

AZZENDO

WEALTH ADVISORS

Azzendo Wealth Advisors

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October 21, 2024

Form ADV Part 2A Brochure

Cathy Pareto and Associates, Inc. doing business as Azzendo Wealth Advisors is a registered investment adviser. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Azzendo Wealth Advisors. If you have any questions about the contents of this brochure, please contact us at (305) 648-9814 and/or cathy.pareto@azzendo.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 Azzendo Wealth is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes - Item 2

This item will discuss material changes that were made to the firm's Form ADV Part 2 Brochure since the firm's last annual update and provide clients with a summary of such changes.

On January 17, 2024, we submitted our annual updating amendment filing for fiscal year 2023 and we amended Item 4 of our Form ADV Part 2A Brochure to report discretionary assets under management of \$212,481,539 and \$0 in non-discretionary assets under management.

On October 21, 2024, we filed an "other than annual amendment" to our Form ADV Part 2A and made the following changes:

- Item 4: We revised the description of our financial planning services and added retirement plan consulting services as a new standalone service.
- Item 5: We revised our portfolio management services and financial planning services fee schedules and added a new section about fees for retirement plan consulting services.

We would also like to notify clients that Cathy Pareto and Associates, Inc. has registered Azzendo Wealth Advisors as a fictitious business name and has been primarily conducting business under the Azzendo Wealth Advisors name.

If you would like to receive a complete copy of our current brochure free of charge at any time, please contact us at (305) 648-9814.

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Advisory Business - Item 4

Azzendo Wealth Advisors is a registered investment advisor based in Coral Gables, Florida. We are a corporation formed under the laws of the State of Florida and we have been providing investment advisory services since 2008.

Cathy Pareto, CFP® is the sole owner. Currently, we offer the following investment advisory services, personalized to each individual client:

- **Wealth Management Services**
- **Portfolio Management Services**
- **Financial Planning Services**
- **Retirement Plan Consulting Services**

The following paragraphs describe what we do and what we charge. Each investment advisory service is listed below and describes how we tailor our advisory services to your individual needs. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm.

Wealth Management Services

Azzendo Wealth Advisors provides wealth management services to clients. At the beginning of the relationship, clients receive a financial plan that is used to: (i) determine and prioritize the client's personal and financial goals, needs and objectives; (ii) gather pertinent data and documents, through personal meetings and interviews with the client; (iii) analyze and evaluate the client's overall financial situation; (iv) develop and present financial planning recommendations; (v) assist in the implementation of the financial plan; and (vi) monitor the plan on an ongoing basis. Further details about our financial planning process are provided in the Financial Planning Services section below.

Once a financial plan is delivered, clients can implement the investment recommendations provided in the financial plan through our portfolio management services described in more detail below.

Portfolio Management Services

Asset management refers to the management of money, including investments. Assets are usually held in what is called a portfolio. Determining the types and quantities of securities to hold in a portfolio is referred to as portfolio management.

Our firm offers discretionary portfolio management services to our clients. Discretionary portfolio management means we will make investment decisions and place buy or sell orders in your account

without contacting you. These decisions would be made based upon your stated investment objectives and risk tolerance.

Our investment advice is tailored to meet our clients' needs and investment objectives. If you decide to hire our firm to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

There are a few ways we might create your investment portfolio depending on what we decide would work best for you. We may customize a portfolio for you based on the goals and risk we determined during the information gathering process. Or, we might use a predetermined strategy rather than choosing individual securities. Alternatively, it may be that one of the model portfolios developed by our firm would be the best fit for your needs.

Azzendo Wealth Advisors mainly uses equity securities, exchange traded funds, mutual funds, corporate securities, municipal securities and U.S. government securities in its portfolio management programs.

However we construct your investment portfolio, we will monitor your portfolio's performance on an ongoing basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

As outlined above, discretionary portfolio management services means that once the portfolio has been agreed upon, the ongoing supervision and management of the portfolio will be our responsibility. This authority is granted to us by you in a written agreement. This allows our firm to decide on specific securities, the quantity of the securities and placing buy or sell orders for your account without obtaining your approval for each transaction. This type of authorization is done using either the investment advisory agreement you sign with our firm, a limited power of attorney agreement, or trading authorization forms. You may limit this authority if you wish by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing.

If you wish to terminate this service, you can do so by writing a letter to us at least [30] days before the designated termination date. There will be a charge to you for any service performed by us in the partial billing period in which you gave termination notice. This fee will be calculated *pro rata*, which means only in proportion to the number of days in the billing period for which you are a client. *If you have pre-paid advisory fees that we have not yet earned, you will receive a pro-rated refund of those fees.*

We recommend that you review the statement(s) you receive from the qualified custodian. If you see something that is incorrect, please call our main office number, located on the cover page of this brochure.

Financial Planning Services

We offer broad based financial planning including tax planning, charitable gifting strategies, estate and retirement planning and preparation for life transitions including family wealth planning.

Azzendo Wealth Advisors strives to achieve a client's long-term financial goals by implementing a financial planning process that includes the following elements:

1. Financial goals review and an assessment of current savings plan to achieve those goals;
2. Cash flow review of pre-and post-retirement spending projections;
3. Social Security income timing strategies in coordination with other pension programs, if applicable;
4. Retirement age stress testing for alternative target dates;
5. Portfolio stress testing under different market scenarios to determine the impact on your plan;
6. Financial projections using Monte Carlo Simulations under different plan assumptions to determine the viability of accomplishing your financial objectives;
7. Investment strategy review including asset allocation targets, expected rates of return, portfolio expenses, portfolio selection, and
8. A rebalancing plan, if needed.

For an additional hourly fee, clients can also opt to obtain add on financial planning services that includes any, or all of the following elements:

1. Education planning for children;
2. Personal insurance needs (limited to life insurance, disability insurance and/or long-term care insurance);
3. Annuity policy reviews and recommendations;

Financial plans are based on your financial situation and the financial information you provide to our firm. If your financial situation, goals, objectives, or needs change, you must notify us promptly.

You may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so either through our investment advisory services or by using the advisory/brokerage firm of your choice.

Retirement Plan Consulting Services

Azzendo Wealth Advisors provides several retirement plan consulting services. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we will also offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Retirement plan consulting services are comprised of the following components. Clients may choose to use any or all of these services.

- Recommendations and reviews of the investment policy statement (IPS).
- Assistance with recommendations regarding menu diversification, and non-discretionary model portfolios.
- Meeting with the client on a periodic basis to discuss the reports and the investment decisions and make recommendations.
- Analysis of the fees and expenses associated with the investments, and the service providers, and recommend changes when warranted.
- Recommendations and guidance regarding a Qualified Default Investment Alternative.

Other retirement plan consulting services are available on request. All of our services whether general or customized, will be outlined in the Investment Adviser Agreement that shows the services that will be provided and the fees that will be charged for those services.

Azzendo Wealth Advisors is registered as an investment advisor and represents that it is not subject to any disqualification as set forth in Section 411 of ERISA. To the extent Azzendo Wealth Advisors performs Fiduciary Services, Azzendo Wealth Advisors is acting as a fiduciary of the plan as defined in Section 3(21) under ERISA.

We may also provide certain non-fiduciary services such as assistance in the education of plan participants about general investment principals and the investment alternatives available under a plan, to the extent such services are consistent with and within the scope of the definition of investment education provided by the Department of Labor. We may also assist in the group enrollment meetings and discuss retirement plan participation among employees and investment and financial understanding by the employees.

Our retirement plan consulting services are designed to assist plan sponsors in meeting their management and fiduciary obligations to participants under ERISA. Pursuant to adopted regulations of the U.S. Department of Labor, we are required to provide the plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the plan) with a written statement of the services we provide to the plan, the compensation we receive for providing those services, and our status (which is described below).

The services we provide to your plan are described above, and in the service agreement that you have previously signed. Our compensation for these services is described below, in Item 5, and also in the Investment Adviser Agreement.

Assets Under Management

As of January 9, 2024, we manage \$212,481,539 in client assets, all on a discretionary basis.

Fees and Compensation - Item 5

Azzendo Wealth Advisors charges fees based on percentage of assets under management, hourly charges, fixed fees or other fees for its advisory services. At the sole discretion of Azzendo Wealth Advisors, these fees are negotiable.

Wealth Management Services Fees

Wealth management clients are first charged a financial planning service fee in accordance with the broad-based financial plan fee schedule and payment arrangements listed in the Financial Planning Services Fees section below. Our portfolio management services fees and payment arrangement are disclosed below.

Portfolio Management Services Fees

If you decide to engage Azzendo Wealth Advisors for portfolio/asset management services, we will do so on a fee basis. We will charge an annual fee based upon a percentage of the market value of the assets being managed. Our fee for portfolio/asset management services is set forth in the following blended fee schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$1,000,000	1.00% per year
Next \$1,000,000	0.80% per year
Next \$1,000,000	0.75% per year
Next \$2,000,000	0.70% per year

For example, a client with a managed account worth \$3,000,000, will incur the following annual asset management fee:

*First \$1,000,000 x 1.0%: \$10,000
Next \$1,000,000 x 0.80%: \$8,000
Next \$1,000,000 x 0.75%: \$7,500
Total annual fee: \$25,500*

****For client relationships over \$5 million, the following fee schedule is typically applied:**

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$5,000,000	0.75% per year
Next \$5,000,000	0.55% per year
Next \$5,000,000	0.45% per year
Next \$5,000,000	0.35% per year
Accounts over \$20 million	Negotiable

Azzendo Wealth Advisors generally requires a minimum of \$500,000 to open and maintain an individually managed account. This account minimum may be waived at the discretion of the Firm. Where the Firm waives this account minimum, the annual fee will be set at 1.50%, subject to a \$5,000 minimum annual fee.

Azzendo Wealth Advisors allows the accounts for members of the same household to be combined for fee-paying purposes. We combine the account valuations to assist you in meeting fee breakpoints and therefore lowering the overall fee level. Azzendo Wealth Advisors extends this option to all accounts residing in the same household.

Legacy clients will be subject to a different fee schedule. These fees will be clearly listed in the advisory agreement signed by the client and our firm. In limited circumstances, other fee arrangements may be negotiated. For example, at our discretion, we may agree to an annual fixed fee for management services. Such arrangements are negotiable on a client-by-client basis and will be clearly set forth in the management agreement with our firm.

Azzendo Wealth Advisors will either bill you directly for payment of our fees or the fees will be deducted from your account. Fees are billed quarterly, in arrears and are based on the value of your portfolio at the end of the preceding quarter (or on the negotiated fixed fee, where applicable). Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client asset account to facilitate billing. The qualified custodian will provide you with an account statement at least quarterly. This statement will detail all account activity, including the advisory fees deducted from your account(s).

Our annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses, which will be incurred by the client. However, we will not receive any portion of the commissions, fees, and costs. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs.

For the initial period of investment management services, the first period's fees will be calculated on a pro-rata basis. The Advisory Agreement between Azzendo Wealth Advisors and the client will

continue in effect until either party terminates the Agreement in accordance with the terms of the Agreement. Azzendo Wealth Advisors' annual fee will be pro-rated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

Financial Planning Services Fees

Azzendo Wealth Advisors charges a fixed fee that ranges from \$5,000.00 to \$7,500.00, for broad based planning services.

Clients who opt to obtain add on financial planning services are charged an hourly fee of up to \$450. The estimated amount of time needed to complete the add on services will be calculated and disclosed to the client at the inception of service.

Prior to engaging Azzendo Wealth Advisors to provide financial planning services, the client will be required to enter into a written agreement with us. The agreement will set forth the terms and conditions of the engagement and describe the scope of the services to be provided and the portion of the fee that is due from the client. Generally, Azzendo Wealth Advisors requires one-half of the fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is generally due upon the completion of the agreed upon services. Either party may terminate the agreement by written notice to the other. In the event the client terminates Azzendo Wealth Advisors' services, the balance of Azzendo Wealth Advisors' unearned fees (if any) shall be refunded to the client.

Retirement Plan Consulting Services Fees

The fees and compensation charged by Azzendo Wealth Advisors is negotiated independently with each plan sponsor in order to consider the varying, unique characteristics or requirements of each plan. We may charge a fixed fee or a fee based on the amount of assets in the plan. Primary determinants of the negotiated fee may include but are not limited to the:

- Amount of plan assets,
- Number of employees / participants,
- Number of plan sponsor locations, and
- Special plan sponsor considerations or requirements.

Delivery of compensation or fees to Azzendo Wealth Advisors is dependent upon on the invoicing or fee assessment frequency (monthly or quarterly) and policies ("in arrears" or "in advance") of the Plan Provider/Platform utilized by the plan sponsor. The exact fee and fee payment method will be clearly listed in the Investment Adviser Agreement signed by the client and the Azzendo Wealth Advisors.

Either party may terminate the pension consulting agreement upon 30-days' written notice to the other party. In the event the client terminates Azzendo Wealth Advisors' services, the balance of any prepaid unearned fees (if any) shall be refunded to the client promptly.

Additional Fees and Expenses

The fees Azzendo Wealth Advisors charges may be negotiable based on the amount of assets under management, complexity of client goals and objectives, and level of services rendered. As described above, the fees are charged as described and are not based on a share of capital gains of the funds of an advisory client. All fees paid to Azzendo Wealth Advisors for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of Azzendo Wealth Advisors. In that case, the client would not receive the services provided by Azzendo Wealth Advisors, which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by Azzendo Wealth Advisors to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

IRA Rollover Considerations

As a normal extension of financial advice, we provide education or recommendations related to the rollover of an employer-sponsored retirement plan. A plan participant leaving employment has several options. Each choice offers advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and the investor's unique financial needs and retirement plans. The complexity of these choices may lead an investor to seek assistance from us.

An Associated Person who recommends an investor roll over plan assets into an Individual Retirement Account ("IRA") may earn an asset-based fee as a result, but no compensation if assets are retained in the plan. Thus, we have an economic incentive to encourage an investor to roll plan assets into an IRA. In most cases, fees and expenses will increase to the investor as a result because the above-described fees will apply to assets rolled over to an IRA and outlined ongoing services will be extended to these assets.

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We have to act

in your best interests and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

Negotiability of Fees

We allow Associated Persons servicing the account to negotiate the exact investment management fees within the range disclosed in our Form ADV Part 2A Brochure. As a result, the Associated Person servicing your account may charge more or less for the same service than another Associated Person of our firm. Further, our annual investment management fee may be higher than that charged by other investment advisors offering similar services/programs.

Billing on Cash Positions

The firm treats cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating the firm's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the firm may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, the firm's advisory fee could exceed the interest paid by the client's cash or cash equivalent positions.

Periods of Portfolio Inactivity

The firm has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, the firm will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when the firm determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, the firm's annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by the firm will be profitable or equal any specific performance level(s).

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

Azzendo Wealth Advisors does not charge performance-based fees.

Types of Clients - Item 7

We offer investment advisory services to individuals, pension and profit-sharing plan participants, guardianships, trusts and estates.

Azzendo Wealth Advisors requires a minimum of \$500,000 to open and maintain an advisory account. At our sole discretion, we may waive this requirement. This requirement can be met by combining two or more accounts owned by you or related family members. Where the Firm waives this account minimum, the annual fee will be set at 1.50%, subject to a \$5,000 minimum annual fee.

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

The following are different methods of analysis that we may use when providing you with investment advice:

- Charting – charting is a technique that attempts to forecast future market moves by studying historical data on charts.
- Fundamental Analysis – fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its future prospects. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.
- Technical Analysis – technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall.
- Cyclical Analysis – cyclical analysis is a technique that looks at cycles, specifically analyzing the way prices follow certain patterns and trends.

We may use one or more of the following investment strategies when advising you on investments:

- Long Term Purchases – securities held for over a year.
- Short Term Purchases – securities held for less than a year.

The investment advice provided along with the strategies suggested by Azzendo Wealth Advisors will vary depending on each client's specific financial situation and goals. Investing in securities involves risk of loss that clients should be prepared to bear. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationship(s) into which you are entering and the

extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed would be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

General Investment Risk: All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments you intend to invest in.

Loss of Value: There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies.

Interest Rate Risk: Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

Credit Risk: Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

Foreign Exchange Risk: Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

Risks Associated with Investing in Alternative Investments: We may recommend to qualified clients the use of alternative investments such as investments in real estate, private equity, or hedge funds. We may also recommend a direct investment into a private company. Investments in such “alternative assets” are generally illiquid, which will impair the ability of the client to exit such investments in times of adversity. Alternative investments may utilize highly speculative investment techniques, including leverage, highly concentrated portfolios, senior and/or subordinated securities positions, control positions and illiquid investments. In addition, they may utilize derivative instruments to attempt to hedge the risks associated with certain of their investments. Transactions in such derivative instruments may expose the assets of investment funds to the risks of material financial loss, which in turn adversely affects the financial results of the client.

Risks Associated with Investing in Private Funds: Private Funds are not registered with the Securities and Exchange Commission and may not be registered with any other regulatory authority. Accordingly, they are not subject to certain regulatory restrictions and oversight to which other issuers are subject. There may be little public information available about their investments and performance. Moreover, as sales of shares of private investment companies are generally restricted to certain qualified purchasers, it could be difficult for a client to sell its shares of a private investment company at an advantageous price and time. Since shares of private investment companies are not publicly traded, it may be difficult to establish a fair value for the client’s investment in these companies. Private Funds often engage in leveraging and other speculative investment practices that increases the risk of investment loss. A Private Fund’s performance can be volatile. An investor could lose all or a substantial portion of his or her investment. There may be no secondary market for the investor’s interest in the fund. Private Funds can be highly illiquid and there may be restrictions on transferring interests in the fund. Private Funds are not required to provide periodic pricing or valuation information to investors. Private Funds may have complex tax structures. There may be delays in distributing important tax information. Private Funds are not subject to the same regulatory requirements as mutual funds. Private Funds often charge high fees. The fund's high fees and expenses may offset the fund's trading profits. Additional information about the risks associated with each Private Fund is available in the funds’ private placement memorandum, and other subscription documents.

Concentrated Position Risk: Certain Associated Persons may recommend that clients concentrate account assets in an industry or economic sector. In addition to the potential concentration of accounts in one or more sectors, certain accounts may, or may be advised to, hold concentrated positions in specific securities. Therefore, at times, an account may, or may be advised to, hold a relatively small number of securities positions, each representing a relatively large portion of assets in the account. As a result, the account will be subject to greater volatility than a more sector diversified portfolio. Investments in issuers within an industry or economic sector that experiences adverse economic, business, political conditions or other concerns will impact the value of such a portfolio more than if the portfolio’s investments were not so concentrated. A change in the value of

a single investment within the portfolio will affect the overall value of the portfolio and will cause greater losses than it would in a portfolio that holds more diversified investments.

Preferred Securities Risk: Preferred Securities have similar characteristics to bonds in that preferred securities are designed to make fixed payments based on a percentage of their par value and are senior to common stock. Like bonds, the market value of preferred securities is sensitive to changes in interest rates as well as changes in issuer credit quality. Preferred securities, however, are junior to bonds with regard to the distribution of corporate earnings and liquidation in the event of bankruptcy. Preferred securities that are in the form of preferred stock also differ from bonds in that dividends on preferred stock must be declared by the issuer's board of directors, whereas interest payments on bonds generally do not require action by the issuer's board of directors, and bondholders generally have protections that preferred stockholders do not have, such as indentures that are designed to guarantee payments – subject to the credit quality of the issuer – with terms and conditions for the benefit of bondholders. In contrast preferred stocks generally pay dividends, not interest payments, which can be deferred or stopped in the event of credit stress without triggering bankruptcy or default. Another difference is that preferred dividends are paid from the issue's after-tax profits, while bond interest is paid before taxes.

Cybersecurity Risks: Our firm and our service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate; however, unintentional events may have similar effects. Cyber-attacks may cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as a result of unauthorized use of their personal information. While our firm has established a business continuity plan and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities, investment companies and other investment advisers in which we invest, which could result in material adverse consequences for such entities and may cause a client's investment in such entities to lose value.

Pandemic Risk: Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant

economic, social, and political disruption. It is difficult to predict the long-term impact of such events because they are dependent on a variety of factors including the global response of regulators and governments to address and mitigate the worldwide effects of such events. Workforce reductions, travel restrictions, governmental responses and policies and macroeconomic factors will negatively impact investment returns.

Cryptocurrency Risk: Cryptocurrency (e.g., bitcoin and ether), often referred to as “virtual currency”, “digital currency,” or “digital assets,” is designed to act as a medium of exchange. Cryptocurrency is an emerging asset class. There are thousands of cryptocurrencies, the most well-known of which is bitcoin. Certain of the firm’s clients may have exposure to bitcoin or another cryptocurrency, directly or indirectly through an investment such as an ETF or other investment vehicles. Cryptocurrency operates without central authority or banks and is not backed by any government. Cryptocurrencies may experience very high volatility and related investment vehicles may be affected by such volatility. As a result of holding cryptocurrency, certain of the firm’s clients may also trade at a significant premium or discount to NAV. Cryptocurrency is also not legal tender. Federal, state or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the U.S. is still developing. The market price of many cryptocurrencies, including bitcoin, has been subject to extreme fluctuations. If cryptocurrency markets continue to be subject to sharp fluctuations, investors may experience losses if the value of the client’s investments decline. Similar to fiat currencies (i.e., a currency that is backed by a central bank or a national, supra-national or quasi-national organization), cryptocurrencies are susceptible to theft, loss and destruction. Cryptocurrency exchanges and other trading venues on which cryptocurrencies trade are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for securities, derivatives and other currencies. The SEC has issued a public report stating U.S. federal securities laws require treating some digital assets as securities.

Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware. Due to relatively recent launches, most cryptocurrencies have a limited trading history, making it difficult for investors to evaluate investments. Generally, cryptocurrency transactions are irreversible such that an improper transfer can only be undone by the receiver of the cryptocurrency agreeing to return the cryptocurrency to the original sender. Digital assets are highly dependent on their developers and there is no guarantee that development will continue or that developers will not abandon a project with little or no notice. Third parties may assert intellectual property claims relating to the holding and transfer of digital assets, including cryptocurrencies, and their source code. Any threatened action that reduces confidence in a network’s long-term ability to hold and transfer cryptocurrency may affect investments in cryptocurrencies.

Many significant aspects of the U.S. federal income tax treatment of investments in cryptocurrency are uncertain and an investment in cryptocurrency may produce income that is not treated as

qualifying income for purposes of the income test applicable to regulated investment companies. Certain cryptocurrency investments may be treated as a grantor trust for U.S. federal income tax purposes, and an investment by the firm's clients in such a vehicle will generally be treated as a direct investment in cryptocurrency for tax purposes and "flow-through" to the underlying investors.

Disciplinary Information - Item 9

Azzendo Wealth Advisors has not been subject to any disciplinary events.

Other Financial Industry Activities or Affiliations - Item 10

Louis Benjamin Carpenter, III, an investment adviser representative of Azzendo Wealth Advisors, is the sole owner of LB Carpenter CPA, PA, a Florida based accounting practice. Mr. Carpenter devotes the majority of his time and derives a majority of his income from his capacities at LB Carpenter CPA, PA.

Clients who have hired Azzendo Wealth Advisors for advisory services may also hire LB Carpenter CPA, PA for accounting services. Clients are instructed that the fees paid to us for advisory services are separate and distinct from fees paid to LB Carpenter CPA, PA. Advisory clients are informed that they are under no obligation to use LB Carpenter CPA, PA's accounting services and may use the accounting firm of their choice.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Item 11

Description of Our Code of Ethics

Azzendo Wealth Advisors has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes Azzendo Wealth Advisors' policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;

- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of Azzendo Wealth Advisors' Code of Ethics is available upon request to the Chief Compliance Officer at Azzendo Wealth Advisors' principal office address.

Personal Trading Practices

At times, Azzendo Wealth Advisors and/or its Advisory Representatives may take positions in the same securities as clients, which may pose a conflict of interest with clients. Azzendo Wealth Advisors and its Advisory Representatives will generally be “last in” and “last out” for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

Brokerage Practices - Item 12

Client assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. Schwab Advisor Services (formerly called Schwab Institutional) is Schwab’s business serving independent investment advisory firms like us. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor.

We seek to recommend a custodian/broker 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, these:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for your account)

- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- availability of investment research and tools that assist us 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 them
- reputation, financial strength and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us from Schwab”)

Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account, as described in the next paragraph.

Your Custody and Brokerage Costs

Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab’s commission rates applicable to our client accounts were negotiated based on our commitment to maintain \$10 million of our clients’ assets statement equity in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be if we had not made the commitment. In addition to commissions Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

Research and Other Soft Dollar Benefits

Although not considered “soft dollar” compensation, Azzendo Wealth Advisors receives benefits from Schwab Advisor Services (formerly called Schwab Institutional) in the form of access to its institutional brokerage, 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 us 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 us as long as we keep a total of at least \$10 million of our clients’ assets in

accounts at Schwab. If we have less than \$10 million in client assets at Schwab, it may charge us quarterly service fees. Below is a 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 we 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 us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. 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; and
- assist with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Us: Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

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

Schwab may 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.

Azzendo Wealth Advisors understands its duty for best execution and considers all factors in making recommendations to clients. These research services may be useful in servicing all Azzendo Wealth Advisors clients, and may not be used in connection with any particular account that may have paid compensation to the firm providing such services. While Azzendo Wealth Advisors may not always

obtain the lowest commission rate, Azzendo Wealth Advisors believes the rate is reasonable in relation to the value of the brokerage and research services provided.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers and custodians in which we have an institutional advisory arrangement.

Directed Brokerage

The client may direct brokerage to a specified broker/dealer other than the firm recommended by Azzendo Wealth Advisors. It is up to the client to negotiate the commission rate, as Azzendo Wealth Advisors will not. The client may not be able to negotiate the most competitive rate. As a result, the client may pay more than the rate available through the broker/dealer used by Azzendo Wealth Advisors. In client directed brokerage arrangements, the client may not be able to participate in aggregated ("blocked") trades, which may help reduce the cost of execution. Where the client does not otherwise designate a broker/dealer, Azzendo Wealth Advisors recommends a broker/dealer with competitive commission rates.

Trade Aggregation

While individual client advice is provided to each account, client trades may be executed as a block trade. Azzendo Wealth Advisors encourages its existing and new clients to use Schwab Institutional. Only accounts in the custody of Schwab Institutional would have the opportunity to participate in aggregated securities transactions. All trades using Schwab Institutional will be aggregated and done in the name Azzendo Wealth Advisors. The executing broker will be informed that the trades are for the account of Azzendo Wealth Advisors' clients and not for Azzendo Wealth Advisors itself. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce slightly the costs of execution, and Azzendo Wealth Advisors will not aggregate a client's order if in a particular instance Azzendo Wealth Advisors believes that aggregation would cause the client's cost of execution to be increased. Schwab Institutional will be notified of the amount of each trade for each account. Azzendo Wealth Advisors and/or its Advisory Representatives may participate in block trades with clients, and may also participate on a pro rata basis for partial fills, but only after the determination has been made that clients will receive fair and equitable treatment.

Review of Accounts - Item 13***Portfolio Management Account Reviews***

Azzendo Wealth Advisors monitors the individual investments within Azzendo Wealth Advisors' portfolio management program on a continuous basis. Portfolio performance is reviewed, at a

minimum, on a quarterly basis. Azzendo Wealth Advisors offers portfolio management clients an in-person portfolio review meeting on an annual basis.

The account reviews are performed by the client's Advisory Representative. The Chief Compliance Officer and other designated compliance staff monitor the portfolios and financial plans for investment objectives and other supervisory review.

The financial plan is a snapshot in time and no ongoing reviews are conducted. We recommend clients engage us on an annual basis to update the financial plan.

All clients receive standard account statements from investment sponsors and brokerage firms.

Client Referrals and Other Compensation - Item 14

Custodial Benefits

As described in Item 12 above, we receive economic benefits from our custodial broker dealer in the form of support products and services they make available to us and other independent investment advisors whose clients maintain their accounts at these custodial broker dealers. The availability of custodial products and services is not dependent upon or based on the specific investment advice we provide our clients, such as buying or selling specific securities or specific types of securities for our clients. The products and services provided by the custodial broker dealer, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

Economic Benefits Received from Vendors and Product Sponsors

Occasionally, our firm and our Associated Persons will receive additional compensation from vendors. Compensation could include such items as gifts; an occasional dinner or ticket to a sporting event; reimbursement in connection with educational meetings with an Associated Person, reimbursement for consulting services, client workshops, or events; or marketing events or advertising initiatives, including services for identifying prospective clients. From time to time, we may receive expense reimbursements from distributors of investment and/or insurance products. These reimbursements are typically a result of attendance at due diligence and/or investment training events. Although receipt of these expense reimbursements is not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. Receipt of additional economic benefits presents a conflict of interest because our firm and Associated Persons have an incentive to recommend and use vendors based on the additional economic benefits obtained rather than solely on the client's needs. We address this conflict of interest by recommending vendors that we, in good faith, believe are appropriate for the client's particular needs. Clients are under no obligation contractually or otherwise, to use any of the vendors recommended by us.

Referral Fees Paid

Our firm and our related persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for Client referrals.

Custody - Item 15

Azzendo Wealth Advisors is deemed to have custody of client funds or securities solely because of the fee deduction authority granted by the client in the investment advisory agreement and in certain situations where we accept standing letters of authorization from clients to transfer assets to third parties. We maintain safeguards in accordance with regulatory requirements regarding custody of client assets.

Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them.

Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. Clients are urged to review custodial account statements for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

Investment Discretion - Item 16

Azzendo Wealth Advisors offers Portfolio Management Services to its advisory clients on both a discretionary and non-discretionary basis. Azzendo Wealth Advisors will manage client accounts on a discretionary basis if the client has granted discretionary authority in the client advisory agreement. Discretionary authority extends to the type and amount of securities to be bought and sold and do not require advance client approval. However, Azzendo Wealth Advisors does not have the ability to withdraw funds or securities from client's account.

In a non-discretionary account, an Associated Person of Azzendo Wealth Advisors recommends the purchase or sale of securities for review and approval by their clients. Azzendo Wealth Advisors will only purchase or sell securities, which have been approved by clients in advance.

You may limit this authority if you wish by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing.

Please refer to the “Advisory Business” section in this Brochure for more information on our discretionary management services.

Voting Client Securities - Item 17

Proxy Voting

Azzendo Wealth Advisors does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

Financial Information - Item 18

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Azzendo Wealth Advisors' financial condition. Azzendo Wealth Advisors does not require the prepayment of over \$1,200, six or more months in advance. Azzendo Wealth Advisors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Requirements of State-Registered Advisers - Item 19

This Item is not applicable because our firm is SEC registered.

Miscellaneous

Class Action Lawsuits

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. Azzendo Wealth Advisors has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the firm has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where the firm receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials, to the client. Electronic mail is acceptable where appropriate, and the client has authorized contact in this manner.

Confidentiality

Azzendo Wealth Advisors views protecting its customers' private information as a top priority and, pursuant to the requirements of the Gramm-Leach-Bliley Act, the firm has instituted policies and procedures to ensure that customer information is kept private and secure.

Azzendo Wealth Advisors does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client account, Azzendo Wealth Advisors may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

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

A copy of the firm's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the Advisory Agreement. Thereafter, we will deliver an amended privacy policy notice whenever our privacy policies change. If you have any questions on this policy, please contact Cathy Pareto, President/Chief Compliance Officer, at cathy.pareto@azzendo.com or at (305) 648-9814.