners**

Kennon S. Grose is a principal owner.

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### **Types of Advisory Services**

The AssetBuilder advisory service includes:

- a) Consultation with Client to help Client decide upon a reasonable set of investment goals.
- b) Review of Client's current investment goals using expected risk and expected return.
- c) Assist the Client with preparation of an Investment Policy Statement.
- d) Assist the Client with portfolio allocation strategy and implementation of the Client's investment policy statement. This will include consolidating portfolios, selecting new investments, transferring assets to discount broker.
- e) Provide the Client with ongoing periodic investment reports (i.e. market values, rates of return, interest and dividends, asset allocation, maturity and expiration alert, contributions, withdrawals and expenses, commissions, capital gains and losses)

AssetBuilder encourages our clients to seek an investment policy review when major changes occur in our client's life, or simply when the investment policy needs to be changed based on changes in expected risk or expected return.

As of December 31, 2023, AssetBuilder manages approximately \$686,998,579 in assets. 100% of assets under management are managed on a discretionary basis.

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### **Tailored Relationships**

Each investor has unique financial situations, investment time horizon, funding strategy, investment experience, tax status, risk tolerances, goals, and other life circumstances that dictate the constructed weightings of asset classes in their portfolio. AssetBuilder will endeavor to survey each prospective client to determine their investment goal. This investment goal will be expressed in the Client's Investment Policy Statement (or similar document).

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### **Types of Agreements**

The following agreements define the typical client relationships.

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## **Asset Management Agreement**

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AssetBuilder executes an Asset Management Agreement with each client. This agreement allows AssetBuilder to provide the aforementioned professional Advisory Services. A copy of the Asset Management Agreement can be obtained by request from AssetBuilder.

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### **Termination of Agreement**

The Asset Management Agreement shall remain in force until terminated by either party upon delivery of thirty (30) day written notice to the other party.

## **Item 4. Fees and Compensation**

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### **Description**

At the beginning of each month, clients pay to AssetBuilder a fee calculated at an annual rate as indicated in the fee table below. The standard billing calculation is:

$$\text{Billed Market Value} \times \text{Fee Rate} \times (\text{Days in Cycle}/365) = \text{Fee Amount}$$

The fee is based upon the value of the client's assets held during the previous calendar month. The fee amount may be adjusted according to cash flows in and out of the account during the fee cycle.

AssetBuilder's fee schedule is as follows:

Value of Assets	Annual Fee
\$ 0 - \$ 350,000	.90 of one percent (90 basis points)
\$ 350,000 - \$ 600,000	.70 of one percent (70 basis points)
\$ 600,000 - \$ 1,000,000	.60 of one percent (60 basis points)
\$ 1,000,000 - \$ 4,000,000	.40 of one percent (40 basis points)
\$ 4,000,000 – and above	.35 of one percent (35 basis points)

AssetBuilder is not compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client.

AssetBuilder reserves the right to provide its services to other types of clients (such as participants in 401(k) plans) and in other contexts. AssetBuilder also reserves the right to vary its fee structure for such other types of clients and in such other contexts.

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### **Fee Billing**

All fees are billed pro rata, in arrears for the period covered, between the 1st



and 15th of the month following the end of the previous calendar month. The advisory fee owed to AssetBuilder for any period of time less than a full calendar month shall be prorated based upon the proportion of time the incomplete period bears to the full-month period.

It is further agreed by and between the parties that the client bears the cost of all securities purchased for the client as well as taxes, interest (if any), brokerage fees and commissions and custodian charges (if any).

AssetBuilder, in its sole discretion, may charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

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### **Other Fees**

The account qualified custodian/clearing agent for the investment management accounts imposes a fee for executing transactions and other custodial services in each client account. These charges are not retail broker commissions, and no part of the transaction charge is paid to AssetBuilder. The fees and charges imposed by the clearing agent are in exchange for facilitating the execution of trades and for the custody of the assets in the client's account. In addition to transaction charges, the custodian may also impose various fees for transferring securities and for other services. These transaction fees are subject to change without warning.

All brokerage commissions, stock transfer fees, and other similar charges incurred in connection with transactions for the account are in addition to the investment management fees paid to AssetBuilder. The client bears responsibility for verifying the accuracy of fee calculations.

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### **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to AssetBuilder.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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### **Past Due Accounts and Termination of Agreement**

If an AssetBuilder client account becomes delinquent with regard to management fees, AssetBuilder will follow the account termination process as defined in the asset management agreement.

## Item 5. Performance-Based Fees

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### Sharing of Capital Gains

AssetBuilder does not use a performance-based fee schedule.

## Item 6. Types of Clients

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### Description

AssetBuilder generally provides investment advice to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

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### Account Minimums

The minimum account size for new clients is \$350,000 of assets under management.

AssetBuilder has the discretion to waive the account minimum. Accounts of less than \$350,000 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$350,000 within a reasonable time. Other exceptions will apply to employees of AssetBuilder and their relatives, or relatives of existing clients.

## Item 7. Methods of Analysis, Investment Strategies and Risk of Loss

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### Methods of Analysis

AssetBuilder analysis methods include the use of Orion Advisor Technology, Dimensional Returns Web, Charles Schwab & Company's "Schwab Data Delivery" service, Portfolio Visualizer and the World Wide Web.

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### Investment Strategies

AssetBuilder employs a "buy and hold" approach to asset management. The practice of this style of asset management is based on the belief that few investors have been able to consistently produce returns that exceed the "market". The focus for the investor should be how much the investor can risk losing and how long they are willing to keep money in the market.

AssetBuilder adheres to the following principles:

- Markets are efficient and for investing purposes assets are fairly priced.
- Diversification reduces the risk of uncertainty and asset allocation in numerous asset classes determines results in the portfolio.

AssetBuilder primarily uses Dimensional Fund Advisor (DFA) funds as the core of all investment portfolios. Additionally, AssetBuilder works with other fund companies and may use these funds at their discretion.

Because no two investors are alike, AssetBuilder offers clients a range of Asset Allocations to choose from. Each portfolio is designed to offer an optimized asset allocation based on varying levels of risk. In addition, AssetBuilder offers customized investment portfolios tailored to the specific needs and/or goals of the account holder(s).

Some clients establish their investment goals and guidelines on their own. Many rely on advisors such as tax advisors, attorneys and financial planners. In setting their investment objectives, AssetBuilder works with clients to evaluate three dimensions of risk that may accompany any investment.

- a) Risk Necessity: What rate of return is necessary for the client to accomplish their goal?
- b) Risk Tolerance: How much volatility would the client be willing to accept in pursuit of their goal? (Conservative, Moderate, Aggressive)
- c) Risk Capacity: Does the client have the ability to adjust either their time horizon or financial end goal?

### *Choosing a Portfolio*

Each investor has unique financial situations, investment time horizon, funding strategy, investment experience, tax status, risk tolerances, goals, and other life circumstances that dictate the constructed weightings of asset classes within their allocations. AssetBuilder will endeavor to survey each

prospective client to determine their investment goal. This investment goal will be expressed in the Client's Investment Policy Statement (or similar document).

Once your investment objectives and guidelines are established, the appropriate AssetBuilder portfolio may be selected. The AssetBuilder portfolios express investment objectives and risk as follows:

- *Wealth Preservation* - A wealth preservation investment strategy reflects your desire to avoid risk and loss of principal. It may also mean you intend to invest over a short period of time.
- *Balanced Growth* – A balanced growth investment strategy reflects your desire to seek the potential for growth. You are moderately tolerant of risk and plan to invest for a medium/long period of time.
- *Growth* – A growth investment strategy reflects your desire to seek potential investment growth as well as your tolerance for market fluctuations and risk. You're probably planning to invest over a long period of time.
- *Aggressive Growth* – An aggressive growth investment strategy reflects your desire for potentially substantial investment growth as well as your tolerance for large market fluctuations and increased risk of loss. You're probably planning on investing over a long period of time.
- *Stable Income* – Stable Income reflects your desire to seek reliable income throughout the life of the portfolio by deploying capital preservation drawdown limits.

AssetBuilder's recommendations are made without considering potential tax consequences to the client. The client is responsible for any tax liabilities resulting from transactions (including any arising from the addition of assets to or withdrawal of assets from the client's account). Clients are urged to seek the advice of qualified tax professionals and to use all available resources to educate themselves about investing in general, as well as the investments and portfolio composition recommended by AssetBuilder.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

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## **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

AssetBuilder makes no representation regarding the likelihood or probability that any proposed investing plan will, in fact, achieve a particular investment goal. Past performance does not guarantee future results, and a portfolio may lose value.

## Item 8. Disciplinary Information

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### Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## Item 9. Other Financial Industry Activities and Affiliations

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### Financial Industry Activities

AssetBuilder is not registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

### Affiliations

AssetBuilder has no arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

AssetBuilder does not have any affiliation with product sales firms.

## Item 10. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

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### Code of Ethics

The employees of AssetBuilder have committed to a Code of Ethics. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

### Participation or Interest in Client Transactions

AssetBuilder will make securities transactions for its own accounts. Client acknowledges that this may cause a conflict of interest, since both Client and AssetBuilder may be selling (or buying) the same financial product at the same time. To address this potential conflict of interest, AssetBuilder agrees, to the extent within its control, not to favor itself to the Client's financial detriment. AssetBuilder agrees to keep complete records of all such securities transactions, as required by SEC and/or state regulation. Employees comply with the provisions of the AssetBuilder Compliance Manual regarding securities transactions.

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## Personal Trading

AssetBuilder is in full compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. AssetBuilder monitors the personal securities transactions of all access persons. In addition, AssetBuilder has adopted a written Code of Ethics in compliance with SEC Rule 204A-1. This Code is based on the principle that the officers, directors, and employees (or persons having similar status or function) of AssetBuilder have a fiduciary duty to place the interests of the clients ahead of their own interests. The Code applies to all access persons and focuses principally on monitoring and reporting of personal transactions in securities. Access persons must avoid activities, interests and relationships that might interfere with making decisions in the best interests of clients.

AssetBuilder holds to the following principles:

- We are fiduciaries. Our duty is at all times to place the interests of our clients first. Access persons must scrupulously avoid putting their own personal interests ahead of the interests of the clients. An access person may not induce or cause a client to take action, or not to take action, for personal benefit, rather than for the benefit of the client. For example, an access person would violate this Code by causing a client to purchase a security he or she owned for the purpose of increasing the price of that security.
- All personal securities transactions will be conducted in such a manner as to be consistent with the Code of Ethics and to avoid any actual or potential conflict of interest or any abuse of an access person's position of trust and responsibility.
- Access persons may not, for example, use their knowledge of portfolio transactions to profit by the market effect of such transactions.
- Independence in the investment decision-making process is paramount.

The Chief Compliance Officer of the firm carries out all compliance-related mandates as set forth by the Code of Ethics. A copy of the firm's Code of Ethics is available upon request by all clients and prospective clients.

## Item 11. Brokerage Practices

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### Selecting Custodial Firms

AssetBuilder does not maintain custody of your assets that we manage; although we may be deemed to have custody of your assets if you give us authority to withdraw fees from your account (see *Custody*, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We require our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we or you instruct them to. While we require that you use Schwab as custodian, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them.

We seek to use a custodian who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)

Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)

- Availability of investment research tools and technology that assist AssetBuilder in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Availability of other products and services that benefit AssetBuilder, as discussed below (see *“Products and services available to us from Schwab”*)

AssetBuilder **DOES NOT** receive fees or commissions from any of these arrangements.



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## **Best Execution**

Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “*Selecting Custodial Firms*”). AssetBuilder has reviewed the execution of trades at Schwab, as well as the practices and procedures associated with best execution. We have determined that having Schwab execute all trades is consistent with our duty to seek “best execution” of your trades.

AssetBuilder does not receive any portion of the trading fees.

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## **Order Aggregation**

Client orders executed by Schwab may be aggregated to achieve best execution. AssetBuilder does not specifically request that trades be aggregated.

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

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## **Soft Dollars**

AssetBuilder purchases services and software licenses at retail prices from third parties other than Schwab, that allows AssetBuilder to perform:

- Portfolio Management
- Portfolio Modeling
- General Research
- Customer Relationship Management

### **Products and Services Available to AssetBuilder from Schwab**

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like AssetBuilder. They provide AssetBuilder and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help AssetBuilder manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to AssetBuilder. Following is a more detailed description of Schwab's support services:

**Services that benefit you.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which AssetBuilder might not otherwise

have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

**Services that may not directly benefit you.** Schwab also makes available to AssetBuilder other products and services that benefit AssetBuilder but may not directly benefit you or your account. These products and services assist AssetBuilder in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. AssetBuilder may use this research to service all or a substantial number of our clients' accounts. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, compliance and client reporting

**Services that generally benefit only us.** Schwab also offers other services intended to help AssetBuilder manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

**AssetBuilder's Interest in Schwab's Services** The availability of these services from Schwab benefits AssetBuilder because we do not have to produce or purchase them.

### **Products and Services Available to AssetBuilder from Dimensional Fund Advisors**

Dimensional Fund Advisors, LP (DFA) is a business supporting financial advisory firms like AssetBuilder to deliver a successful investor experience. They provide AssetBuilder and our clients with access to their institutional investment products such as mutual funds and ETFs, many of which are not typically available to retail customers. DFA also makes available various support services. Some of those services help AssetBuilder manage or administer our clients' accounts, while others help us manage and grow our business. DFA's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to AssetBuilder. Following is a more detailed description of DFA's support services:

**Services that benefit you.** DFA's institutional services include access to a broad range of investment products. The investment products available through DFA include some to which AssetBuilder might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. DFA's services described in this paragraph generally benefit you and your account.

**Services that may not directly benefit you.** DFA also makes available to AssetBuilder other products and services that benefit AssetBuilder but may not directly benefit you or your account. These products and services assist AssetBuilder in managing and administering our clients' accounts. AssetBuilder may use this research to service all or a substantial number of our clients' accounts. In addition to investment research, DFA also makes available online information via websites that:

- Provide pricing and other market data

**Services that generally benefit only us.** DFA also offers other services intended to help AssetBuilder manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

DFA may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. DFA may also provide us with other benefits, such as occasional business entertainment of our personnel.

**AssetBuilder's Interest in DFA's Services** The availability of these services from DFA benefits AssetBuilder because we do not have to produce or purchase them.

## Item 12. Review of Accounts

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### Periodic Reviews

AssetBuilder reconciles accounts daily from the custodial data feed(s). AssetBuilder conducts a systematic quarterly portfolio review based on asset class drifts. Account reviews are performed by various qualified AssetBuilder advisors.

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### Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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### Regular Reports

AssetBuilder Clients receive periodic communications. Clients receive written quarterly updates. The written updates may include a portfolio statement, portfolio performance summary and other reports. In addition, Clients receive a monthly asset management fee statement, specifying the arrears management fees for the previous month's assets under management. AssetBuilder may at its discretion and as required by law, send other written communications to each Client. All communications are sent via electronic email as the preferred method.

## Item 13. Client Referrals and Other Compensation

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### **Incoming Referrals**

AssetBuilder has been fortunate to receive many client referrals over the years. The referrals come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm, on occasion and at AssetBuilder's discretion may compensate referring parties for these referrals. In addition, at AssetBuilder's discretion, we may offer de minimis gifts as a thank you for client referrals.

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### **Referrals Out**

AssetBuilder does not accept referral fees or any form of compensation from other professionals when a prospect or client is referred to them.

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### **Other Compensation**

None

## Item 14. Custody

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### **Account Statements**

Under government regulations, we are deemed to have custody of your assets when, for example, you authorize us to instruct the qualified custodian (Schwab) to deduct our advisory fees directly from your account. The qualified custodian (Schwab) maintains actual custody of your assets. You will receive account statements directly from the qualified custodian (Schwab) at least quarterly. They will be sent to the email or postal mailing address you provided to the qualified custodian (Schwab). You should carefully review those statements promptly when you receive them. We also urge you to compare the qualified custodian's (Schwab's) account statements to the periodic account statements you will receive from us.

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### **Performance Reports**

Clients are urged to compare the qualified custodian's (Schwab's) account statements to the periodic portfolio performance reports provided by AssetBuilder.

## Item 15. Investment Discretion

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### Discretionary Authority for Trading

Except as otherwise instructed, the client grants AssetBuilder ongoing and continuous discretionary authority to execute its investment recommendations in accordance with the Investment Policy Statement or other suitable survey, without the client's prior approval of each specific transaction. Under this authority, the client allows AssetBuilder to purchase and sell securities and instruments in this account, arrange for delivery and payment in connection with the foregoing, and act on behalf of the client in most matters necessary or incidental to the handling of the account, including monitoring certain assets.

All transactions in the account shall be made in accordance with the directions and reasonable preferences provided to AssetBuilder by the client. Client will execute instructions regarding AssetBuilder's trading authority as required by each custodian.

It is the client's responsibility to advise AssetBuilder of any changes in their investment goals. All clients are encouraged to review their objectives and account performance with AssetBuilder each year, either in person or telephonically.

AssetBuilder's services are designed for long-term investing rather than short-term trading. For this reason, AssetBuilder reserves the right to impose such restrictions as it may deem necessary or appropriate to discourage or prevent excessive short-term trading activity in connection with its service. Such restrictions could include, without limitation, limiting the number of transactions that can be executed without additional charges and cost to the Investor.

AssetBuilder uses its best judgment and good faith efforts in rendering services to clients. AssetBuilder cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment decision or recommendation made by AssetBuilder will be profitable. The client assumes all market risk involved in the investment of account assets under the Investment Advisory Agreement and understands that investment decisions made for this account are subject to various markets, currency, economic, political and business risks.

Except as may otherwise be provided by law, AssetBuilder will not be liable to clients for

- a) any loss the client may suffer by reason of any investment decision made or other action taken or omitted in good faith by AssetBuilder with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use;
- b) any loss arising from AssetBuilder's adherence to a client's instructions; or
- c) any act or failure to act by a custodian of a client's account. Nothing in

this agreement shall relieve AssetBuilder from any responsibility or liability AssetBuilder may have under state or federal statutes.

AssetBuilder shall have no liability to the client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount of such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The client understands that SIPC provides only limited protection for the loss of property held by a broker-dealer.

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**Limited Power of Attorney**

You sign a limited power of attorney so AssetBuilder can instruct the qualified custodian (Schwab) to execute the trades associated with your Investment Policy Statement.

## **Item 16. Voting Client Securities**

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**Proxy Votes**

It is AssetBuilder's policy not to vote proxies as the firm primarily uses the institutional asset class funds of Dimensional Fund Advisors and defers to the board members of the DFA funds to vote all proxies. Clients may elect to receive and vote proxy materials for any proxies solicited by issuers of securities they beneficially own and make all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type of events pertaining to the securities in the account.

## **Item 17. Financial Information**

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**Financial Condition**

AssetBuilder does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because AssetBuilder does not serve as a qualified custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, six months or more in advance.

## Item 18. Business Continuity Plan

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### **General**

AssetBuilder has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

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### **Disasters**

The Business Continuity Plan covers natural and man-made disasters. AssetBuilder has taken reasonable precautions with respect to electronic data survival.

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### **Alternate Offices**

AssetBuilder has adopted a hybrid workplace strategy. This strategy allows for 100% normal business operations whether remote or at the AssetBuilder primary office location. All critical communication and data systems have been strategically replicated and hardened, allowing AssetBuilder to conduct business from any location.

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### **Loss of Key Personnel**

AssetBuilder has an experienced executive and advisory staff capable of filling key roles in the event of unforeseen key personnel loss issues.

## Item 19. Information Security Program

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### **Information Security**

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

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### **Privacy Notice**

AssetBuilder is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

All financial companies need to share customer's personal information to run their everyday business. The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and Your name and address
  - Employment status and Investment objectives and experience
  - Financial standing and Account balance and account transactions
- We use this information to help you meet your personal financial goals.



With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf. We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personal identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We will deliver this *Privacy Notice* to you annually.

## Item 20. Brochure Supplement (Part 2B of Form ADV)

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### Education and Business Standards

AssetBuilder requires that advisors in its employ must have work experience that demonstrates their aptitude for financial planning and investment management. All advisors are registered with the SEC, having attained Investment Advisor Representative status via professional examination.

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### Kennon Grose, Founder, Chairman of the Board, & Chief Compliance Officer

Date of birth: January 24, 1960

Educational Background:

- New Mexico State University

Business Experience:

- 2021-Present – Founder, Chairman of the Board & Chief Compliance Officer, AssetBuilder, Inc.
- 2019-2021 – Chief Executive Officer, Chief Compliance Officer, AssetBuilder, Inc.
- 2006-2018 – President and Chief Executive Officer, Chief Compliance Officer, AssetBuilder, Inc.
- 2005-2007 – President, Optima Asset Management, Inc.
- 2003-2005 – General Partner, Gold Creek Capital
- 1999-2001 – President and CEO, VertaPort, Inc.
- 1991-1999 – General Manager Worldwide Industry Services, Microsoft Corporation
- 1990-1991 – Managing Consultant, Sybase, Inc.
- 1988-1990 – Development Manager Yield Management, American Airlines
- 1985-1988 – Manager, Electronic Data Systems

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

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**Bruce Griffith, President & Chief Operating Officer**

Date of birth: January 20, 1963

Educational Background:

- Bachelor's in Biology, University of Texas, Austin
- Associate's in Science, Amarillo College, Amarillo

Business Experience:

- 2019-Present – President & Chief Operating Officer
- 2006-2018 – Executive VP, AssetBuilder, Inc.
- 2004-2006 – Senior Vice President, Eisenberg and Associates
- 1992-2004 – President and Co-founder, Griffith Phillips Creative, Inc.
- 1989-1992 – President and Co-founder, Kieseewetter & Griffith, Inc.
- 1985-1989 – Vice President and Co-founder, The Insight Connection

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Bruce Griffith is supervised by Kennon Grose, Founder, Chairman of the Board & Chief Compliance Officer. He reviews Bruce's work through frequent office interactions as well as remote interactions. He also reviews Bruce's activities through our client relationship management system.

SUPERVISOR'S contact information:

972-535-4040 kennong@assetbuilder.com

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**Adam Morse, Director of Advising, Senior Advisor**

Date of birth: January 17, 1989

Educational Background:

- Texas A&M University, Mays Business School 2007-2008
- Bachelor's in Finance, Dallas Baptist University

Business Experience:

- 2021-Present – Senior Investment Advisor Representative, AssetBuilder, Inc.
- 2014-2021– Investment Advisor Representative, AssetBuilder, Inc.
- 2012-2014 – Account Manager – C.U. Members Mortgage
- 2011-2012 – Wholesale Mortgage Correspondence – C.U. Members Mortgage

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Adam Morse is supervised by Bruce Griffith, President & Chief Operating Officer. He reviews Adam's work through frequent office interactions as well as remote interactions. He also reviews Adam's activities through our client relationship management system.

SUPERVISOR'S contact information:

972-535-4040    bruceg@assetbuilder.com

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**Janet Griffith, CFP®, Senior Advisor**

Date of birth: August 20, 1961

Educational Background:

- Bachelor's of Science in Business Administration, University of Arkansas

Business Experience:

- 2023-Present – Senior Investment Advisor, AssetBuilder, Inc.
- 2022-2023 – Lead Investment Advisor Representative, AssetBuilder, Inc.
- 2017-2022 – Investment Advisor Representative, AssetBuilder, Inc.
- 2002-2017 – Chief Financial Officer, Canyon Creek Ministries

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Janet Griffith is supervised by Adam Morse, Senior Investment Advisor. He reviews Janet's work through frequent office interactions as well as remote interactions. He also reviews Janet's activities through our client relationship management system.

SUPERVISOR'S contact information:

972-535-4040    adamm@assetbuilder.com

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**Hannah Vickery, Director of Operations**

Date of Birth: December 27, 1993

Educational Background:

- Master's of Business Administration in Accounting, Dallas Baptist University
- Bachelor's of Science in Business, Dallas Baptist University

Business Experience:

- 2021-Present – Director of Operations, AssetBuilder, Inc.
- 2020-2021 – Director of Client Services, AssetBuilder, Inc.
- 2018-2020 – Self Employed Accountant
- 2017-2018 – Staff Accountant, Mosel & Ginn, PLLC
- 2016-2017 – Senior Accountant and Bookkeeper, Mims Accounting
- 2014-2017 – Graduate Advisor, Dallas Baptist University
- 2014-2014 – Assistant to the Vice President of Advancement and Graduate Affairs, Dallas Baptist University

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Hannah Vickery is supervised by Bruce Griffith, President and Chief Operating Officer. He reviews Hannah's work through frequent office interactions as well as remote interactions. He also reviews Hannah's activities through our client relationship management system.

SUPERVISOR'S contact information:

972-535-4040   bruceg@assetbuilder.com

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**Joey Badinger, Lead Advisor**

Date of Birth: February 3, 1995

Education Background:

- Master's of Business Administration, University of Texas at Dallas
- Bachelor's of Exercise Science, Western Kentucky

University Business Experience:

- 2023-Present – Lead Investment Advisor Representative, AssetBuilder, Inc.
- 2022-2023 – Investment Advisor Representative, AssetBuilder, Inc.
- 2019 – 2022 – Executive Coordinator, Deloitte
- 2019 – 2019 – Personal Trainer, Lifetime Fitness
- 2018 – 2018 – Missions Team Leader, Adventures in Missions

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Joey Badinger is supervised by Adam Morse, Senior Investment Adviser. He reviews Joey's work through frequent office interactions as well as remote interactions. He also reviews Joey's activities through our client relationship management system.

SUPERVISOR'S contact information:

972-535-4040 [adamm@assetbuilder.com](mailto:adamm@assetbuilder.com)

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**Landon McBride, Lead Advisor**

Date of Birth: July 20, 1975

Education Background:

- Bachelor's of Business Administration, Finance, Texas Tech University

Business Experience:

- 2023 - Present – Lead Investment Advisor Representative, AssetBuilder, Inc.
- 2021 - 2023 – Application Support Engineer, Hedgeserv
- 2020 - 2021 – Client Trade Support, Cobra Trading, Inc.
- 2014 - 2020 – Senior Client Relations Advisor, Refinitiv US LLC / Redi Technologies
- 2006 - 2014 – Senior Client Relations Advisor, Bank of America Merrill Lynch
- 2003 - 2006 – Consultant Arbitrage Rebate, First Southwest Asset Management
- 1999 - 2002 – Institutional Equity Sales Trader, Southwest Securities
- 1998 - 1998 – Financial Analyst, Chase Bank of Texas

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Landon McBride is supervised by Adam Morse, Senior Investment Adviser. He reviews Landon's work through frequent office interactions as well as remote interactions. He also reviews Landon's activities through our client relationship management system.

SUPERVISOR'S contact information:

972-535-4040 [adamm@assetbuilder.com](mailto:adamm@assetbuilder.com)