



Aventine Financial Group LLC

Form ADV Part 2A – Brochure

May 22, 2020

This Form ADV Part 2A ("Brochure") provides information about the qualifications and business practices of Aventine Financial Group LLC ("Aventine" or the "Firm"). If you have any questions about the content of this Brochure, please contact (212) 269-2512 or by email to frank@aventinefg.com.

Aventine is a multi-state registered investment adviser. Registration as an investment adviser with various state securities authorities does not imply any level of skill or training. This Brochure is designed to provide you with information about Aventine and its business practices and to assist you in making the determination of whether or not to retain the Firm. The information in this Brochure has not been verified by the Securities and Exchange Commission nor any state securities authorities.

Additional information about Aventine available on the SEC's website at www.adviserinfo.sec.gov by searching by the Firm's CRD No. 292390.

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Item 2 – Material Changes

Aventine Financial Group LLC (“Aventine” or the “Firm”) has not made any material changes since the last Form ADV Part 2A (“Brochure”) March 16, 2020.

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Item 4 – Advisory Services

A. Firm Information

Aventine Financial Group (“Aventine” or the “Firm”) was originally organized in February 2018 as a limited liability company under the laws of New York State. Aventine was founded by Mr. Frank Fiumecaldo and Mr. Christopher R. Wills, each owning 50% of the Firm. Due to the untimely passing of Mr. Wills, Mr. Fiumecaldo reorganized Aventine in November 2019 as a limited liability company under the laws of the Commonwealth of Pennsylvania.

Mr. Fiumecaldo retains 100% ownership of the Firm and is focused on carrying out the initial objectives of the Firm as agreed upon by Mr. Fiumecaldo and Mr. Wills. The “Description of Advisory Services” below provides more detailed information on these services.

B. Description of Advisory Services

Aventine offers investment advisory services to individuals, high net worth individuals, trusts, estates, and retirement plans (collectively, “Client” or “Clients”). Aventine’s wealth management services include a broad range of comprehensive financial planning and consulting services in connection with discretionary and non-discretionary investment management services. These advisory offerings include Premium Financial Planning Services, Platinum Investment Advisory Services, Private Wealth Management Services, and Strategic Retirement Plans.

Premium Financial Planning Services

Aventine will typically provide a variety of financial planning and consulting services to Clients, pursuant to a written financial planning agreement. Services are offered in several areas of a Client’s financial situation, depending on their goals, objectives and financial situation.

Generally, such financial planning services involve preparing a formal financial plan or rendering a specific financial consultation based on the Client’s financial goals and objectives. Planning or consulting process may encompass one or more of the following areas:

- **Investment Planning**
Applying strategies to help optimize portfolio performance to reach future financial goals.
- **Cash Flow and Debt Management**
Applying cash flow management strategies to help you optimize resources available to help you reach your goals. This may include debt management techniques, major purchase financing decisions, cash reserve strategies, and family budgeting.
- **Tax Planning**
Addressing general tax considerations for securities products, transactions, and registrations (ownership).
- **Healthcare Expense Planning**
Management of health care costs for retirees and those transitioning to retirement. This may include a review of retiree medical benefits, Medicare, Medigap, and long-term care insurance.
- **Estate Planning**
Helping you prepare to pass wealth to your beneficiaries in an efficient manner.
- **Retirement Planning**
Applying strategies to help you fund retirement, the transition to retirement or ensure adequate retirement income.
- **Insurance Planning**
Includes an inventory of your insurance policies, including life, disability (if you are not retired), and long-term care (if you have reached a certain age). You may also receive an analysis of your needs and your family’s needs in the event of your death, disability, and long-term care, as applicable.
- **Education Planning**
Applying strategies to help you fund the education of children, grandchildren or others.

Financial planning services generally recommend the implementation of the financial plan through the purchase and/or sale of securities. Consequently, Aventine may recommend an investment management service (e.g., Platinum Investment Advisory Services) to implement a part of its financial plan. This represents a material conflict of interest. For more information on material conflicts of interest, please refer to the following items: “Item 5 – Fees and Compensation”, “Item 10 – Other Financial Industry Activities and Affiliations”, and “Item 12 – Brokerage Practices”.

As part of the financial planning process, the Firm may also recommend other professional service providers (“Providers”) if necessary. These Providers may include attorneys, accountants, and other professionals with specialized expertise. While Aventine does not receive compensation or compensate Providers for referrals, this practice also represents a conflict of interest. For more information on material conflicts of interest, please refer to “Item 10 – Other Financial Industry Activities and Affiliations”.

Platinum Investment Advisory Services

Aventine provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and related advisory services. Aventine works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. Aventine will then construct a portfolio, consisting of low-cost, diversified mutual funds and/or exchange-traded funds (“ETFs”) to help achieve the Client’s investment goals. The Firm may also utilize individual stocks, bonds or options contracts to meet the needs of its Clients. The Aventine may also retain certain types of investments based on a Client’s legacy portfolio construction.

Aventine’s investment strategies are primarily long-term focused, but the Firm may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. Aventine will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by Aventine.

Aventine selects investments for inclusion in Client portfolios after a thorough evaluation process. Aventine may recommend, on occasion, redistributing investment allocations to diversify the portfolio. Aventine may recommend specific positions to increase sector or asset class weightings. The Firm may recommend raising cash positions when expectations of a market decline are probable. Aventine may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of portfolio position(s), or change in risk tolerance.

Private Wealth Management Services

Aventine’s Private Wealth Management Services is the Firm’s highest-level service is unique in that it combines or bundles the:

- Financial planning services from its Premium Financial Planning Services offering; and
- Investment advisory services of its Platinum Investment Advisory Services offering

Please review both the Premium Financial Planning Services offering and the Platinum Investment Advisory Services offering previously discussed in this section. For the fees associated with Private Wealth Management, please see “Item 5 – Fees and Compensation”.

Strategic Retirement Plans

Strategic Retirement Plans ("SRP") is an investment advisory service designed for plan sponsors of qualified retirement plans (e.g., 401(k) plans). SRP includes two components in supporting the initiatives of plan sponsors. These initiatives include Investment Management Services and Education of Plan Participants.

SRP Investment Management Services

Aventine provides non-discretionary investment management services to plan sponsors in accordance with a plan's policies and objectives. Plan sponsors receive assistance in the development of an investment policy statement, selection of a broad range of investment options, ongoing monitoring of investment options, and periodic meetings and reports.

SRP Education of Plan Participants

Aventine assists in group enrollment meetings designed to increase retirement plan participation amongst employees. The Firm also assists in the education of plan participants in several ways. Aventine holds educational workshops to discuss general investing principles and investment options available under the plan. Aventine also discusses websites and tools that may be available to participants via third-party service providers.

C. Client Account Management

All of Aventine's offerings (e.g., Premium Financial Planning Services, Platinum Investment Advisory Services, Private Wealth Management Services, and Strategic Retirement Plans) are tailored to the individual needs of each Client. Clients are permitted to place reasonable restrictions in the purchase of certain securities and/or the types of securities purchased.

Services Tailored to the Individual Needs of Each Client and Imposition of Reasonable Restrictions

By its very nature, the Firm's financial planning services offering is custom-tailored to the individual needs of each client. Two of Aventine's offerings include financial planning, Premium Financial Planning Services, and Private Wealth Management Services.

Investment management service offerings allow tailored solutions and reasonable restrictions. Based on a client's risk tolerance and goals, Aventine will develop a custom-tailored solution to help clients meet their individual needs. Reasonable restrictions may include reducing or restricted the allocation to certain asset classes (e.g., equity, debt, real estate, etc.), sectors (e.g., the tobacco industry, auto industry, technology) and/or individual securities.

D. Wrap Fee Programs

Aventine does not offer or participate in any wrap fee programs.

E. Assets Under Management

The amount of client assets managed by Aventine totaled \$36,780,824 as of May 21, 2020. Assets are managed on a discretionary and non-discretionary basis. Please see "Item 16 – Investment Discretion" for more information.

Item 5 – Fees and Compensation

5(A)1 Description of Fees for Premium Financial Planning Services

Premium Financial Planning Services are offered at both an hourly rate and a flat fee for a financial plan. Financial planning is offered at \$350 per hour or a fixed rate of \$3,000 for a comprehensive financial plan. Lower fees for comparable services may be available from other investment advisers or financial planners. Financial planning fees are negotiable. The exact fee and services agreed upon will be described in your Premium Financial Planning Agreement.

5(B)1 Payment Methods

Generally, clients are invoiced monthly in arrears for financial planning services performed on an hourly basis. When entering into a flat fee arrangement for a financial plan, we generally require a 50% upfront deposit with the remaining balance due upon completion of the financial plan.

5(C)1 Other Fees and Expenses

Financial planning services generally recommend the implementation of the financial plan through the purchase and/or sale of securities and insurance products. Implementation of a financial plan will incur additional costs such as custodial fees and brokerage fees which prospective clients should carefully review. Furthermore, the Firm may recommend its Platinum Investment Advisory Service for investment management. This represents a material conflict of interest.

5(D)1 Termination Provisions, Refunds, and Assignments

Prior to initiating financial planning services, the Client will be required to enter into a written Premium Financial Planning Services Agreement (“Agreement”), which sets forth the terms and conditions of the engagement; and describes the scope of services provided. The agreement may be ongoing (in the case of hourly financial planning) and may be terminated by the Client upon receipt of a termination notice.

The Client may terminate the Agreement within five (5) business days of executing the agreement at no cost. After the five-day period, the Client will be responsible for fees incurred to date based on the number of hours worked at the hourly rate or the percentage completion for a fixed fee engagement. Any pre-paid fees exceeding the amount due to the Advisor for services rendered shall be refunded to the Client.

5(A)2 Description of Fees for Platinum Investment Advisory Services

Platinum Investment Advisory Services (“Platinum Service”) calculates its fee at the annual rate of 1.00% of assets under management (“AUM”). AUM is based on the account value of each account. Lower fees for comparable services may be available from other investment advisers. Fees for related accounts may be negotiable for purposes of calculating assets under management.

Note, the “annualized fee” excludes brokerage costs such as commissions, markups, markdowns, ticket charges, and underlying mutual fund expenses. Aventine does not receive or share in any such fees.

Generally, the Firm will recommend the purchase of exchange-traded funds (“ETFs” or mutual funds as part of its Platinum Service. When purchasing ETFs or mutual funds, effectively Clients are subject to two (2) layers of fees:

1) Direct advisory fee of 1.00% as stated above, and 2) Indirect advisory fees (that is, the advisory fee paid by the mutual fund to the adviser of the mutual fund. For a detailed treatment of brokerage costs, please carefully review “Item 12 – Brokerage Practices”.

5(B)2 – Payment Methods

Fees for Platinum Services are deducted on a monthly basis at the annualized rate of 1.00%, payable in advance of each month, based upon the account value at the end of the preceding month. The fee in the first month of the Agreement shall be waived to the end of the first month.

When utilizing the Aventine's qualified custodian, Schwab; fees are deducted directly from client accounts. Clients will receive custody statements from Schwab no less frequently than quarterly. Should you believe that your fee is calculated incorrectly, please contact Aventine promptly to resolve the issue.

5(C)2 Other Fees and Expenses

In connection with Platinum Services, implementation will generally include the purchase and/or sale of securities. Implementation will incur additional costs such as custodial fees and brokerage fees which prospective clients should carefully review. Please refer to "Item 12 – Brokerage Practices" and "Item 13 – Custody".

5(D)2 – Termination Provisions, Refunds, and Assignments

Prior to providing Platinum Services, the Client will be required to enter into a written Platinum Investment Advisory Agreement ("Agreement"). The Agreement sets forth the terms and conditions of the engagement and describes the scope of services to be provided. Each Agreement is ongoing and may be canceled by the client for any reason upon receipt of written notice. Furthermore, the Client may terminate the Agreement within five (5) business days of signing this Agreement at no cost. After the five-day period, the Client will incur charges for Platinum Services rendered to the point of termination, and such fees will be due and payable by the client. Any unearned prepaid fees will be promptly refunded by Aventine.

5(A)3 Description of Fees for Private Wealth Management Services

Private Wealth Management Services ("PWM") calculates its fee at the annual rate of 0.85% of assets under management ("AUM"). AUM is based on the account value of each account. Lower fees for comparable services may be available from other investment advisers. Fees for related accounts may be negotiable for purposes of calculating assets under management.

Note, the "annualized fee" excludes brokerage costs such as commissions, markups, markdowns, ticket charges, and underlying mutual fund expenses. Aventine does not receive or share in any such fees.

Generally, the Firm will recommend the purchase of exchange-traded funds ("ETFs" or mutual funds as part of its Platinum Service. When purchasing ETFs or mutual funds, effectively Clients are subject to two (2) layers of fees:

1) Direct advisory fee of 0.85% as stated above, and 2) Indirect advisory fees (that is, the advisory fee paid by the mutual fund to the adviser of the mutual fund. For a detailed treatment of brokerage costs, please carefully review "Item 12 – Brokerage Practices".

5(B)3 – Payment Methods

Fees for Private Wealth Management Services are deducted on a monthly basis at the annualized rate of 0.85%, payable in advance of each month, based upon the account value at the end of the preceding month. The fee in the first month of the Agreement shall be waived to the end of the first month.

When utilizing the Aventine's qualified custodian, Schwab; fees are deducted directly from client accounts. Clients will receive statements custody statements from Schwab no less frequently than quarterly. Should you believe that your fee is calculated incorrectly, please contact Aventine promptly to resolve the issue.

Should the client choose a qualified custodian other than Schwab, fees may not be able to be directly deducted from client accounts, instead, clients will be invoiced or billed the amount of the fee. Please contact Aventine for further details.

5(C)3 Other Fees and Expenses

In connection with PWM, implementation will generally include the purchase and/or sale of securities. Implementation will incur additional costs such as custodial fees and brokerage fees which prospective clients should carefully review. Please refer to “Item 12 – Brokerage Practices” and “Item 13 – Custody”.

5(D)3 – Termination Provisions, Refunds, and Assignments

Prior to providing PWM Services, the Client will be required to enter into a written PWM Services Agreement (“Agreement”). The Agreement sets forth the terms and conditions of the engagement and describes the scope of services to be provided. Each Agreement is ongoing and may be canceled by the client for any reason upon receipt of written notice. Furthermore, the Client may terminate the Agreement within five (5) business days of signing this Agreement at no cost. After the five-day period, the Client will incur charges for Platinum Services rendered to the point of termination, and such fees will be due and payable by the client. Any unearned prepaid fees will be promptly refunded by Aventine.

5(A) 4 – Strategic Retirement Plans

Strategic Retirement Plans (“SRP”) calculates its fee at the annual rate of 0.50% of assets under management (“AUM”). AUM is based on the account value of the plan. Lower fees for comparable services may be available from other investment advisers. Fees for related accounts may be negotiable for purposes of calculating assets under management.

Note, the “annualized fee” excludes any brokerage costs such as ticket charges and underlying mutual fund expenses. Aventine does not receive or share in any such fees.

When purchasing mutual funds, effectively Clients are subject to two (2) layers of fees:

1) Direct advisory fee of 0.50% as stated above, and 2) Indirect advisory fees that is, the advisory fee paid by the mutual fund to the adviser of the mutual fund. For a detailed treatment of brokerage costs, please carefully review “Item 12 – Brokerage Practices”.

5(B)4 – Payment Methods

Fees for SRP are generally deducted on a monthly basis at the annualized rate of 0.50%, payable in advance of each month, based upon the account value at the end of the preceding month. The fee in the first month of the Agreement is generally waived to the end of the first month.

5(C)4 – Other Fees and Expenses

In connection with SRP, plan sponsors will incur additional costs such as custody and brokerage fees. Plan sponsors should review these fees carefully.

5(D)4 – Termination Provisions, Refunds, and Assignments

Prior to providing SRP plan sponsors will be required to enter into a written agreement (“Agreement”). The Agreement sets forth the terms and conditions of the engagement and describes the scope of services to be provided. Each Agreement is ongoing and may be canceled by the Client for any reason upon receipt of written notice. Furthermore, the Client may terminate the Agreement within five (5) business days of signing this Agreement at no cost. After the five-day period, the Client will incur charges for SRP rendered to the point of termination, and such fees will be due and payable by the Client. Any unearned prepaid fees will be promptly refunded by Aventine.

A. Compensation for Sales of Securities/Insurance Products

Aventine does not receive any compensation whatsoever for the purchase and/or sale of securities or insurance products.

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

Aventine does not charge any performance-based fees on Client accounts managed.

Item 7 – Types of Clients

Aventine offers investment advisory services to individuals, high net worth individuals, trusts, estates, and retirement plans. Platinum Investment Advisory Services generally requires a minimum account size of \$250,000. Private Wealth Management Services generally requires a minimum account size of \$750,000.

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

8(A) Methods of Analysis

Aventine employs fundamental and technical analysis methods in developing investment strategies for its Clients. Research and analysis from Aventine are derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

Fundamental Analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate.

Technical Analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends, which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Aventine will be able to accurately predict such a reoccurrence.

8(A) Investment Strategies

Aventine utilizes a stringent process in order to construct and implement an investment portfolio for its Clients. As part of the process each Client completes:

1. **Risk Assessment Questionnaire (“Questionnaire”)**

The Questionnaire helps determine the optimal asset mix based upon answers provided by the Client. This information assists Aventine in understanding a Client's risk tolerance.

2. **Client Profile Worksheet (“Worksheet”)**

Information captured on the Worksheet includes investment experience, investable assets, time horizon, income needs, financial objectives, and risk attitude.

Aventine Investment Policy Statement

Following a discussion of the Client's responses to the Questionnaire and Worksheet, the Firm will utilize this information to construct an Aventine Investment Policy Statement (“IPS”). The IPS is an analysis of the Client's investment plan goals based upon information provided in the Questionnaire and Worksheet, and assumptions agreed upon by the Client and Aventine.

Model Allocation Investment Strategies

The IPS will determine the optimal investment strategy for the Client. Aventine's IPS will recommend one (1) of four (4) model allocation investment strategies:

- **Income Portfolio Strategy**
- **Conservative Portfolio Strategy**
- **Moderate Portfolio Strategy**
- **Growth Portfolio Strategy**

Each of the four (4) strategies includes target ranges for each asset class based upon the Client's individual needs.

Investing in securities involves risk of loss that clients should be prepared to bear.

8(B) Material Risks of Methods of Analysis

Like all methods of analysis and strategies, both Fundamental and Technical Analysis have risks or disadvantages.

The disadvantages of Fundamental Analysis ("FA") include:

- **Vulnerability to wrong data, including assumptions**
FA is heavily based in fact. However, if a company incorrectly reports data or data is misinterpreted, an incorrect conclusion may be drawn.
- **Overreliance on past data**
Perhaps the biggest knock against FA is how much weight it puts in a company's past performance. FA uses historical numbers to make an educated guess about the future.
- **Bad timing**
Assume our research has been completed, and we determine that a company is grossly overvalued. That company can remain undervalued for long periods of time (months or even years) until investors come to the same conclusion and drive the price of the stock upwards.
- **Positions contrary to the market**
We may purchase a stock because we think it is undervalued. Essentially, we are taking a position that is contrary to thousands or millions of investors, many of which may be highly sophisticated investors with the same data.

The disadvantages of Technical Analysis ("TA") include:

- **Technical indicators' mixed signals**
In some cases, one of our technical indicators may show a buy signal and another indicator may show a sell signal. When attempting to make trading decisions, this can cause great confusion.
- **Accuracy**
TA is used to forecast prices of securities. Technical indicators provide possible entry and exit points. However, it is highly improbable that we will be able to purchase at the lowest entry point or sell at the highest exit point. This means that securities prices will usually move in the opposite direction after making a purchase.

- **Open to interpretation**

When TA is utilized by two different analysts, two completely different opinions may ensue. This is because different data sets may provide vastly different interpretations.

8(C) Material Risks of Securities

- **Business Risk**

When purchasing equity securities or stocks, investors are purchasing a piece of ownership of a company. With a bond, you are loaning money to a company. Returns from both types of securities that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left which may be nothing.

- **Volatility Risk**

Even when companies are not in danger of failing, their stock price may fluctuate up or down. Market fluctuations can be unnerving to some investors. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

- **Inflation Risk**

Inflation is a general upward movement of prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest. The principal concern for individuals investing in cash equivalents is that inflation will erode returns.

- **Interest Rate Risk**

Interest rate changes can affect a bond's value. If bonds are held to maturity the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher rate of interest than older ones. To sell an older bond with a lower rate, you might have to sell it at a discount.

- **Liquidity Risk**

This refers to the risk that investors will not find a market for their securities, potentially preventing them from buying or selling when they want.

Aventine provides investment advice on equity securities, fixed income securities (e.g., corporate bonds and government bonds), mutual funds, exchange-traded funds, and foreign securities, equity options, and may use margin when appropriate. The following is an overview of the primary risks associated with each type of investment product offered by the Firm:

- **Equity Securities**

Equity Securities or stocks offer investors the greatest potential for growth (capital appreciation) over the long haul. Investors willing to stick with stocks over long periods of time, generally have been rewarded with positive returns. However, stock prices move down as well as up. There is no guarantee that the company whose stock you hold will grow and do well. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. The company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left, which may be nothing. Market fluctuations can be unnerving to some investors. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

- **Fixed Income Securities**

Bonds can provide a means of preserving capital and earning a predictable return. Bond investments provide steady streams of income from interest payments prior to maturity. However, as with any investment, bonds have risks. These risks include:

- **Credit risk**
The issuer may fail to timely make interest or principal payments and thus default on its bonds.
- **Interest rate risk**
Interest rate changes can affect a bond's value. If bonds are held to maturity, the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than the face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher interest rate than older ones. To sell an older bond with a lower interest rate, you might have to sell it at a discount.
- **Inflation risk**
Inflation is a general upward movement in prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest.
- **Liquidity risk**
This refers to the risk that investors will not find a market for the bond, potentially preventing them from buying or selling when they want.
- **Call risk**
The possibility that a bond issuer retires a bond before its maturity date, something an issuer might do if interest rates decline, much like a homeowner might refinance a mortgage to benefit from lower interest rates.

- **Mutual Funds**

Mutual funds are investment companies that pool money from investors and invest it based on specific investment goals of the fund. Mutual funds raise money by selling their own shares to investors. The money is used to purchase a portfolio of stocks, bonds, money-market instruments, other securities or assets, or some combination of these investments. Each share represents an ownership piece in the fund and gives the investor proportional right, based on the number of shares he or she owns, to income and capital gains that the fund generates from its investments.

The particular investments a fund makes are determined by its objectives and, in the case of an actively managed fund, by the investment style and skill of the fund's professional manager or managers. The holdings of the mutual fund are known as its underlying investments, and the performance of those investments, minus fund fees, determines the fund's investment return.

While there are thousands of individual mutual funds, there are only a handful of major fund categories:

- Stock funds invest in stocks.
- Bond funds invest in bonds.
- Balanced funds invest in a combination of stocks and bonds.
- Money market funds invest in very short-term investments and are sometimes described as cash equivalents.

You can find all of the details about a mutual fund, including its investment strategy, risk profile, performance history, management, and fees in a fund's prospectus. You should always read the prospectus carefully before investing in a fund.

Mutual funds are equity investments just like individual stocks. When you buy shares of a fund, you become part-owner of the fund. This is true of bond funds as well as stock funds, which means there is an important distinction between owning an individual bond and owning a fund that owns the bond. When you buy a bond, you are promised a specific rate of interest and return of your principal. That's not the case with a bond fund, which owns a number of bonds with different rates and maturities. What your equity ownership of the fund provides is the right to a share of what the fund collects in interest, realizes in capital gains, and receives back if it holds a bond to maturity.

How Mutual Funds Work

If you own shares in a mutual fund you share in its profits. For example, when the fund's underlying stocks or bonds pay income from dividends or interest, the fund pays those profits, after expenses, to its shareholders in payments known as income distributions. Also, when the fund has capital gains from selling investments in its portfolio at a profit, it passes on those after-expense profits to shareholders as capital gains distributions. You generally have the option of receiving these distributions in cash or having them automatically reinvested in the fund to increase the number of shares you own.

Of course, you have to pay taxes on the fund's income distributions, and usually on its capital gains, if you own the fund in a taxable account. When you invest in a mutual fund you may have a short-term capital gain, which is taxed at the same rate as your ordinary income. You may also owe capital gains taxes if the fund sells some investments for more than it paid to buy them, even if the overall return on the fund is down for the year or if you became an investor of the fund after the fund bought those investments in question.

However, if you own the mutual fund in a tax-deferred or tax-free account, such as an individual retirement account, no tax is due on any of these distributions when you receive them. But you will owe tax at your regular rate on all withdrawals from a tax-deferred account.

You may also make money from your fund share by selling them back to the fund, or redeeming them if the underlying investments in the fund have increased in value since the time you purchased shares in the funds. In that case, your profit will be the increase in the fund's per-share value, also known as its net asset value or NAV. Here, too, taxes are due the year you realize gains in a taxable account, but not in a tax-deferred or tax-free account. Capital gains for mutual funds are calculated somewhat differently than gains for individual investments, and the fund will let you know each year your taxable share of the fund's gains.

Active vs. Passive Management

Active funds employ a professional portfolio manager, or team of managers to decide which underlying investments to choose for its portfolio. In fact, one reason you might choose a specific fund is to benefit from the expertise of its professional managers. A successful fund manager has the experience, the knowledge, and the time to seek and track investments, a key attribute that you may lack.

The goal of an active manager is to beat the market, to get better returns by choosing investments he or she believes to be top-performing selections. Which there is a range of ways to measure market performance, each fund is measured against the appropriate market index or benchmark based on the stated investment strategy and the types of investments it makes.

One of the challenges that portfolio managers face in providing stronger-than-benchmark returns is that their funds' performance needs to compensate for their operating costs. The returns of actively managed funds are reduced first by the cost of hiring a professional fund manager and second by the cost of buying and selling investments in the fund.

In any given year, most actively managed funds do not beat the market. In fact, studies show that very few actively managed funds provide stronger-than-benchmark returns over long periods of time, including those with impressive short-term performance records. That is why many individuals invest in funds that do not try to beat the market at all. These are passively managed funds, otherwise known as index funds.

Passive funds seek to replicate the performance of their benchmarks instead of outperforming them. For instance, the manager of an index fund that tracks the performance of the S&P 500 typically buys a portfolio that includes all of the stocks in that index in the same proportions as they are represented in the index. Because index funds do not need to retain active professional managers, and because their holdings are not as frequently traded, they normally have lower operating costs than actively managed funds. However, the fees vary from index fund to index fund, which means the return on these funds varies as well.

Fund Objectives

Within the major categories of mutual funds, there are individual funds with a variety of investment objectives, or goals the fund wants to meet on behalf of its shareholders. Here is just a sampling of the many you may find:

Stock Funds

- **Growth funds** invest in stocks that the fund's portfolio manager believes have the potential for significant price appreciation.
- **Value funds** invest in stocks that the fund's portfolio manager believes are underpriced in the secondary market.
- **Equity income funds** invest in stocks that regularly pay dividends.
- **Stock index funds** are passively managed funds, which attempt to replicate the performance of a specific stock market index by investing in the stocks held by that index.
- **Small-cap, mid-cap, or large-cap stock funds** stick to companies within a certain size range. Economic cycles tend to favor different sized companies at different times, so, for example, a small-cap fund may be doing very well at a time when large-cap funds are stagnant, and vice versa.
- **Socially responsible funds** invest according to political, social, religious, or ethical guidelines, which you will find described in the fund's prospectus. Many socially responsible funds also take an activist role in the companies where they invest by representing their shareholders' ethical concerns at meetings with company management.
- **Sector funds** specialize in stocks of particular segments of the economy. For example, you may find funds that specialize solely in technology stocks, healthcare stocks, and so on. Sector funds tend to be less diversified than funds that invest across sectors, but they do provide a way to participate in a profitable segment of the economy without having to identify specific companies.
- **International, global, regional, country-specific, or emerging market funds** extend their reach beyond the United States. International funds invest exclusively in non-U.S. companies.

Bond Funds

- **The corporate, agency or municipal bond funds** focus on bonds for a single type of issuer, across a range of different maturities
- **Short-term or intermediate-term bond funds** focus on short or intermediate-term bonds from a wide variety of issuers
- **Treasury bond funds** invest in Treasury issues
- **High-yield bond funds** invest in lower-rated bonds with higher coupon rates

Other Funds

- **Balanced funds** invest in a mixture of stocks and bonds to build a portfolio diversified across both asset classes. The target percentages for each type of investment are stated in the prospectus. Because stocks and bonds tend to do well during different phases of an economic cycle, balanced funds may be less volatile than pure stock or bond funds.

- **Fund of funds** is mutual funds that invest in other mutual funds. While these funds can achieve much greater diversification than any single fund, their returns are affected by the fees of both the fund itself and the underlying funds. There may also be redundancy, which can cut down on diversification, since several of the underlying funds may hold the same investments.
- **Target-date funds**, sometimes called lifecycle funds, are funds of funds that change their investments over time to meet goals you plan to reach at a specific time, such as retirement. Typically, target-date funds are sold by date, such as 2025 funds. The farther away the date is, the greater the risk the fund usually takes. As the target date approaches, the fund changes its balance of investments to emphasize conserving the value it has built up to shift toward income-producing investments.
- **Money market funds** invest in short-term debt, such as Treasury bills and the very short-term debt corporate debt known as commercial paper. These investments are considered cash equivalents. Money market funds invest with the goal of maintaining a share price of \$1. They are sometimes considered an alternative to bank savings accounts although they aren't insured by the FDIC. Some funds have private insurance.

It is important to keep in mind that funds don't always invest 100% of their assets in line with the strategy implied by their stated objectives. Some funds undergo what is called style drift when the fund manager invests a portion of assets in a category that the fund would typically exclude. Fund managers may make this type of adjustment to compensate for lagging performance, but it may expose you to risks you were not prepared to take.

Exchange-Traded Funds

Exchange-traded funds ("ETFs") combine aspects of mutual funds and conventional stocks. Like a mutual fund, an ETF is a pooled investment fund that offers an investor an interest in a professionally managed, diversified portfolio of investments. But unlike mutual funds, ETF shares trade like stocks on stock exchanges and can be bought or sold throughout the trading day at fluctuating prices.

The Mechanics of ETFs

Unlike mutual funds, ETFs do not sell shares to or redeem shares from, retail investors directly. To make it possible for investors to buy and sell shares on an exchange, ETFs follow a unique format. An ETF enters into contracts with financial institutions (typically large brokerage firms) to act as Authorized Participants (APs). APs purchase and redeem shares directly with the ETF in large blocks of shares called Creation Units. APs typically sell some or all of their shares on an exchange. This enables investors to buy and sell ETF shares like the shares of any publicly-traded company.

Buying and Selling ETFs

Investors purchasing or selling shares in an ETF typically pay a brokerage commission on each transaction. When you purchase or sell ETF shares, you receive the market price on the exchange at the time the order is placed. This price may fluctuate throughout the trading day. A mutual fund, on the other hand, determines its net asset value at the close of each trading day. When you purchase or redeem mutual fund shares, you receive the price based on the net asset value next computed after you submitted your order. The intraday pricing of ETFs tends to provide investors with greater trading flexibility because you can monitor how the price is doing and do not have to wait until the end of the day to know your purchase or sale price.

As with other investments, you can make money with ETFs if you sell your shares for more than you paid. You also benefit if the securities an ETF holds pay interest or dividends. That income may either be reinvested or paid to shareholders quarterly or annually, depending on the way the ETF is structured. An ETF may also decline in value. Of course, if the value falls and you sell, you may have a loss.

ETF Expenses

In addition to any brokerage commission you may pay, ETFs have expense ratios, like mutual funds, calculated as a percentage of the assets you have invested. ETFs do not have loads or 12b-1 fees (fees that are taken out of a mutual fund's assets annually to cover the costs of marketing and distributing the fund to investors).

In general, actively managed ETFs cost more than passively managed index ETFs. Before purchasing ETF shares, carefully read all of an ETF's available information, including its prospectus. All ETFs will deliver a prospectus upon request.

ETFs and Taxes

You can own ETFs in taxable, tax-deferred or tax-free accounts. In taxable accounts, any capital gains you realize from selling fund shares are taxed in the year you realize them, though the rate that applies may be your long-term capital gains rate.

In contrast, in a tax-deferred account, any gains become part of the total assets in the account and are taxed as ordinary income when you withdraw them at some point in the future. In a tax-free account, any gains or income will not be taxed if you follow the rules for withdrawals.

While ETFs held in a taxable account will generally result in less tax liability than if you held a similarly invested mutual fund in the same account, there can be exceptions. For example, certain emerging market funds and funds that invest in precious metals, which are considered "collectibles" by the IRS, taxed as ordinary income for short-term gains and 28 percent for long-term gains. For more information about the tax treatment of a particular ETF, make sure to read the prospectus.

International or Foreign Securities

Investors in the United States have access to a wide selection of investment opportunities. These opportunities include international investments that give investors international exposure. The two main reasons individuals invest in international investments and investments with international exposure are:

- **Diversification** (spreading investment risk among foreign companies and markets in addition to U.S. companies and markets); and
- **Growth** (taking advantage of the potential for growth in some foreign economies, particularly in emerging markets).

International or foreign investment returns may move in a different direction, or at a different pace, than U.S. investment returns. In that case, including exposure to both domestic and foreign securities in a portfolio may reduce the risk that an investor will lose money if there is a drop in U.S. investment returns and a portfolio's overall investment returns over time may have less volatility. Keep in mind, though, that this is not always true and that with globalization, markets are increasingly intertwined across borders. While investing in any security requires careful consideration, international investing raises some special issues and risks. These include:

- **Access to different information**
In some jurisdictions, the information provided by foreign companies is different than the information provided by U.S. companies.
- **Costs of international investments**
International investing can be more expensive than investing in U.S. companies.
- **Changes in currency exchange rates and currency controls**
Foreign investment also has foreign currency exchange risk. When the exchange rate between the foreign currency and the U.S. dollar changes, it can increase or reduce an investment return in a foreign security.

- **Changes in market value**
All securities markets can experience dramatic changes in market value, whether foreign or domestic.
- **Political, economic and social events**
Depending on the country or region, it can be more difficult for investors to obtain information about and comprehensively analyze all the political, economic and social factors that influence a particular foreign market.
- **Different levels of liquidity**
Some foreign markets may have lower trading volumes for securities, or fewer listed companies than U.S. markets.
- **Legal remedies**
The jurisdiction in which investors purchase a security can affect whether they have, and where they can pursue legal remedies against foreign companies or any other foreign-based entities involved in a transaction.
- **Different market operations**
Foreign markets may operate differently from the major U.S. trading markets. For example, there may be different time periods for clearance and settlement of securities transactions.

Equity Options

An equity option is a right either to buy or sell a specified number of shares of the underlying equity security at a fixed price (strike price) by exercising the option before its specified expiration date. An option that gives the holder the right to buy the underlying stock at a fixed price is a call option. An option that gives the holder the right to sell the underlying equity security at a fixed price (strike price) is a put option.

Generally, Aventine will only utilize covered call writing strategies and protective put purchases.

Writing Covered Calls

A covered call writing strategy allows the holder of the stock to write (sell) call options against their existing stock position. The advantages include:

- **Income.** When selling call options against a stock position, the investor collects the premium.
- **Safety.** The premium collected offers stockholders limited protection against a loss just in case the stock price declines.

The disadvantages or risks include:

- **Capital gains.** When you write a covered call, your profits are limited. Your maximum selling price becomes the strike price of the option. As a covered call writer, you get to add the premium collected to that sale price, but if the stock rises sharply, the covered call writer loses out on the possibility of a large profit.
- **Flexibility.** As long as you are the writer or seller of call options, you cannot sell your stock. Doing so would increase the risk level of your position, and generally, there are restrictions.
- **The dividend.** The call owner has the right to exercise the call option at any time before it expires. This call owner may exercise the call options and take your shares. If exercise takes place prior to the ex-dividend date, then you would not be entitled to receive the dividend.

Protective Put Purchase

A protective put purchase is created by buying put options against stock that you own. If the stock declines, the purchased puts provide protection below the strike price. However, the protection lasts only until the expiration date. The advantage includes:

- Maximum Profit. Potential profit is unlimited because the underlying stock can risk indefinitely. However, the profit is reduced by the cost of the put plus the commissions paid.

The disadvantage or risk includes:

- Maximum Risk. Risk is limited to an amount paid for the stock minus strike price plus any commissions paid. For example, an investor purchases 100 shares of XYZ stock at \$50/share and also purchases 1 XYZ put option with a strike price of 45 for a premium of 2. If the stock were to decline substantially, the investor could sell his stock at \$45/share (strike price). The maximum loss would be the \$50 (purchase price of the stock) - \$45 (strike price) + plus the premium of \$2. The maximum loss per share would be \$7.

Use of Margin

A "margin account" is a type of separately managed account in which a brokerage firm lends the investor cash, using the account as collateral to purchase securities. Margin increase investors' purchasing power, but also exposes investors to the potential of larger losses. Aventine will only recommend the use of margin in limited circumstances when and if appropriate for the Client. It is important to understand that the use of margin can be very risky and not appropriate for all investors. Investors should understand the following risks associated with margin:

- You can lose more money than you have invested.
- You may have to deposit additional cash or securities in your account on short notice to cover market losses.
- You may be forced to sell some or all of your securities when falling stock prices reduce the value of your securities.
- Your brokerage firm may sell some or all of your securities without consulting you to pay off your margin loan.
- You are entitled to choose which securities your brokerage firm sells in your accounts to cover your margin loan.
- Your brokerage firm can increase its margin requirements at any time and is not required to provide you with advance notice.
- You are not entitled to an extension of time on a margin call.

Certificates of Deposit (CDs)

Certificates of Deposit ("CD" or "CDs") are time deposits. When you choose a CD, the bank accepts your deposit for a fixed term and pays you interest until maturity. At the end of the term, you can cash your CD for the principal plus the interest earned or roll your account balance over to a new CD.

CDs are less liquid than savings accounts. You cannot withdrawal from them during the term. Instead, to buy a CD, you need to deposit the full amount all at once. If you cash in your CD before it matures, you will usually pay a penalty, typically forfeiting some of the interest you have earned.

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with Aventine.

Item 9 – Disciplinary Information

There are no legal, regulatory or disciplinary events involving Aventine or its principal owner, Mr. Frank Fiumecaldo.

Item 10 – Other Financial Industry Activities and Affiliations

The sole business of Aventine and its Advisory Persons is to provide investment advisory services to its Clients. Neither Aventine nor any of supervised persons are engaged in other financial industry activities or affiliations.

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

A. Code of Ethics

Aventine has implemented a Code of Ethics (the “Code”) that defines our fiduciary commitment to each Client. This Code applies to all persons associated with Aventine (our “Supervised Persons”). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Aventine and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Aventine’s Supervised Persons to adhere not only to the specific provisions of the Code but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of Aventine’s Code, please contact us at (212) 269-2512.

B. Personal Trading with Material Interest

Aventine allows our supervised persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Aventine does not act as a principal in any transaction. In addition, the Advisor does not act as the general partner of a fund or advise an investment company. Aventine does not have a material interest in any securities traded in Client accounts.

C. Personal Trading in Same Securities as Clients

Aventine allows our supervised persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities, we recommend (purchase or sell) to you presents a conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. We attempt to mitigate this risk by enforcing and adhering to the Firm’s Code of Ethics as described earlier in this section.

D. Personal Trading at Same Time as Client

While Aventine allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterward.

At no time will Aventine, or any Supervised Person of Aventine, transact in any security to the detriment of any Client.

Item 12 – Brokerage Practices

A. Selection and Recommendation for Client Transactions

1. Research and Other Soft Dollar Benefits

Aventine does not participate in soft dollar programs sponsored or offered by any broker-dealer. However, the Advisor receives certain economic benefits from the Custodian. “Please see Item 14 – Client Referrals and Other Compensation.”

2. Brokerage for Client Referrals

Aventine does not receive any client referrals for directing client transactions to broker-dealers for trade execution.

3. Directed Brokerage

Aventine exclusively directs all client transactions to Charles Schwab & Co., Inc. ("Schwab") for execution. Schwab is a registered broker-dealer and Aventine's sole custodial relationship for the safeguarding of client assets. Not all advisers require their clients to direct securities transactions to a single broker-dealer. By directing all brokerage transactions to Schwab, clients may be unable to achieve the most favorable execution of client transactions; and this practice may cost clients more money.

4. Financial Planning Services and Investment Management Services

As part of its Financial Planning Services offering, Aventine will generally recommend the implementation of the financial plan by engaging the Firm for its Investment Advisory Services offering. The Investment Management Services offering directly benefits Mr. Fiumecaldo as the sole owner of Aventine. This represents a material conflict of interest. Lower cost alternative investment management services may be available through other investment advisers.

B. Aggregating and Allocating Trades

Aventine will generally aggregate Client transactions or orders. Trade aggregation is the process of bunching orders for multiple Client accounts. This practice attempts to obtain more favorable pricing and/or reduced transaction costs (e.g., commissions) for Client accounts.

Aventine will generally allocate trade executions on an average price basis. Partial trade executions will generally be executed on a pro-rata basis.

There is no guarantee that each Client order is aggregated. Client orders which are not aggregated may result in less favorable pricing and/or increased costs (e.g., commissions) for Client accounts.

Item 13 – Review of Accounts

A. Frequency of Reviews

Investment Management Accounts are monitored on a regular basis by the investment adviser representative servicing the account. All financial plans are reviewed by the IAR servicing the account prior to being presented to the client. Financial plans are then reviewed with the client. Financial plans are not reviewed or monitored on an ongoing basis unless specified in the Financial Planning Services agreement.

B. Non-Periodic Review of Client Accounts

Non-periodic reviews may be triggered by material market, economic or political events, or by changes in a client's financial situation e.g., change in investment objective or risk tolerance, retirement, termination of employment, relocation, inheritance, or any other concern that may be prompted by the client.

C. Aventine's Quarterly Market Report

Following the end of each calendar quarter, all Clients receive **Aventine's Quarterly Market Report ("Report")**. The content of each report summarizes quarterly market performance, contains useful tips and guidance, and a personalized **Portfolio Performance Summary ("Summaries")**. Summaries are available only to Clients that have engaged the Firm for investment management services (e.g., Platinum Investment Advisory Services, Private Wealth Management Services).

On behalf of Aventine, Schwab Adviser Services, a division of Charles Schwab & Co. ("Schwab"), deducts a fee for investment management services on a monthly basis. Schwab acts as the qualified custodian for all of Aventine's Clients. All Clients are urged to compare the custody statement from Schwab to Aventine's Portfolio Performance Summary for any discrepancies. Should there be any discrepancies, please contact Aventine promptly to resolve the issue. The custody statement provided by Schwab is the official statement in the event of a discrepancy.

For additional information that describes the relationship between Aventine and Schwab, please see “Item 14 – Client Referrals and Other Compensation”, and “Item 15 – Custody”.

Item 14 – Client Referrals and Other Compensation

A1. Economic Benefits of Utilizing Schwab Advisor Services Platform

Aventine has established an institutional relationship with Schwab Advisor Services, a division of Charles Schwab & Co. (“Schwab”) is dedicated to serving independent investment advisers. As an investment adviser utilizing Schwab’s platform, the Firm receives access to software and related support without cost because of Aventine’s Clients custody of assets at Schwab, and utilize Schwab as its sole executing broker-dealer. Services provided by Schwab benefit many, but not all Aventine Clients. The receipt of economic benefits from Schwab custodian creates a potential conflict of interest since these benefits influence Aventine’s recommendation of Schwab as its custodian and sole executing broker-dealer.

A2. Services that May Only Benefit Aventine

Schwab also offers other services to Aventine that may not benefit Aventine Clients. These services include educational conferences and events, ongoing support, consulting services and discounts for various service providers. Access to these services creates an incentive for the Firm to recommend Schwab, which represents a conflict of interest.

B1. No Compensation Received for Referrals to Service Providers

Aventine does not receive any compensation for Client referrals. However, Aventine may refer Clients to unaffiliated service providers such as attorneys, tax preparers, accountants, estate planners, and real estate agents, and loan officers (“Service Providers”). Aventine does not receive any compensation for these referrals. In turn, these Service Providers may refer clients to Aventine. Whether Aventine receives a Client referral or refers a Client to a Service Provider, no compensation is received or paid.

B2. Client Referrals from Solicitors

Aventine may receive client referrals from Zoe Financial, Inc. through its participation in Zoe Advisor Network (ZAN). Zoe Financial, Inc. is independent of and unaffiliated with Aventine and there is no employee relationship between them. Zoe Financial established the Zoe Advisor Network as a means of referring individuals and other investors seeking fee-only personal investment management services or financial planning services to independent investment advisers. Zoe Financial does not supervise Aventine and has no responsibility for Aventine’s management of client portfolios or Aventine’s other services. Aventine pays Zoe Financial an ongoing fee for each successful client referral. This fee is usually a percentage of the advisory fee that the client pays to Aventine (“solicitation fee”). Aventine will not charge clients referred through Zoe Advisor Network any fees or costs higher than its standard fee schedule offered to its clients. If you have been referred to Aventine by Zoe Financial, Inc. you should have received the Zoe Financial Disclosure and Acknowledgement (“Disclosure and Acknowledgement”). For further information, please refer to the Disclosure and Acknowledgement which describes fees paid directly or indirectly to Zoe Financial Inc.

Item 15 – Custody

Aventine does not maintain physical custody of client assets. Other than the Client authorized deduction of fees from accounts held by a qualified custodian, the Firm does not maintain or accept custody of client funds or securities. The Firm recommends and generally requires (depending on the nature of the services), Schwab Advisor Services¹ (“Schwab”) as the Client’s qualified custodian. Aventine is not affiliated with Schwab or any qualified custodian.

As a qualified custodian, Schwab provides Clients with account statements on a quarterly basis, indicated all amounts disbursed, including management fees paid directly to Aventine. For additional information on payment methods, please see “Item 5 – Payment Methods”.

¹ Schwab Advisor Services is a division of Charles Schwab & Co., a registered broker-dealer and qualified custodian.

Upon Client request, Aventine may provide account statements or copies of invoices for informational purposes. In the event of a discrepancy, the account statements/invoices provided by Schwab take precedence over any statements/invoices provided by Aventine. In the event of a discrepancy, please contact Aventine promptly to address this issue.

Item 16 – Investment Discretion

The Firm accepts limited discretionary authority to manage client assets as part of its Platinum Investment Advisory Services and Private Wealth Management Services offerings. By executing an investment management agreement which contains a provision for limited discretionary authority, Aventine is authorized to manage Client accounts in accordance with the Client's investment objectives and goals. Limited discretionary authority provides the Firm with the ability to execute purchases, sales, rebalancing client assets, and a monthly deduction of advisory fees.

Aventine manages client assets on a non-discretionary basis as part of its Strategic Retirement Plans offering.

Item 17 – Voting Client Securities (Proxy Voting)

Aventine has contracted with an unaffiliated third-party, Broadridge Investor Communication Solutions, Inc. ("Broadridge") in order to provide third-party proxy voting services. The Firm's Investment Management Services Agreements for Platinum Investment Advisory Services and Private Wealth Management Services contain a provision that authorizes Broadridge to vote client securities².

Aventine does not play any role in the voting process and absorbs all costs associated with Broadridge's proxy voting service. For more information on Broadridge's proxy voting methodology, please contact Aventine.

Item 18 – Financial Information

Aventine does not require the payment of fees in the amount of \$500 or more six months or more in advance. No financial condition of which the Firm is currently aware that would impair the Firm's ability to meet its contractual commitment to its Clients. The Firm has not been the subject of a bankruptcy petition within the past 10 years.

Item 19 – Requirements for State-Registered Advisers

- A. The Firm's Founder and Principal Owner is Mr. Frank Fiumecaldo. For more information on Mr. Fiumecaldo's educational and business background, please see Form ADV Part 2B ("Brochure Supplement"), which is provided with this Brochure.
- B. Mr. Fiumecaldo does not engage in any investment-related business or occupation other than Aventine.
- C. Neither the Firm nor any of its supervised persons receive any performance-based compensation.
- D. Neither the Firm nor any of its supervised persons have been found liable in an arbitration claim, civil proceeding, self-regulatory organization proceeding, or administrative proceeding.
- E. Neither the Firm nor any of its management persons have any relationship with issuers of securities.

² Proxy voting services are not available to Premium Financial Planning Services or Strategic Retirement Plans. Please see "Item 4" for further information on these advisory offerings.



Form ADV Part 2B – Brochure Supplement

for

**Frank J. Fiumecaldo, CFP®
Founder & President**

May 21, 2020

This Form ADV 2B ("Brochure Supplement") provides information about the background and qualifications of Mr. Frank J. Fiumecaldo, CFP® (CRD# 6915768) in addition to the information contained in the Aventine Financial Group LLC ("Aventine" or the "AdvisorCRD# 292390) Brochure. If you have not received a copy of the Brochure or if you have any questions about the contents of the Aventine Brochure or this Brochure Supplement, please contact us at (212) 269-2512.

Additional information about Mr. Fiumecaldo is available on the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with his full name or his Individual CRD# 6915768.

Item 2 – Educational Background and Business Experience

Frank J. Fiumecaldo, CFP®, born in 1987, is dedicated to advising Clients of Aventine as a Founder & President. Mr. Fiumecaldo also earned a Bachelor of Science in Finance from the University of Coastal Carolina in 2010. Additional information regarding Mr. Fiumecaldo's employment history is included below.

Employment History:

Founder & President, Aventine Financial Group LLC	04/2018 to Present
Financial Planner, R.W. Roge & Company	12/2012 to 04/2018
Tax Analyst, CheckPoint HR	07/2011 to 12/2012

CERTIFIED FINANCIAL PLANNER™ (“CFP®”)

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP® (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted by the Certified Financial Planner Board of Standards, Inc. (“CFP® Board”).

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- *Education* – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP® Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP® Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- *Examination* – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real-world circumstances;
- *Experience* – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- *Ethics* – Agree to be bound by CFP® Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements to maintain the right to continue to use the CFP® marks:

- *Continuing Education* – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- *Ethics* – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP® Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Item 3 – Disciplinary Information

There are no legal, civil, or disciplinary events to disclose regarding Mr. Fiumecaldo. Mr. Fiumecaldo has never been involved in any regulatory, civil, or criminal action. There have been no client complaints, lawsuits, arbitration claims, or administrative proceedings against Mr. Fiumecaldo.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil, or disciplinary events to disclose regarding Mr. Fiumecaldo.***

However, we do encourage you to independently view the background of Mr. Fiumecaldo on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with his full name or his Individual CRD# 6915768.

Item 4 – Other Business Activities

Mr. Fiumecaldo is dedicated to the investment advisory activities of Aventine's Clients. Mr. Fiumecaldo does not have any other business activities.

Item 5 – Additional Compensation

Mr. Fiumecaldo is dedicated to the investment advisory activities of Aventine's Clients. Mr. Fiumecaldo does not receive any additional forms of compensation.

Item 6 – Supervision

Mr. Fiumecaldo formulates all investment advice for clients. As the sole principal and investment adviser representative, he is responsible for all advice provided to clients and the management of the Firm. He can be contacted at the email address or telephone displayed on the cover page.