



# DAVIDSON

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## CAPITAL MANAGEMENT

### Form ADV - Part 3 Client Relationship Summary March 31, 2022

#### Introduction

Our firm, Davidson Capital Management, Inc., is an investment adviser registered with the Securities and Exchange Commission. There are free and simple tools available to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS), which also provides educational materials about investment advisers, broker-dealers, and investing. The purpose of this document is to help you understand what services we offer and what fees we charge for our services.

#### What investment services can you provide me?

We are a registered investment adviser that offers investment advisory services to clients. Our investment advisory services include Investment Management, Financial Planning, and Investment Consulting. If you open an advisory account with our firm, we will meet with you to understand your current financial situation, existing investment resources, future investment goals, and risk tolerance. Based on what we learn, we will create a portfolio of investments that we will manage on a continuous basis to meet your investment goals and risk tolerance. We will offer to meet with you to review your portfolio and discuss any changes in your financial situation which may require adjustments to your portfolio.

We manage accounts on a discretionary basis. After you sign an agreement with our firm, we will buy and sell investments in your portfolio without asking you in advance. Any limitations on the types of investments we invest in will be described in the signed Discretionary Account Agreement. We will have investment discretion over your portfolio until the Discretionary Account Agreement is terminated by you or our firm.

We restrict our discretionary investment management to limited types of investments. The types of investments we invest in are common stocks, exchange traded funds, no-load mutual funds, United States corporate bonds, United States Treasury bonds, bills, and notes, United States Agency bonds, and State of Texas municipal bonds. We only purchase investments on United States based securities exchanges. While our firm does have a minimum investment amount of \$500,000 per household, we do not impose a minimum investment amount per account.

Our firm also acts as an investment adviser to employee benefit plans. Our responsibilities as an investment adviser to an employee benefit plan may include such duties as plan design consulting, investment selection and monitoring, and on a limited basis, individual participant consulting.

*Additional information about our advisory services can be found in Item 4 of our Client Brochure ADV – Part 2A.*

**Conversation Starters:** Ask your financial professional -

- ✓ Given my financial situation, should I choose an investment advisory service? Why or why not?
- ✓ How will you choose investments to recommend to me?
- ✓ What is your relevant experience, including your licenses, education, and other qualifications? What do those qualifications mean?

#### What fees will I pay?

You will be charged an ongoing quarterly management fee computed at the end of every calendar quarter based on a percentage rate of the combined value of *all* the investments in *all* the portfolios we manage for you. The higher the value of the investments we manage for you, the more in management fees you will pay us. Therefore, we have an incentive to encourage you to increase the assets in your portfolio and we also have an incentive to increase the value of your portfolio investments through our investment management activities.

The maximum annual management fee you pay us is 1.00% of the value of all the investments we are managing. Our management fee schedule is structured so that the higher the combined value of all the investments in all the portfolios we manage for you, the lower the percentage amount you pay us. Our management fees are generally not negotiable. Our management fees will be automatically deducted from your portfolio each quarter.

The broker-dealer that holds your assets may charge you a transaction fee when we buy or sell an investment for you. The broker-dealer's transaction fees are in addition to our firm's management fees for our investment management services.

Some investments, such as mutual funds and exchange traded funds have internal expenses that will reduce the performance of your investments.

You will pay management fees and other costs whether you make or lose money on your investments. Management fees and costs will reduce any amount of money you make on your investments. Please make sure you understand what management fees and other costs you are paying.

*Additional information about our management fees can be found in Item 5 of our Client Brochure ADV – Part 2A.*

**Conversation Starters:** *Ask your financial professional -*

- ✓ Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

### **What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they affect the recommendations we provide you. Here are some examples to help you understand what this means.

Certain custodians make free services available to us, including access to research, technology, compliance resources, and conferences on practice management. Access to these services may give our firm an incentive to recommend that clients place their assets with these custodians.

Our sole source of compensation are the management fees we charge you for our investment management services. We receive no compensation from any organization for selecting their investments for your portfolio and we receive no compensation from any asset custodian for using their services.

**Conversation Starters:** *Ask your financial professional -*

- ✓ How might your conflicts of interest affect me, and how will you address them?

### **How do your financial professionals make money?**

Our financial professionals are salaried employees and, just like all other employees, their compensation is based on the jobs they perform.

### **Do you or your financial professionals have legal or disciplinary history?**

No, none of our financial professionals have legal or disciplinary history.

**Conversation Starters:** *Ask your financial professional -*

- ✓ As a financial professional, do you have any disciplinary history? For what type of conduct?

### **Additional Information**

You can find additional information about our firm's investment advisory services on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #112232, or on our website [www.davidsoncap.com](http://www.davidsoncap.com). You may also contact our firm at (361)906-0070 to request a copy of this relationship summary and other up-to-date disclosure information.

**Conversation Starters:** *Ask your financial professional -*

- ✓ Who is my primary contact person? Is he or she a representative of an investment-adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?