



10001 Maine Ave  
Lakeside, CA 92040  
(858) 360-7800

8596 N. Wayne Drive, Ste 102  
Hayden, ID 83835  
(858) 360-7800

[www.cavuwm.com](http://www.cavuwm.com)

April 10, 2024

*This brochure provides information about the qualifications and business practices of CAVU Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact Phillip Jones at 858-360-7800 or [pjones@cavuwm.com](mailto:pjones@cavuwm.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission. In addition, SEC registration does not imply a certain level of skill or training.*

*Additional information about CAVU Wealth Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 299089.*

## **ITEM 2 MATERIAL CHANGES**

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The Material Changes section of this brochure will be updated annually and/or when material changes occur since the previous updating amendment. This summary of material changes is used to inform clients of any substantive changes to our policies, practices, or conflicts of interests that are critical to a client's full understanding of who we are, how to find us, and how we do business.

The material changes in this brochure from the last annual updating amendment of CAVU Wealth Management, Inc. on 03/03/2023 are described below. Material changes relate to CAVU Wealth Management, Inc.'s policies, practices, or conflicts of interests.

- CAVU has updated its Outside Business Activities. (Item 10.C)
- CAVU may retain third parties to act as solicitors/promoters for CAVU's investment management services. (Item 14)
- CAVU has updated its fee schedules. (Item 5)
- CAVU offers Participant Account Management (Discretionary) services. (Item 4 and 5)

### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at 858-360-7800 or by email at [pjones@cavuwm.com](mailto:pjones@cavuwm.com).

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## ITEM 4 ADVISORY BUSINESS

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CAVU Wealth Management, Inc. is an independent registered investment adviser founded in January 2019 with its principal place of business located in California.

The following individuals are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company):

- Michael S. Wynns, CEO
- Dan Gomes, CFO
- Phillip Jones, CCO, and Secretary

## TYPES OF SERVICES

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CAVU Wealth Management offers the following advisory services to our clients.

### Investment Supervisory Services ("ISS") Individual Portfolio Management

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Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we create and manage a portfolio based on that policy. During our data-gathering process, we collect suitability information including the client's (1) age (or date of birth); (2) annual income; (3) total net worth (excluding primary residence); (4) liquid net worth; (5) employment status (if retired, former profession, if self-employed, type of business); (6) fair market value of primary residence (and outstanding debt); (7) tax status, which includes, type of account (natural person, entity, IRA, etc.), tax bracket, or tax strategy for the account(s); (8) investment objectives (defined to ensure client understanding); (9) investment experience (time/investment products); (10) investment time horizon; (11) liquidity (cash flow) needs; (12) risk tolerance; (13) other investments (types of investments held elsewhere); and (14) any other information related to the recommendations or investment advice (i.e., source of funds). As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis (please refer to Item 16). Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. We strive to meet with clients on an annual basis to remain current with a client's objectives and goals. We will document and update any changes in a client's suitability information as part of these annual reviews.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter

- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States government securities
- Options contracts on securities (please refer to refer Item 8. Investment Strategies: Option Writing)

Please note that billing based on assets under management (AUM) is limited to the investment adviser version of the products listed above. Unmanaged or static assets are not included in AUM when calculating our management fee (i.e., Unmanaged variable products and limited partnership investment products).

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability.

#### Institutional Intelligent Portfolios™

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In addition to the above, CAVU Wealth Management offers an automated investment program (the "Program") through which clients are invested in a range of investment strategies CAVU Wealth Management has constructed and manages, each consisting of a portfolio of exchange-traded funds ("Funds") and a cash allocation. The client may instruct CAVU Wealth Management to exclude up to three Funds from their portfolio. The client's portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. ("CS&Co"). CAVU Wealth Management uses the Institutional Intelligent Portfolios® platform ("Platform"), offered by Schwab Performance Technologies ("SPT"), a software provider to independent investment advisers and an affiliate of CS&Co., to operate the Program. CAVU Wealth Management is independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co., or their affiliates (together, "Schwab"). CAVU Wealth Management, and not Schwab, is the client's investment adviser and primary point of contact with respect to the Program. CAVU Wealth Management is solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. CAVU Wealth Management has contracted with SPT to provide our firm with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables CAVU Wealth Management to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the "System"). Based on information the client provides to us, CAVU Wealth Management will recommend a portfolio via the System. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but CAVU Wealth Management then makes the final decision and selects a portfolio based on all the information CAVU Wealth Management has about the client. The System also includes an automated investment engine through which CAVU Wealth Management manages the client's portfolio on an ongoing basis through automatic rebalancing.

**Rebalancing:** The System will rebalance a client's account periodically by generating instructions to CS&Co to buy and sell shares of ETFs and depositing or withdrawing funds through the "Sweep Program," considering the asset allocation for the client's investment strategy. Rebalancing trade instructions can be generated by the System when (i) the percentage allocation of an ETF varies by a set parameter established by CAVU Wealth Management, (ii) CAVU Wealth Management decides to change the ETFs or their percentage allocations for an investment strategy or (iii) CAVU Wealth Management decides to change a client's investment strategy, which could occur, for example, when a client makes changes to their investment profile or imposes or modifies restrictions on the management of their account. Accounts below \$5,000 may deviate farther than the set parameters as well as the target allocation of the selected investment profile. Rebalancing below \$5,000 may impact the ability to maintain positions in selected asset classes due to the inability to buy or sell at least one share of an ETF. For example, withdrawal requests may require entire asset classes to be liquidated to generate and disburse the requested cash.

**Sweep Program:** Each investment strategy involves a cash allocation ("Cash Allocation") that will be held in a sweep program at Charles Schwab Bank (the "Sweep Program"). The Cash Allocation will be a minimum of 4% of an account's value to be held in cash and may be higher, depending on the investment strategy chosen for a client. The Cash Allocation will be accomplished through enrollment in the Sweep Program, a program sponsored by CS&Co. By enrolling in the Program, clients consent to having the free credit balances in their brokerage accounts at CS&Co swept into deposit accounts ("Deposit Accounts") at Charles Schwab Bank ("Schwab Bank") through the Sweep Program. Schwab Bank is an FDIC-insured depository institution that is a Schwab affiliate. The Sweep Program is a required feature of the Program. If the Deposit Account balances exceed the Cash Allocation for a client's investment strategy, the excess over the rebalancing parameter will be used to purchase securities as part of rebalancing. If clients request cash withdrawals from their accounts, this likely will require the sale of ETF positions in their accounts to bring their Cash Allocation in line with the target allocation for their chosen investment strategy. If those clients have taxable accounts, those sales may generate capital gains (or losses) for tax purposes. In accordance with an agreement with CS&Co, Schwab Bank has agreed to pay an interest rate to depositors participating in the Sweep Program that will be determined by reference to an index.

CAVU Wealth Management charges clients a fee for our services as described below under *Item 5 Fees and Compensation*. CAVU Wealth Management's fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co. as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that CAVU Wealth Management selects to buy and hold in the client's brokerage account; (iii) fees received by Schwab from third-party ETFs that participate in the Schwab ETF OneSource™ program and mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab may receive from the market centers where it routes ETF trade orders for execution.

CAVU Wealth Management does not pay SPT fees for the Platform so long as CAVU Wealth Management maintains \$100 million in client assets in accounts at CS&Co. that are not enrolled in the Program. If CAVU Wealth Management does not meet this condition, then CAVU Wealth Management pays SPT an annual licensing fee of 0.10% (10 basis points) on the value of our clients'

assets in the Program. This fee arrangement gives CAVU Wealth Management an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with CS&Co.

### Financial Planning

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We provide financial planning services that may be broad-based, more narrowly focused or on a consultation basis, depending on the client's needs and wishes.

- **Broad-Based Financial Planning:** CAVU Wealth Management will collect the pertinent data, conduct personal interviews with the client, and present a broad-based written financial plan to the client.
- **Specific Financial Planning:** CAVU Wealth Management will collect the pertinent data, conduct personal interviews with the client, and present selected report(s) to the client that addresses one or more of the areas discussed below.
- **Hourly Financial Consultation:** CAVU Wealth Management will provide financial consulting services on an hourly basis.

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values, and withdrawal plans. Through the financial planning process, all questions, information, and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information, and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current, and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning, and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney and asset protection plans.

We gather the required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written financial plan. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. The



implementation of financial plan recommendations is entirely at the client's discretion. We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Typically, the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided. Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

### Retirement Plan Services

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CAVU Wealth Management provides advisory services to retirement plans (i.e., 401(k) plans). In this capacity, CAVU Wealth Management provides both fiduciary services as well as non-fiduciary services.

Fiduciary services include, but are not limited to:

- Provide non-discretionary investment advice to the client about investment alternatives available for the Plan in accordance with the Plan's investment policies and objectives. The client shall have the final decision-making authority regarding the initial selection, retention, and removal of investment options at the Plan level. After the investment menu is established, the participant elects their allocation in the retirement plan and the Record Keeper/Custodian executes trades for plans based on the Client's payroll submission.
- Assist in the development of an investment policy statement (IPS). The IPS establishes the investment policies and objectives for the Plan and shall set forth the asset classes and investment categories to be offered under the Plan, as well as the criteria and standards for selecting and monitoring the investments. The client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt the investment policy statement.
- Prepare periodic investment advisory reports that document consistency of fund management and performance to the guidelines set forth in the IPS and make recommendations to maintain or remove and replace investment options.
- Meet with the client on a periodic basis to discuss reports and recommendations.
- Provide investment advice to the client with respect to the selection of a qualified default investment alternative ("QDIA") for participants who fail to make an investment election.

Non-fiduciary services include, but are not limited to:

- Assist in the education of the participants in the Plan about general investing principles and the investment alternatives available under the Plan in accordance with Department of Labor requirements. The adviser will not provide investment advice concerning the appropriateness of any investment option for a particular participant or beneficiary under the Plan and will not be acting as an ERISA fiduciary for purposes of providing educational services.
- Assist in the group enrollment meetings designed to increase retirement plan participation among employees. The adviser will not be acting as an ERISA fiduciary for purposes of providing enrollment support services.

Note: CAVU Wealth Management has no responsibility to provide any services related to the following types of assets: employer securities, real estate (except for real estate funds and publicly



traded REITs), stock brokerage accounts or mutual fund windows, participant loans, non-publicly traded partnership interests, other non-publicly traded securities (other than collective trusts and similar vehicles), or other hard-to-value securities or assets. Such assets (except for real estate funds, publicly traded REITs, and collective trusts and similar vehicles) are referred to collectively as “Excluded Assets.” The Excluded Assets will be disregarded in determining the fees payable to CAVU Wealth Management pursuant to Item 5 of this Brochure, and the fees will be calculated only on the remaining assets (the “Included Assets”).

#### Participant Account Management (Discretionary)

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We provide an additional service for accounts not directly held in our custody, but where we do have discretion, and may leverage an Order Management System to implement tax-efficient asset location and opportunistic rebalancing strategies on behalf of the client. These are primarily 401(k) accounts, Health Savings Accounts (HSA), and other assets we do not custody. We regularly review the available investment options in these accounts, monitor them, and rebalance and implement our strategies in the same way we do other investment accounts, though using different tools as necessary.

#### Written Acknowledgement of Fiduciary Status

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When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are 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. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule’s provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

#### CLIENT TAILORED SERVICES AND CLIENT IMPOSED RESTRICTIONS

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CAVU Wealth Management will tailor its advisory services to its client’s individual needs based on meetings and conversations with the client. If clients wish to impose certain restrictions on investing in certain securities or types of securities, we will address those restrictions with the client to have a clear understanding of the client’s requirements.

## WRITTEN AGREEMENTS

Prior to engaging CAVU Wealth Management to provide advisory or financial planning services, clients are required to enter into a written agreement with CAVU Wealth Management setting forth the terms and conditions under which we render our services.

### Termination of Agreement

A client agreement may be canceled via written correspondence, phone, or email at any time, by either party, for any reason upon receipt of 30-day notice.

Upon termination of any account, any prepaid, unearned fees will be promptly refunded. We will provide a final invoice that includes the fees charged, the formula used to calculate the fees, the fee calculation itself, the time period covered by the fees, and if applicable, the amount of assets under management the fee was originally based upon.

If a client terminates its relationship with CAVU Wealth Management before we finish the client's written financial plan or analysis, we will deliver the completed portions of any documents to the client.

### Assignment of Agreements

Agreements may not be assigned without the client's written consent.

## WRAP FEE PROGRAMS

CAVU Wealth Management does not sponsor or provide investment management services to a wrap program.

## AMOUNT OF MANAGED ASSETS

As of December 2023, our firm is currently managing approximately \$ 114,497,809.00 of clients' assets (\$ 110,963,273.00 on a discretionary basis and \$ 3,534,536.00 on a non-discretionary basis).

## ITEM 5 FEES AND COMPENSATION

### INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

The annualized fee for Investment Supervisory Services is charged as a percentage of assets under management. We offer two types of fee schedules generally referred to as a "tiered fee" (where the percentage-based fee is lowered as assets in your accounts increase) or a "flat fee" (where the annual advisory fee is a fixed percentage of the assets in the account and that percentage does not change as the value of your account changes.). We disclose the exact fee charged or fee schedule used to you prior to services being provided and the fee schedule can be found in your advisory agreement.

Annualized Investment Management Tiered Fee Schedule		
Account Value From	Account Value To	Annual Percentage Fee
\$0	\$499,999.99	1.00%
\$500,000	\$2,499,999.99	0.75%
\$2,500,000 Plus		0.50%

Note: Fees are blended: i.e., as the portfolio value reaches each threshold in the above table, the assets above that threshold are charged successively lower percentages.

### Annualized Investment Management Flat Fee Schedule

All Account Values	Annual Percentage Fee
One fee regardless of assets under management	1.50%

Clients will pay our fees either quarterly or monthly in advance based on the market value of the account on the last day of the quarter or month. The fee is prorated based upon the number of days the account is open during the partial quarter or month. Payment of fees will be made through a quarterly or monthly debit to the client's account by the custodian bank or broker-dealer. However, advisory fees may be billed directly to the client if requested in writing by the client. If you request to be billed directly by us, you must pay the full amount of the fees within 30 days of receiving our bill. We will generally send invoices electronically (unless a client specifically requests that it is mailed). Clients must pay the full fee amount by check made payable to CAVU Wealth Management. We will send clients a written invoice that includes the fee, the formula used to calculate the fee, the fee calculation itself, the time period covered by the fee, and if applicable, the amount of assets under management (valuation) on which the fee was based, and the name of the custodian concurrent with the request for payment or payment of CAVU Wealth Management's advisory fees. We urge the client to compare this information with the fees listed in the account statement.

***Limited Negotiability of Advisory Fees:*** Although CAVU Wealth Management has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances, and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

For the valuation, we will use the closing price of the securities in your account that are listed on a national securities exchange or on NASDAQ, on the valuation date, on the principal market where the securities are traded. The Adviser will value other securities or investments in your account in a fiduciary manner that the Adviser believes reflects their fair market value. This may include using valuations provided by transfer agents or by the management of the entity being valued. If the Client disagrees with the valuations, they can call the CAVU Wealth Management home office directly at (858) 360-7800.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee. By combining multiple household accounts the client would be placed lower in our tiered fee schedule. If account aggregation is employed for a client, we will document/identify the accounts to be aggregated.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

## INSTITUTIONAL INTELLIGENT PORTFOLIOS™ FEES

The annualized fee for Institutional Intelligent Portfolios Advisory Services is charged as a percentage of assets under management, according to the following schedule:

Annualized Institutional Intelligent Portfolio Advisory Fees*		
Account Value From	Account Value To	Annual Percentage Fee
\$ 0**	\$99,999.99	1.00%
\$ 100,000	\$249,999.99	0.80%
\$250,000.00	\$499,999.99	0.75%
\$500,000.00 Plus		0.50%

\* Fees are blended: i.e., as the portfolio value reaches each threshold in the above table, the assets above that threshold are charged successively lower percentages.

\*\* The automated rebalancing will not begin until the account is funded with a minimum \$5,000.

We group the client's Institutional Intelligent Portfolios accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee. By combining multiple households accounts the client would be placed lower in our tiered fee schedule. If account aggregation is employed for a client, we will document/identify the accounts to be aggregated.

Fees will be paid quarterly or monthly in advance based on the value of the account on the last day of the quarter or month. The fee is prorated based upon the number of days the account is open during the partial quarter or month. Payment of fees will be made through a quarterly or monthly debit to the client's program account. We retain the discretion to negotiate an alternative fee on a client-by-client basis.

As described in Item 4 Advisory Business, clients do not pay fees to SWIA or brokerage commissions or other fees to CS&Co as part of the Program. Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure. Brokerage arrangements are further described below in Item 12 Brokerage Practices.

## FINANCIAL PLANNING FEES

CAVU Wealth Management's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. Financial Planning fees generally range from \$200 - \$2,500 but may be negotiable in certain cases. This fee is based on our hourly rate and the estimated amount of time expected to complete a client's project. All fees are agreed upon prior to entering into a contract with any client.

**Broad-Based or Specific Financial Planning:** Financial planning services are offered on a fixed fee basis, which ranges from \$2,500 - \$5,000. The final fee shall be directly dependent upon the facts and circumstances of the client's financial situation and the complexity of the financial plan or service requested. An estimate of total cost will be determined at the start of the advisory relationship. If a fixed fee program is chosen, half of the fee is due upon the signing of the agreement and the remainder is due at completion of the engagement. If the service rendered does not meet the required hourly threshold, the amount due will be reduced according to the service that was completed and any unearned fee will be refunded to the client. Clients should pay both the initial fee and the fee balance by check made payable to CAVU Wealth Management. Please note we will not bill an amount above \$500 more than 6 months in advance.

**Hourly Financial Consultation:** The fee for an hourly consultation is based on the time required to

review the client's situation. CAVU Wealth Management's rate is \$200 per hour. An estimate of the total cost will be determined at the start of the advisory relationship. We will bill you directly and you must pay the full amount of the fee within 30 days of receiving our bill. We will generally send invoices electronically (unless a client specifically requests that it is mailed). Clients must pay the full fee amount by check made payable to CAVU Wealth Management.

Please note that financial planning fees will be offset for related advisory services of assets being managed by CAVU Wealth Management, third-party investment adviser, or our employees that are also investment adviser representatives of another unaffiliated investment adviser.

#### RETIREMENT PLAN ADVISORY FEES

As agreed on by both parties, a client will pay a fixed fee, hourly fee or fee based on the market value of the retirement plan assets according to a schedule of fees.

- **Fixed Fees:** CAVU Wealth Management charges a fixed, pre-negotiated fee that typically ranges from \$3,000 - \$8,000 depending on the scope of services. This fee is based on our hourly rate and the estimated amount of time expected to complete a client's project. The fee is discussed, agreed upon and recorded in the agreement prior to a client signing the Retirement Plan Services Agreement. The client will pay  $\frac{1}{4}$  of the annualized fee each quarter in arrears with a check made payable to CAVU Wealth Management. Please note that this fixed fee may be higher than normally charged in the industry and similar services may be offered by another adviser at a lower fee.
- **Hourly Fee:** The hourly fee is \$200 per hour. We will discuss the time we expect to spend performing the agreed-upon Plan services and record the estimate in the agreement prior to a client signing the Retirement Plan Services Agreement. The client will pay an amount based on the time spent by CAVU Wealth Management related to Plan services multiplied by the hourly fee for each quarter in arrears with a check made payable to CAVU Wealth Management.
- **% of Plan Assets:** Annual fees are based on the market value of the plan assets. For purposes of determining and calculating fees, plan assets are valued net of excluded assets as of the last day of a calendar quarter unless otherwise indicated. The initial fee will be the amount, prorated for the number of days remaining in the initial billing period from the effective date of the Retirement Planning Agreement, based upon the market value of the plan assets on the first business day of the initial billing period. Thereafter, the fee will be based upon the market value of the plan assets on the last business day of the previous billing period (without adjustment for anticipated withdrawals by plan participants or other anticipated or scheduled transfers or distributions of assets). Based on the services selected by the client and/or plan assets, we will generally charge an annual advisory fee ranging from .15% to 1.00% of the plan assets under management. Fees are assessed monthly or quarterly in arrears. Such fees will be automatically deducted from the client's account by the provider. The compensation to be received by CAVU Wealth Management is expressed in terms of "basis points" or "bps." One basis point is equal to 1/100th of 1%. The annual fee for services shall be calculated as follows:

Annualized Retirement Plan Advisory Fees		
Account Value From	Account Value To	Annual Percentage Fee
Startup Plan	\$499,999.99	1.00%
\$500,000	\$999,999.99	0.75%

\$1,000,000	\$2,499,999.99	0.50%
\$2,500,000.00	\$4,999,999.99	0.35%
\$5,000,000.00	\$9,999,999.99	0.25%
\$10,000,000.00	\$24,999,999.99	0.20%
\$25,000,000.00 Plus		0.15%

Fees reviewed with Plan Administrators/Trustees and adjusted annually based on the above schedule. Lower fees for comparable services may be available from other sources.

For hourly and fixed fees, we will bill you directly and you must pay the full amount of the fees within 30 days of receiving our bill. We will generally send invoices electronically (unless a client specifically requests that it is mailed). Clients must pay the full fee amount by check made payable to CAVU Wealth Management.

The fee range for CAVU Wealth Management's services is negotiable and may vary according to the facts and circumstances including the scope of services to be provided, the duration of services and the size of the client (number of employees, plan or individual assets, and other demographic factors).

#### Participant Account Management (Discretionary)

The annualized fee for Participant Account Management (Discretionary) is charged as a percentage of assets under management, according to the following schedule:

Annualized Institutional Intelligent Portfolio Advisory Fees*		
Account Value From	Account Value To	Annual Percentage Fee
\$ 0	\$499,999.99	1.00%
\$ 500,000	\$2,499,99.99	0.75%
\$2,500,000.00	Plus	0.50%

Note: Fees are blended: i.e., as the portfolio value reaches each threshold in the above table, the assets above that threshold are charged successively lower percentages.

The fee for this service will be assessed and billed monthly. Specifically, the exact amount charged is determined by the value in the directly managed held-away account at the end of the month. If the Adviser only manages your assets for part of a month, the charge will be prorated. The advisory fee is a blended fee and is calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart and applying the fee to the account value as of the last day of the previous month, resulting in a combined weighted fee. For example, an account valued at \$1,000,000 would pay an effective fee of .875% with the annual fee being \$8,750 (a monthly fee of \$729.17).

Investment management fees are generally debited on a pro rata basis from client accounts. The exception for this is directly managed held-away accounts, such as 401(k)'s. As it is impossible to directly debit the fees from these accounts, those fees will be assigned to the client's taxable accounts on a pro-rata basis. If the client does not have a taxable account, those fees will be billed directly to the client. Accounts initiated or terminated during a calendar month will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 30 calendar days in advance.



## GENERAL INFORMATION

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**Other Fees:** There are several other fees that can be associated with holding and investing in securities. In addition to the advisory fees paid to CAVU Wealth Management, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks, and other financial institutions (collectively “Financial Institutions”). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, margin costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (i.e., fund management fees, 12b-1 fees, and other fund expenses), deferred sales charges, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Management fees charged by CAVU Wealth Management are separate and distinct from the fees and expenses charged by the third parties in connection with the securities that may be recommended to you.

CAVU Wealth Management will consider the internal fees and expenses associated with each share class when selecting mutual funds that have multiple share classes for recommendation to clients, and it is CAVU Wealth Management policy to choose the lowest-cost share class available, absent circumstances that dictate otherwise. For a complete discussion of expenses related to each mutual fund, you should read a copy of the prospectus issued by that fund. CAVU Wealth Management can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

As described in *Item 4 Advisory Business*, clients do not pay fees to SPT or brokerage commissions or other fees to CS&Co. as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™, Schwab Funds® and Laudus Funds® that we select to buy and hold in the client’s brokerage account; (iii) fees received by Schwab from third-party ETFs that participate in the Schwab ETF OneSource™ program and mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client’s brokerage account for services Schwab provides; and (iv) remuneration Schwab may receive from the market centers where it routes ETF trade orders for execution. Brokerage arrangements are further described below in *Item 12 Brokerage Practices*.

Management personnel and other related persons of our firm are licensed as registered representatives of a broker-dealer and/or licensed as insurance agents or brokers (see Item 10). In their separate capacity (ies), these individuals can implement investment recommendations for advisory clients for separate and typical compensation (i.e., commissions, 12b-1 fees, or other sales-related forms of compensation). None of CAVU Wealth Management’s revenue from advisory clients results from commissions and other compensation for the sale of investment products our advisory personnel, in their individual capacities, recommend to our clients, including asset-based distribution fees from the sale of mutual funds.

Clients should be aware that the receipt of additional compensation by advisory personnel creates a conflict of interest that may impair the objectivity of these individuals when making advisory recommendations. As a SEC registered investment adviser and under other applicable federal and state securities laws, we owe the client a fiduciary duty to put the client’s interest first which includes, but is not limited to, a duty of care, loyalty, obedience, and utmost good faith. We take the following steps to address this conflict:



- We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees.
- We disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies.
- We collect, maintain and document accurate, complete, and relevant client background information, including the client's financial goals, objectives, and risk tolerance.
- Our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances.
- We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interest in such activities are properly addressed.
- We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm.
- We educate our employees regarding the responsibilities of a fiduciary, including the need to have a reasonable and independent basis for the investment advice provided to clients.

At all times clients have the option to purchase investment products recommended by our advisory personnel through unaffiliated brokers or agents.

CAVU Wealth Management does not charge advisory fees in addition to commissions.

A client should review both the fees charged by the service/product providers and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees more than \$500 six months or more in advance of services rendered.

## **ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Fees are not based on a share of the capital gains or capital appreciation of managed securities. CAVU Wealth Management does not use a performance-based fee structure.

## **ITEM 7 TYPES OF CLIENTS**

CAVU Wealth Management provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Charitable organizations
- Pension and profit-sharing plans
- Corporations

Clients eligible to enroll in the Institutional Intelligent Portfolios™ Program include individuals, IRAs, and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, are not eligible for the Program. Automated rebalancing in the Program begins when accounts are funded with a minimum of \$5,000.

## ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

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### METHODS OF ANALYSIS

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We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Charting:** In this type of technical analysis, we review charts of market and security activity to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

**Fundamental Analysis:** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Cyclical Analysis:** In this type of technical analysis, we measure the movements of a particular stock against the overall market to predict the price movement of the security.

**Asset Allocation:** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Mutual Fund and/or ETF Analysis:** We look at the experience and track record of the manager of the mutual fund or ETF to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF to determine if there is a significant overlap in the underlying investments held in other fund(s) in the client's portfolio. We also monitor the funds or ETFs to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Risks for all forms of analysis:** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities,

are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## INVESTMENT STRATEGIES

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We use the following strategies in managing client accounts, provided that such strategy is appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

***Long-term purchase:*** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when (1) we believe the securities to be currently undervalued, and/or (2) we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

***Short-term purchases:*** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

***Trading:*** We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this to take advantage of our predictions of brief price swings. This strategy may involve brokerage and/or other transactional costs and taxes.

***Short sales:*** We borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit.

***Margin transactions:*** We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash and allows us to purchase stock without selling other holdings.

***Option writing:*** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on the security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time, and other factors.

**Program:** CAVU Wealth Management uses investment strategies for the Program that consist of diversified portfolios of ETFs combined with the Cash Allocation in a single account. The Cash Allocation is an allocation to the Sweep Program. Each investment strategy is designed to be consistent with a combination of investment return objectives and risk tolerance. These investment strategies are intended for taxable accounts, tax-deferred accounts, or income generation.

CAVU Wealth Management may select the investment strategy types which are part of the Program Default Family of strategies including Total Return Taxable, Total Return Municipal, Income Taxable, Income Municipal. CAVU Wealth Management may also create additional strategies outside of the Default Family and assign available ETFs to a created strategy.

#### Risk of Loss

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**Investing involves risks that clients should understand and be prepared to accept.** Different types of investments involve varying degrees of risk. It should not be assumed that future performance of any specific investment or investment strategy (including the investments and or investment strategies recommended or undertaken by CAVU Wealth Management) will be profitable or equal to any specific performance level(s). Securities investments are not guaranteed, and you may lose money on your investments. Clients should understand that investing in any securities involves a risk of loss of both income and principal. We ask that you work with us to help us understand your tolerance for risk.

We primarily invest in equity, fixed income, ETF, and covered call options securities to carry out our investment strategies. The basic risks for each of these securities are discussed below.

The fundamental risks of investing in equity securities include the following: market risk (the risk that an investment will decline in value); liquidity risk (the risk that you will be unable to sell an asset); economic risk (the risk of a general downturn in the economy); and tax risk (the risk that the value of investments will be adversely affected by changes in tax laws).

The fundamental risks of investing in fixed income securities include the following: market risk (the risk that an investment will decline in value); liquidity risk (limited or no marketability); economic

risk (the risk of a general downturn in the economy); tax risk (the risk that the value of investments will be adversely affected by changes in tax laws); and business risk (the risk of inadequate profits or losses due to uncertainties.)

Exchange-traded funds (ETFs) are investment funds that are traded on stock exchanges. They invest in different securities like stocks, bonds, real estate investment trusts, etc. The prices of ETFs may differ from the underlying value of the securities within the ETF as they are traded on an exchange and thus exposed to the supply and demand forces of market participants. Price premiums and discounts arise, especially for those ETFs that are not traded very frequently. ETF shareholders are subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities such as the equity and fixed income risks discussed above. In addition, shareholders are liable for taxes on any fund-level capital gains, as ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Options involve certain costs and risk such as liquidity, interest rate, market, credit, and the risk that a position could not be closed when most favorable. Selling covered call options may place a limit on upside gains, while selling put options may result in the purchase of a security at a price higher than the current market price. Accounts using covered calls will attempt to hedge risk and increase return by the sale of covered calls against the positions in the account. An investor should consider that the risk level in these accounts is somewhat reduced by the sale of the calls, but the upside potential of the account is also limited by the sale of the calls.

There are limitations inherent in the use of an Algorithm to manage Program accounts; for instance, the Algorithm is designed to manage Program accounts according to the asset allocation selected for that account and is not designed to actively manage asset allocations based on short-term market fluctuations. The Algorithm is also not designed to consider certain factors such as short-term asset class volatility or individual tax circumstances such as capital gains taxes; rather, its functions consist of proposing a portfolio based on a client's answers to the online questionnaire, identifying opportunities for tax-loss harvesting and rebalancing, and initiating buy/sell orders accordingly. Investment advisory personnel of CSIA oversee the Algorithm but do not personally or directly monitor each individual Program account.

There is also a risk that the Algorithm and related software used in the Program for tax-loss harvesting and rebalancing, and related functions may not perform within intended parameters, which may result in a recommendation of a portfolio that may be more aggressive or conservative than necessary, and trigger or fail to initiate rebalancing and/or tax-loss harvesting trading.

If an account uses leverage, the account will be subject to heightened risk. Leverage may take the form of borrowing funds, trading on margin, derivative instruments that are inherently leveraged including options. Any such leverage, including leverage that takes the form of instruments and transactions that are inherently leveraged, may result in the account's market value exposure being more than the net asset value of the account. An account may not be able to liquidate assets quickly enough to repay its borrowings, which will increase the losses incurred by the account.

In addition to the risks described above that primarily relate to the value of investments, there are various operational and systems risks involved in investing, including but not limited to "cybersecurity" risk. As the use of technology and frequency of cyber-attacks on financial services targets have become more prevalent, CAVU Wealth Management and the client accounts CAVU Wealth Management manages have become potentially more susceptible to operational risks through breaches in cybersecurity. A breach in cybersecurity refers to both intentional and unintentional events that may cause CAVU Wealth Management to lose proprietary information, suffer data corruption, or lose operational capacity. This, in turn, could cause CAVU Wealth Management and/or a client account to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. A cybersecurity breach may also result in

a third party obtaining unauthorized access to CAVU Wealth Management clients' information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Cybersecurity breaches may involve unauthorized access to digital information systems (e.g., through "hacking" or malicious software coding), and may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cybersecurity breaches of third-party service providers (e.g., a client's custodian) can subject an account to many of the same risks associated with direct cybersecurity breaches. Although CAVU Wealth Management has established risk management systems designed to reduce the risks associated with cybersecurity threats, there is no guarantee that such efforts will succeed, especially since CAVU Wealth Management does not directly control the cybersecurity systems third-party service providers.

## **ITEM 9 DISCIPLINARY INFORMATION**

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We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

## **ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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### **Broker-Dealer or Representative Registration**

CAVU Wealth Management is not a broker-dealer. However, certain CAVU Wealth Management advisory personnel are separately licensed as registered representatives of Independent Financial Group (IFG), an unaffiliated broker-dealer. These individuals, in their separate capacity as registered representatives, can effect securities transactions for which they will receive separate, yet customary compensation.

Because certain individuals providing investment advice on behalf of CAVU Wealth Management are separately licensed as IFG registered representatives, IFG has certain supervisory obligations under FINRA rules regarding securities transactions placed through CAVU Wealth Management, independent of CAVU Wealth Management's obligations under the securities laws. For that reason, IFG has entered into an agreement with Schwab, who provides custody and clearing services to CAVU Wealth Management (see item 12 below). Pursuant to this agreement, Schwab provides IFG with such data regarding transactions in CAVU Wealth Management client accounts that IFG needs to comply with FINRA rules. Neither CAVU Wealth Management nor IFG receives any compensation related to this agreement between Schwab and IFG.

While CAVU Wealth Management and these individuals always endeavor to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may affect the judgment of these individuals when making recommendations (please refer to Item 5 additional disclosures). In addition, the advisory personnel that are separately licensed as registered representatives through IFG and/or licensed insurance agents may spend approximately 0 – 2 hours per month during trading hours performing these activities. This creates a conflict with the trading interest of an advisory client. To mitigate this conflict, CAVU Wealth Management has additional staff that can execute the client's trade instructions or process operational work for the client.

### **Futures or Commodity Registration**

Neither CAVU Wealth Management nor its employees are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or commodity trading advisor.



## **Material Relationships Maintained by this Advisory Business**

**Affiliated Insurance Agency:** CAVU Wealth Management is an affiliate of CAVU Insurance Services, Inc., which are under common control and ownership. CAVU Insurance Services, Inc. is licensed as an insurance agency in the state of California and has appointments with certain insurance companies to sell Life Only (LO) and Accident and Health (AH) insurance. An investment adviser representative in a separate capacity as insurance agent may recommend that a CAVU Wealth Management client purchase insurance through CAVU Insurance Services, Inc. and receive compensation from CAVU Insurance Services, Inc. for this recommendation. In addition, CAVU Wealth Management will receive compensation if there is a profit distribution to the owners of CAVU Insurance Services, Inc.

**Insurance Agents:** Advisory personnel of our firm, in their individual capacities, are licensed insurance agents and appointed by various insurance companies to offer their products. If you purchase insurance products through these representatives, acting in their capacity as an insurance agent, they will receive normal commissions, which will be in addition to customary advisory fees.

While insurance services are separate and distinct from the portfolio management, financial planning and other services provided by CAVU Wealth Management, the payment of compensation to CAVU Wealth Management or its representatives results in a conflict of interest as the receipt of this compensation provides an incentive to recommend certain products based on compensation to be received, rather than on a particular client's need. CAVU Wealth Management clients are under no obligation to purchase any insurance products through CAVU Insurance Services, Inc. or our investment adviser representatives. CAVU Wealth Management endeavors at all times to put the interest of its clients first as part of its fiduciary duty as a registered investment adviser.

**Registration with Other Registered Investment Advisors:** Jeffery J. Crandall is an investment adviser representative with another investment advisory firm. From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. CAVU Wealth Management always acts in the best interest of the client and clients always have the right to decide whether or not to utilize the services of any representative of CAVU Wealth Management in such individual's outside capacities.

Cory William DenHerder is Financial and Office Analyst in a law firm at DenHerder & Associates. He joined this Estate Planning Attorney Firm on 2023-12-01. His duties include financial reporting, department analysis, and payroll processing. He usually invests 10 trading hours and 60 outside trading hours monthly, projecting 20% of yearly compensation from the firm.

### **Recommendations or Selections of Other Investment Advisors**

CAVU Wealth Management does not recommend or select other managers currently.

## **ITEM 11 CODE OF ETHICS, PARTICIPATION/INTEREST IN CLIENT TRANSACTIONS**

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### **PERSONAL TRADING**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. CAVU Wealth Management and our personnel owe a duty of loyalty, fairness, and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transaction reports as well as initial and annual securities holdings reports that must be submitted





by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement, and recordkeeping provisions.

CAVU Wealth Management's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [pjones@cavuwmm.com](mailto:pjones@cavuwmm.com) or by calling us at 858-360-7800.

CAVU Wealth Management and individuals associated with our firm are prohibited from engaging in principal and agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Neither our firm nor its related persons recommend to clients or buys or sells for client accounts, securities in which CAVU Wealth Management or a related person has a material financial interest, such as in the capacity as a principal, general partner, or investment adviser to an investment company.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
- No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received because of his or her employment unless the information is also available to the investing public.
- It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.



- Our firm requires prior approval for IPO or private placement investments by related persons of the firm.
- We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
- We have established procedures for the maintenance of all required books and records.
- All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process. Please note that we do not charge advisory fees on any accounts where commission compensation is transacted or performed by our investment advisory representatives through a broker-dealer. This includes any commissions received from implemented financial planning recommendations or managed accounts.
- Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
- All our principals and employees must act in accordance with all applicable Federal and state regulations governing registered investment advisory practices.
- We require delivery and acknowledgment of the Code of Ethics by each supervised person of our firm.
- We have established policies requiring the reporting of Code of Ethics violations to our senior management.
- Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as registered representatives of a broker-dealer. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## **ITEM 12 BROKERAGE PRACTICES**

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CAVU Wealth Management recommends that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. CAVU Wealth Management is independently owned and operated and not affiliated with Schwab. Clients may choose to hold their account assets at other brokerage firms with which we do not maintain relationships. If we do not have access to a brokerage account for continuous monitoring and supervision of client assets, we will not charge a percentage-based fee based on the value of client assets. We will not implement our recommendations by instructing these firms to execute securities transactions for you.

Custodians generally offer a variety of share classes of open-end mutual funds for client accounts, which typically include: (1) Retail shares - generally available for purchase without a transaction fee, but by and large have a higher internal expense ratio than institutional class shares; and (2) Institutional class shares - typically have a lower internal expense ratio than the retail share class, but often require the payment of a transaction fee and may require a minimum dollar purchase or be subject to other restrictions that make them impractical for certain clients.

Even though the transaction fees and applicable fund expenses (i.e., 12b-1 fees) are payable to the account custodian, and not CAVU Wealth Management or any of its employees, CAVU Wealth Management must still undertake a review to determine what share class is most appropriate for the client, considering such factors as the intended purchase amount, the amount of the transaction fee, the difference in expense ratios, the intended holding period, and the availability of the

institutional share class.

CAVU Wealth Management considers several factors when recommending a brokerage firm including commission rates, the financial stability and reputation, the quality of the investment research, investment strategies, special execution capabilities, clearance, settlement, custody, record keeping, and other services provided by such brokers.

The Institutional Intelligent Portfolios™ Program includes the brokerage services of Charles Schwab & Co. While clients are required to use CS&Co as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with CS&Co by entering into an account agreement directly with CS&Co. CAVU Wealth Management does not open the account for the client. If the client does not wish to place his or her assets with CS&Co, then CAVU Wealth Management cannot manage the client's account through the Institutional Intelligent Portfolios™ Program. As a result, clients should be aware that this practice may not always result in the most favorable price as compared to another broker-dealer. CS&Co. works to confirm clients receive best execution. Best execution does not solely seek the most favorable priced execution but instead seeks the best execution based on both quantitative and qualitative factors. Clients will not be charged commissions on transactions on either platform.

#### **RESEARCH AND OTHER BENEFITS**

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Schwab Advisor Services™ (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like CAVU Wealth Management. Through Schwab Advisor Services, CS&Co. provides CAVU Wealth Management and our clients with access to its institutional brokerage services— trading, custody, reporting, and related services - many of which are not typically available to CS&Co. retail customers. CS&Co. also makes available various support services. Some of those services help CAVU Wealth Management manage or administer our clients' accounts, while others help CAVU Wealth Management manage and grow our business. CS&Co.'s support services described below are generally available on an unsolicited basis (we do not have to request them) and at no charge to us. The availability to us of CS&Co.'s products and services is not based on CAVU Wealth Management giving particular investment advice, such as buying particular securities for our clients. A more detailed description of CS&Co.'s support services follows.

CS&Co.'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. CS&Co.'s services described in this paragraph generally benefit the client and the client's account.

CS&Co. also makes available to us other products and services that benefit CAVU Wealth Management but may not directly benefit the client or the client's account. These products and services assist CAVU Wealth Management in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. CAVU Wealth Management may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at CS&Co. In addition to investment research, CS&Co. 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.

CS&Co. also offers other services intended to help CAVU Wealth Management 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.

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

CAVU Wealth Management's relationships with brokers or dealers that provide benefits other than execution create a conflict of interest because CAVU Wealth Management has an incentive to recommend a brokerage firm based on its interest in receiving research and related services. CAVU Wealth Management examined this conflict of interest when the firm decided to enter into a relationship with CS&Co and determined that the relationships are in the best interest of CAVU Wealth Management's clients and satisfy CAVU Wealth Management's client obligations, including the firm's duty to seek best execution. It is the policy and practice of CAVU Wealth Management to strive for the best price and execution costs that are competitive in relation to the value of the transaction. Nevertheless, clients should understand that they may pay compensation on a transaction more than the amount of compensation that another broker or dealer may charge; the client may not, in any particular instance, be the sole direct or indirect beneficiary of the research services provided; and CAVU Wealth Management makes no warranty or representation regarding compensation paid on transactions.

As a registered investment adviser, CAVU Wealth Management owes the client a fiduciary duty to put the client's interest first which includes, but is not limited to, a duty of care, loyalty, obedience, and utmost good faith.

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#### **ORDER AGGREGATION**

CAVU Wealth Management may, but is not required to, engage in block trading (the bunching or aggregation of transactions) in cases where two (2) or more client accounts are transacting in the same security on the same day. We have adopted trade aggregation policies and procedures to ensure that all accounts are treated fairly when orders are aggregated for execution. Trades, where necessary, are allocated to advisory clients in a manner that fulfills our fiduciary obligations to each client and otherwise allocates securities on a good faith basis that is objective, fair, equitable, consistently applied, and does not unfairly discriminate against any advisory client based upon account performance or other factors. For instance, clients in aggregated transactions each receive the same price per security. If more than one price is paid for securities in an aggregated transaction, each client in the aggregated transaction will receive the average price paid for the block of securities in the same aggregated transaction for the day. If we are unable to fill an aggregated transaction completely but receive a partial fill of the aggregated transaction, we will allocate the filled portion of the transaction to clients on a pro-rata basis.

CAVU Wealth Management may choose not to aggregate trades for several reasons, including, but not limited to: (1) an account reaches an investment guideline limit due to unforeseen changes in account assets after an order is placed; (2) a client account is low in cash; (3) a sale transaction is entered to raise cash in an account; or (4) operational considerations.

CS&Co. may aggregate purchase and sale orders for Funds across accounts enrolled in the Program, including both accounts for CAVU Wealth Management's clients and accounts for clients of other independent investment advisory firms using the Platform.

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#### **CLIENT-DIRECTED BROKERAGE**

CAVU Wealth Management does not allow client-directed brokerage.

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#### **DIRECTING BROKERAGE FOR CLIENT REFERRALS**

CAVU Wealth Management and its associated persons do not receive client referrals from broker-dealers or third parties as consideration for selecting or recommending brokers for client accounts.

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## ITEM 13 REVIEW OF ACCOUNTS

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### INVESTMENT SUPERVISORY SERVICES (“ISS”) INDIVIDUAL PORTFOLIO MANAGEMENT

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**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. These accounts are reviewed by Michael Wynns, CEO; Dan Gomes, CFO; and/or Phillip Jones, CCO.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide upon request quarterly reports summarizing account performance, balances, and holdings.

Through the Institutional Intelligent Portfolios website and mobile app, clients can view real-time balances and performance to date of their investments. In addition, CAVU Wealth Management clients receive electronically a separate confirmation of each transaction and an account statement (at least quarterly) detailing positions and activity in their accounts. The statement includes a summary of all transactions made on the client's behalf, all contributions and withdrawals made to or from the account, all fees and expenses charged to the account, and the account value at the beginning and end of the period.

### FINANCIAL PLANNING SERVICES

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**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

**REPORTS:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless part of an agreement between the client and CAVU Wealth Management.

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## ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

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CAVU may retain third parties to act as solicitors/promoters for CAVU's investment management services. Compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law. CAVU will ensure each solicitor/promoter is properly exempt or registered in all appropriate jurisdictions.

### OTHER COMPENSATION

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CAVU Wealth Management receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisers that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (*see Item 12 – Brokerage Practices*). We also receive financial assistance from Schwab in the form of marketing, technology, and transfer of account exit fee reimbursements. Marketing, technology, and transfer of account exit fees reimbursements help CAVU Wealth Management grow and service its advisory client base. The level of this support is typical in the industry and very modest relative to the total value of services CAVU Wealth Management provides to clients.



Schwab's support products, services, and reimbursements are available to us based on holding at least \$15 million in assets in Schwab client accounts; they are not based on us giving particular investment advice, such as buying particular securities for our clients.

## **ITEM 15 CUSTODY**

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CAVU Wealth Management is deemed to have custody of client assets solely because a client authorizes us to instruct the qualified custodian (Schwab) to deduct our advisory fees directly from your account. Schwab maintains actual custody of your assets. As such, we have adopted the following safeguarding procedures:

- Clients must provide our firm with written authorization permitting direct payment of advisory fees from their account(s) maintained by a custodian who is independent of our firm.
- We provide monthly statements to the client showing the name of the custodian, the fee amount, the value of the assets upon which the fee is based, and the specific way the fee is calculated as well as disclosing that it is the client's responsibility to verify the accuracy of fee calculation.
- The account custodian sends a statement to the client, at least quarterly, showing all account disbursements, including advisory fees.

We urge you to carefully review such statements and compare the official custodial statement to the account statements, invoices, and/or reports that we provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Clients should contact us directly if they believe that there may be an error in their statement.

## **ITEM 16 INVESTMENT DISCRETION**

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Clients hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our limited discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **ITEM 17 VOTING CLIENT SECURITIES**

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We vote proxies for all client accounts; however, you always have the right to vote proxies yourself. You can exercise this right by instructing us in writing to not vote proxies in your account. If you choose to vote your own proxies, you will receive the proxy information directly from the custodian and can contact us with proxy voting questions by mail, phone, or email.

We will vote proxies in the best interests of our clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite

period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to deciding how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote. As a registered investment adviser, CAVU Wealth Management owes the client a fiduciary duty to put the client's interest first which includes, but is not limited to, a duty of care, loyalty, obedience, and utmost good faith.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Phillip Jones by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact Phillip Jones by telephone, email, or in writing.

You can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. You can also instruct us on how to cast your vote in a particular proxy contest by contacting Phillip Jones.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

## **ITEM 18 FINANCIAL INFORMATION**

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As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. CAVU Wealth Management has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees of more than \$500 per client six months or more in advance of services rendered. Therefore, we are not required to include a financial statement.

CAVU Wealth Management has not been the subject of a bankruptcy petition at any time during the past ten years.

## **BUSINESS CONTINUITY PLAN**

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CAVU Wealth Management has adopted a Disaster Recovery and Business Continuity Plan ("BCP"). The purpose of the BCP is to define the strategies and plans that will be used by CAVU Wealth Management during a significant business disruption ("SBD"). An SBD includes any event or situation that significantly impacts CAVU Wealth Management's ability to provide advisory services to its clients. The BCP outlines CAVU Wealth Management's procedures designed to ensure that critical business functions can continue during and after an SBD and that CAVU Wealth Management can resume operations as quickly as possible after an SBD. The BCP addresses both internal SBDs, such as a fire in CAVU Wealth Management's building or the death of key personnel,





and external SBDs, such as a natural disaster, terrorist attack, or citywide power disruption.

The goal of the BCP Plan is to provide recovery of critical business systems and information and to provide a means of continued operations of critical business functions as soon as reasonably possible after the declaration of a business interruption.

If clients have any questions about CAVU Wealth Management's Business Continuity Plan, please contact Michael Wynns, CEO.