

## Form ADV Part 2A Brochure

### Cover Page - Item 1



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**November 24, 2021**

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

This brochure provides information about the qualifications and business practices of Donato Wealth Management, PLLC. If you have any questions about the contents of this brochure, please contact Philip D. Capriotti, Sr., Chief Compliance Officer at (512) 833-6557 or [philip@ira-master.com](mailto:philip@ira-master.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Donato Wealth Management, PLLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Material Changes - Item 2**

The purpose of this page is to inform you of any material changes since the previous version of this disclosure brochure. We will review and update, as needed, our brochure at least annually to make sure that it remains current.

On March 31, 2021, we submitted our annual updating amendment filing for fiscal year 2020. We have updated Item 4 of our Form ADV Part 2A Brochure to disclose discretionary assets under management of approximately \$102,823,275, and non-discretionary assets under management of approximately \$1,252,980.

We have amended Form ADV to disclose that Philip D. Capriotti, Sr. is the Chief Compliance Officer.

If you would like to receive a complete copy of our current brochure free of charge at any time, please contact our Chief Compliance Officer, Philip D. Capriotti, Sr. at (512) 833-6557 or at [philip@ira-master.com](mailto:philip@ira-master.com).

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#### Advisory Business - Item 4

Donato Wealth Management, PLLC (hereinafter “Donato Wealth Management” or the “firm”) is a registered investment adviser based in Cedar Park, Texas. We are a professional limited liability company formed under the laws of the State of Texas. Philip D. Capriotti, Sr. is the sole owner, Managing Member, Chief Compliance Officer, and CEO of the firm. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs.

As used in this brochure, the words “we,” “our,” and “us” refer to our firm, and the words “you,” “your,” and “client” refer to you as either a client or prospective client of our firm.

Any material conflicts of interest between you and our firm, or our employees are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest arise, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

Currently, we offer the following investment advisory services, personalized for each individual client:

- **Financial Planning Services**
- **Portfolio Management Services**
- **Pension Consulting Services**

#### **Financial Planning Services**

Donato Wealth Management offers various financial planning related services, which assist clients in the management of their financial resources. Financial planning services are based upon an analysis of the client’s individual needs beginning with one or more information gathering consultations. Once the firm has collected and analysed all documentation gathered during these consultations, Donato Wealth Management provides a written financial plan designed to achieve the client’s financial goals and objectives. Donato Wealth Management then assists clients in developing a strategy for the successful management of income, assets, and liabilities. In general, financial planning services may include any one or all of the following:

- **Cash Flow Analysis** – Assessment of present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements, etc. The firm advises on ways to reduce risk; and, to coordinate and organize records and estate information.
- **Retirement Analysis** – Identification of long-term financial and personal goals and objectives including advice for accumulating wealth for retirement income or appropriate distribution of assets following retirement. Tax consequences and implications are identified and evaluated. This includes social security tax planning.
- **Insurance Analysis** – Includes risk management associated with advisory recommendations based on a combination of insurance types to meet your needs, e.g., life, health, disability, and long-term care insurance. This will necessitate an analysis of cash needs of the client’s family at death, income needs of surviving dependents, and potential disability income needs.
- **Portfolio Analysis/Investment Planning** – Presentation of investment alternatives, including asset allocation and its effect on the client’s portfolio; evaluation of economic and tax characteristics of existing investments as well as their suitability for the client; and, identification and evaluation of tax consequences and their implications.
- **Education Savings Analysis** – Alternatives and strategies with respect to the complete or partial funding of college or other post-secondary education.

- Estate Analysis – Advising clients with respect to property ownership, distribution strategies, estate tax reduction, and tax payment techniques.

The recommendations and solutions are designed to achieve the client's desired goals, subject to periodic evaluation of the financial plan, which may require revision to meet changing circumstances. Financial plans are based on your financial situation and the information provided to the firm. We should be notified promptly of any change to your financial situation, goals, objectives, or needs.

Clients can also request financial planning services that cover a specific area, such as retirement or estate planning, asset allocation analysis, manager due diligence, and 401(k) platform due diligence. Clients may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so by engaging us for investment advisory services or by using any advisory, brokerage, or insurance provider you choose.

Note: Information related to legal consequences that is provided as part of the financial plan is for informative purposes only. Clients are instructed to contact their attorney for personalized advice.

#### **Portfolio Management Services - Wrap Fee Program**

Donato Wealth Management is the portfolio manager and sponsor of the Donato Wealth Management Wrap Fee Program. A wrap fee program combines portfolio management and trade execution for a single fee. Transactions in the client's account will be executed by, and accounts will be held at, TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), National Financial Services LLC, and/or Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity"). These firms are independent and unaffiliated SEC-registered broker-dealers and members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). Detailed information about the Donato Wealth Management Wrap Fee Program and program fees is provided in the Form ADV Part 2A, Appendix 1 (Wrap Brochure) that is attached to this Form ADV Part 2A Disclosure Brochure.

#### **Pension Consulting Services**

Donato Wealth Management provides several pension consulting related services. While the primary clients for these services will be pension, profit sharing and 401(k) plans, Donato Wealth Management will also offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Pension Consulting Services are comprised of the following components. Clients may choose to use any or all of these services.

##### Investment Policy Statement Preparation ("IPS"):

Donato Wealth Management will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Donato Wealth Management then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

##### Selection of Investment Vehicles

Donato Wealth Management will create or review the plan's investment lineup, primarily consisting of mutual funds (both index and managed) and clients will select the lineup that is most appropriate for their investment needs. The plan's investment lineup may also include individual equities, bonds, and other investment products. The number of investments to be recommended will be determined by the plan, based on the plan's stated goals.

##### Monitoring of Investment Performance

Client investments will be monitored and reviewed based on the procedures and timing intervals outlined in the agreement with the client. Where Donato Wealth Management has no access to client account statements, the

client is instructed to make such statements available to the firm. Although Donato Wealth Management will not be involved in any way in the purchase or sale of these investments, Donato Wealth Management will make recommendations to the client as market factors and the client's needs dictate.

**Employee Communications**

For pension, profit sharing and 401(k) plans where the individual account participant exercises control over assets in their own account (hereinafter "self-directed plans"), Donato Wealth Management also provides educational support designed for the plan participants. The nature of the topics to be covered will be determined by Donato Wealth Management and the client under the guidelines established in Employee Retirement Income Securities Act ("ERISA"). Educational support services will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

**Investment Management**

We offer ongoing and continuous discretionary investment management with respect to the asset classes and investments for the Plan in accordance with the Plan's investment policies and objectives. This service is described in more detail in the "Portfolio Management Services - Wrap Fee Program" section above.

Other pension consulting services are available on request. All of our pension consulting services, whether general or customized, will be outlined in an agreement that shows the services that will be provided and the fees that will be charged for those services.

Donato Wealth Management is registered as an investment advisor and represents that it is not subject to any disqualification as set forth in ERISA. To the extent Donato Wealth Management performs Fiduciary Services, Donato Wealth Management acts as a fiduciary of the Plan as defined in Section 3(21) or Section 3(38) under the Employee Retirement Income Security Act ("ERISA").

**Assets Under Management**

As of March 28, 2021, we manage approximately \$102,823,275 in client assets on a discretionary basis and approximately \$1,252,980 in client assets on a non-discretionary basis.

**Fees and Compensation - Item 5**

**Portfolio Management Services Fees**

On an annualized basis, Donato Wealth Management charges the following portfolio management services fees:

<b>Assets Under Management</b>	<b>Annual Advisory Fee*</b>
First \$5,000,000	Up to 2.00%
Over \$5,000,000	Up to 1.00%

\*A \$100 annual fee will be assessed on all accounts with values below \$50,000. This fee is used to partially defer technology costs. For account values of less than \$5,000, this may equate to be more than the maximum stated 2% as stated in this Form ADV and the Agreement.

The fee schedule may not be the actual fee charged, but the maximum fee charged. Sub-Adviser fees, including wrap account fees, are included in the fee schedule above.

Portfolio management fees are negotiable depending on factors such as the amount of assets under management, range of investments, and complexity of the client's financial circumstances, among others. The

exact fee to be paid by the client will be clearly stated in the portfolio management agreement signed by the client and the firm.

Portfolio management fees are billed quarterly or monthly, in arrears, and are based on the average daily value of your portfolio of the period just ended. Terms of payment are stated in the portfolio management agreement signed by the client and the firm. Generally, the portfolio management fee will be deducted from the client's account held with a non-affiliated, qualified custodian. The Custodian will calculate the average daily value of assets under management of the period (month or quarter) just ended and will multiply that amount by the respective fraction of the annual advisory fee (i.e., 1/12 for monthly or 1/4 for quarterly). The qualified custodian will provide the client with an account statement at least quarterly. This statement will detail all account activity, including any fees deducted from the account(s).

At the inception of portfolio management services, the first pay period's fees will be calculated on a pro-rata basis. The portfolio management agreement between the client and Donato Wealth Management will continue in effect until either party terminates the portfolio management agreement in accordance with the terms of the portfolio management agreement. Donato Wealth Management's annual fee will be pro-rated through the date of termination. Refunds are not applicable since fees are payable in arrears.

#### **Financial Planning and Business Consulting Services Fees**

For stand-alone financial planning services, Donato Wealth Management charges a negotiable fixed hourly fee of up to \$350.00. Prior to engaging Donato Wealth Management to provide financial planning services, clients will be required to enter into a written financial planning agreement. The financial planning agreement will set forth the terms and conditions of the engagement and will describe the scope of the services to be provided. Fees are payable as invoiced and in accordance with a payment arrangement that is clearly set forth in the financial planning agreement signed by the client and the firm. Donato Wealth Management does not require the prepayment of over \$1,200, six or more months in advance. For portfolio management clients, the financial planning fees may be waived or reduced by the amount of portfolio management fees collected.

Either party may terminate the financial planning agreement by written notice to the other. Refunds are not applicable since fees are payable in arrears.

#### **Pension Consulting Services Fees**

The compensation arrangement for pension consulting services is based on hourly fees, fixed fees, or a percentage of the plan assets. Services will be negotiated on a case-by-case basis. The exact services to be provided, the fee to be paid by the client, fee payment arrangements, how to terminate the contract, and other terms will be clearly stated in the pension consulting agreement signed by the client and Donato Wealth Management.

Clients who choose to have Donato Wealth Management's fee deducted directly from their account must provide authorization. The qualified custodian holding client funds and securities will send an account statement on at least a quarterly basis. This statement will detail account activity. Clients are encouraged to review each statement for accuracy.

#### **Additional Fees and Expenses**

Fees are negotiable based on the amount of assets under management, complexity of client goals and objectives, and level of services rendered. As described above, the fees are charged as described and are not based on a share of capital gains of the funds of any advisory client.

All fees paid to Donato Wealth Management for investment advisory services are separate and distinct from the fees and expenses charged to shareholders by mutual funds or exchange traded funds. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses,

and a possible distribution fee. In the rare occasion where a fund also imposes sales charges, a client will pay an initial or deferred sales charge.

A client could invest in a mutual fund directly, without the services of Donato Wealth Management. In which case, the client would not receive the services provided by Donato Wealth Management, which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to their financial condition and objectives. Accordingly, clients should review the fees charged by the funds and the fees charged by Donato Wealth Management to fully understand the total amount of fees charged and to evaluate the cost of advisory services being provided.

#### **General Information on Advisory Services and Fees**

We do not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

We shall never have physical custody of any client funds or securities, as the services of a qualified and independent custodian will be used for those services. We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given us written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements.

#### **Compensation for the Sale of Insurance Products**

Certain Executive officers and other Associated Persons of Donato Wealth Management are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to clients of Donato Wealth Management. Insurance commissions earned by these persons are separate and in addition to Donato Wealth Management's advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. **Clients of our firm are under no obligation, contractually or otherwise, to purchase insurance products through any person or entity affiliated with our firm.**

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

Performance-based fees are based on a share of capital gains on or capital appreciation of the client's assets. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. We do not accept performance-based fees or participate in side-by-side management. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account(s).

#### **Types of Clients - Item 7**

We generally offer investment advisory services to individuals, pension and profit sharing plans and participants, trusts, estates, charitable organizations, corporations, and other business entities.



Donato Wealth Management generally requires a minimum account size of \$10,000 for advisory accounts. However, from time-to-time, in its sole discretion, Donato Wealth Management may accept smaller accounts based on various criteria, such as anticipated future assets, related accounts, and other factors.

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

##### **Methods of Analysis**

All asset allocation models are developed by the sub adviser and/or other third party investment advisers in accordance with investment programs developed by these entities. Donato Wealth Management will not implement its own methods of analysis and investment strategies. Clients should refer to the sub adviser's and/or third party investment advisers' brochures for more information about the methods of analysis and investment strategies used by those firms.

##### **Investment Strategies**

The investment strategy for a specific client is based upon the objectives stated by the client during consultations and documented in the client profile. The client may change these objectives at any time. Each client's profile contains information related to the client's risk tolerance and any investment restrictions. Any other documentation as required by our firm that documents the client's objectives and their desired investment strategy will be retained as part of the client's file.

##### **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. Clients should fully understand the nature of the contractual relationship(s) into which they are entering and the extent of their exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed would be appropriate for you in light of your experience, objectives, financial resources, and other relevant circumstances.

**Recommendation of Particular Types of Securities:** As disclosed under the "Advisory Business" section in this Brochure, we provide advice on various types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

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

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

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

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

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

**Risks Associated with Investing in Equities:** Investments in equities generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Risks Associated with Investing in Mutual Funds:** Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns.

**Risks Associated with Investing in Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**Risks Associated with Investing in Private Funds:** Private investment funds are not registered with the Securities and Exchange Commission and may not be registered with any other regulatory authority. Accordingly, they are not subject to certain regulatory restrictions and oversight to which other issuers are subject. There may be little public information available about their investments and performance. Moreover, as sales of shares of private investment companies are generally restricted to certain qualified purchasers, it could be difficult for a client to sell its shares of a private investment company at an advantageous price and time. Since shares of private investment companies are not publicly traded, from time to time it may be difficult to establish a fair value for the client's investment in these companies.

**Risks Associated with Investing in Options:** Transactions in options carry a high degree of risk. A relatively small market movement will have a proportionately larger impact, which may work for or against the investor. The placing of certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Selling (i.e., "writing" or "granting") an option

generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

#### **Disciplinary Information - Item 9**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or of the integrity of our management. Neither Donato Wealth Management nor any of its management personnel has a history of material legal or disciplinary events that are required to be reported in this section. Information regarding the history of the firm and its registered personnel can be found online at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

#### **Other Financial Industry Activities or Affiliations - Item 10**

Neither the firm nor its personnel is registered as, or has pending applications to register as, a broker/dealer, Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or is currently an associated person of any the foregoing types of entities.

##### **Insurance Activities**

Senior Tax and Insurance Advisors, PLLC is a licensed insurance agency, affiliated with our firm through common control and ownership. Persons providing investment advice on behalf of our firm are licensed insurance agents. Our firm and licensed persons are eligible to earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions are separate and in addition to advisory services and fees. Senior Tax and Insurance Advisors, PLLC, currently offers the following types of insurance products: Medicare Supplement, Index Universal Life, Life, Health, Property, Home, and Auto insurance.

Receipt of commission-based compensation presents a conflict of interest because our firm and persons providing investment advice on behalf of our firm who are licensed insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than recommendations made solely based on your needs. We address this conflict of interest by recommending insurance products only where we, in good faith, believe that it is appropriate for the client's particular needs and circumstances and only after a full presentation of the recommended insurance product to our client. In addition, we explain the insurance underwriting process to our clients in illustrating how the insurer also reviews the client's application and disclosures prior to the issuance of a resulting insuring agreement. Ultimately, all insurance sales are on a non-discretionary basis and are offered by duly licensed and supervised insurance professionals by our affiliated entity. Clients are under no obligation contractually or otherwise, to purchase insurance products through any person or entity affiliated with our firm.

Senior Tax and Insurance Advisors, PLLC also offers tax preparation services. Our firm is affiliated with Terry Hutchens, CPA, and Nathan Sheppard, who may also provide accounting services to clients of the firm. Clients are under no obligation to utilize the accounting services offered through the affiliated accountants listed below and are free to choose their own.

Clients are under no obligation to utilize the tax preparation and/or insurance services offered through related entities or persons associated with our firm.

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

##### **Description of Our Code of Ethics**

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

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of the firm's Code of Ethics is available upon request by contacting our Chief Compliance Officer, Philip D. Capriotti, Sr. at (512) 833-6557 or [philip@ira-master.com](mailto:philip@ira-master.com).

##### **Participation or Interest in client Transactions**

We endeavor to uphold our fiduciary responsibilities to our clients at all times. However, at times, Donato Wealth Management and/or its Associated Persons may take positions in the same securities as clients, which may pose a conflict of interest with clients. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality, disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

#### **Brokerage Practices - Item 12**

For Donato Wealth Management's portfolio management programs, we recommend and request clients to implement trades and maintain custody of assets through discount brokers. We will recommend the services of TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") These firms are independent and unaffiliated SEC-registered broker-dealers and members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). These firms offer us services that include custody of securities, trade execution, clearance, and settlement of transactions.

##### **Research and Other Soft Dollar Benefits received from TD Ameritrade**

There is no direct link between Donato Wealth Management's use of TD Ameritrade and the investment advice it gives to its clients, although Donato Wealth Management receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Donato Wealth Management participants; access to block trading (which provides the

ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Donato Wealth Management by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Donato Wealth Management's related persons.

Some of the products and services made available by TD Ameritrade through the program may benefit Donato Wealth Management but may not benefit its client accounts. These products or services may assist Donato Wealth Management in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Donato Wealth Management manage and further develop its business enterprise. The benefits received by Donato Wealth Management or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Donato Wealth Management endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Donato Wealth Management or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Donato Wealth Management's choice of TD Ameritrade for custody and brokerage services.

**Research and Other Soft Dollar Benefits received from Fidelity**

Fidelity's brokerage services provide access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Fidelity include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Fidelity's services described in this paragraph generally benefit you and your account.

*Services that May Not Directly Benefit You:* Fidelity also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include limited scope investment research. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Fidelity. In addition to investment research, Fidelity 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;
- 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.

**Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

**Directed Brokerage**

Due to the nature of our advisory services, we do not allow clients to direct brokerage.

**Aggregation of Orders (Block Trading)**

When suitable, we combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). The shares are then distributed across participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure

of management fees. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

We combine multiple orders for shares of the same securities purchased for discretionary accounts; however, we do not combine orders for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm. We do not combine multiple orders for shares of the same mutual funds purchased for advisory accounts we manage because mutual funds do not trade in blocks.

#### Review of Accounts - Item 13

Accounts are reviewed by Philip Capriotti, Sr. and/or by the Associated Person named as adviser of record on the account. The frequency of reviews is determined based on the client's investment objectives, but reviews are conducted no less frequently than annually. Additional reviews are usually triggered by a change in the client's investment objectives, tax considerations, large deposits or withdrawals, large purchases or sales, loss of confidence in corporate management, or changes in macro-economic climate.

A financial plan is a snapshot in time and no ongoing reviews are conducted, unless you have engaged us for periodic updates. We recommend a plan review at least annually.

The client's independent custodian provides account statements directly to the client no less frequently than quarterly. The custodian's statement is the official record of the client's securities account and supersedes any statements or reports created on behalf of the client by Donato Wealth Management.

#### Client Referrals and Other Compensation - Item 14

Except for the receipt of additional compensation from Fidelity and TD Ameritrade (described under Item 12 above), and the commissions received by certain Associated Persons for the sale of insurance products (described under Item 5 and 10 above), we do not receive any other compensation from outside parties in connection with the investment advice we provide to you.

##### **Compensation for Client Referrals**

Donato Wealth Management does not engage solicitors or otherwise compensate third parties for client referrals.

##### **Sale of Insurance Products**

IARs of Donato Wealth Management will solicit, offer and sell insurance products to you for commissions in their separate capacity as insurance agents. This represents a conflict of interest since Donato Wealth Management and the IAR receive fees and/or commissions if you choose to implement the recommendations of your IAR in his or her separate capacity as an insurance agent. You are under no obligation to implement recommendations through your IAR and are free to choose any insurance company you wish to implement the recommendations.

#### Custody - Item 15

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. Clients are urged to compare the account statements received directly from their custodians to any performance report statements prepared by Donato Wealth Management or its service providers.

Some clients may execute limited powers of attorney or other standing letters of authorization that permit Donato Wealth Management to transfer money from their account with the client's independent qualified Custodian to third parties. This authorization to direct the Custodian may be deemed to cause our firm to exercise limited custody over your funds or securities and for regulatory reporting purposes, we are required to keep track of the number of clients and accounts for which we may have this ability. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate any transfers that may have taken place within your account(s) each billing period. You should carefully review account statements for accuracy.

#### Investment Discretion - Item 16

Donato Wealth Management offers Portfolio Management Services on a discretionary basis. Clients must grant discretionary authority in the management agreement. Discretionary authority extends to the types and amounts of securities to be bought and sold in client accounts. Apart from the ability to withdraw management fees, Donato Wealth Management does not have the ability to withdraw funds or securities from the client's account. The client provides Donato Wealth Management discretionary authority via a limited power of attorney in the management agreement and in the contract between the client and the custodian.

If you wish, you may limit our discretionary authority, for example, by setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services. Clients should note that some of the portfolio models provided by third parties cannot accommodate client restrictions.

#### Voting Client Securities - Item 17

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

**Financial Information - Item 18**

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

**Requirements of State-Registered Advisers - Item 19**

**This section is not applicable because our firm is SEC registered.**



## Form ADV Part 2A, Appendix 1: Wrap Fee Program Brochure

### Cover Page - Item 1



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Cedar Park, TX 78613

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Fax: (512) 456-0179

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

Email: [philip-jr@ira-master.com](mailto:philip-jr@ira-master.com)

**November 19, 2021**

**DRAFT**

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

This wrap fee program brochure provides information about the qualifications and business practices of Donato Wealth Management Partners, LLC. If you have any questions about the contents of this brochure, please contact us at (512) 833-6557. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Donato Wealth Management Partners, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Material Changes - Item 2**

The purpose of this page is to inform you of any material changes since the previous version of this wrap fee brochure.

We have amended Form ADV to disclose that Philip D. Capriotti, Sr. is the Chief Compliance Officer.

If you would like to receive a complete copy of our current brochure free of charge at any time, please contact our Chief Compliance Officer, Philip D. Capriotti, Sr. at (512) 833-6557 or at [philip@ira-master.com](mailto:philip@ira-master.com).

**Table of Contents - Item 3**

A table of contents is provided in Item 3 of the firm's Form ADV Part 2A Disclosure Brochure above.

#### **Services Fees and Compensation - Item 4**

##### **Services**

Donato Wealth Management Partners, LLC (hereinafter "Donato Wealth Management") offers a wrap fee program, the Donato Wealth Management Wrap Fee Program, whereby Donato Wealth Management manages client accounts for a single, bundled fee that includes portfolio management services, custodial services, and transaction/commission costs.

Donato Wealth Management and its Associated Persons provide portfolio management services in conjunction with a sub adviser. We use model portfolios developed by the sub adviser and/or other registered investment advisers. These other investment advisers are responsible for the research and security selection, Donato Wealth Management is responsible for the supervision of the account and direct interaction with the client, and the sub adviser is responsible for day to day trading, billing calculation and other back office operations. The transactions in the client's account will be executed by Fidelity and/or TD Ameritrade.

At this time, Donato Wealth Management uses the sub advisory services of Foundations Investment Advisors LLC (CRD# 175083). Foundations Investment Advisors LLC gives us access to its proprietary portfolio models, along with models provided or managed by Cabana Asset Management, Frontier Wealth Management, Morningstar Investment Management, BlackRock Solutions, among others. All disclosure information about these entities is available on the SEC's public disclosure site, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). All clients will be provided with a current copy of Foundations Investment Advisors LLC's Form ADV Part 2 Brochure at the inception of service. This document provides important disclosures about Foundations Investment Advisors LLC's services, portfolio models, fees, conflicts of interest, disciplinary history (if any), and other important information that would help clients understand the scope of sub advisory services provided by Foundations Investment Advisors LLC.

The client pays Donato Wealth Management an all-inclusive Wrap fee. Donato Wealth Management pays a portion of the fee to Foundations Investment Advisors LLC for its sub advisory services and access to the various third party money managers, and a portion to Fidelity and/or TD Ameritrade for trade execution expenses. The terms and conditions under which a client participates in the Donato Wealth Management Wrap Fee Program are set forth in the written agreement between the client and Donato Wealth Management. The overall cost incurred from participation in the Donato Wealth Management Wrap Fee Program may be higher or lower than if the services were purchased separately.

The portfolio management services for the Donato Wealth Management Wrap Fee Program are offered on a discretionary basis. Our investment advice is tailored to meet our clients' needs and investment objectives. Subject to any written guidelines that you may provide, we will be granted discretionary authority to manage your account. Once the portfolio allocation has been agreed upon, the ongoing supervision and management of the portfolio will be our responsibility. Discretionary authorization is granted to us by you in a written agreement. This allows our firm to decide on specific securities, the quantity of the securities and placing buy or sell orders for your account without obtaining your approval for each transaction. This type of authorization is granted using either the investment advisory agreement the client signs with our firm, a limited power of attorney agreement, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with restrictions and guidelines in writing. Clients should note that some of the portfolio models provided by third parties cannot accommodate client restrictions.

Wrap accounts are managed to diversify clients' investments and may include various types of securities such as equity securities, exchange traded funds, mutual funds, U.S. government securities, corporate debt securities, municipal securities, alternative investments, non-traded REITS, and options strategies. In limited cases, we may also recommend investments in limited partnerships such as hedge funds and private equity funds. Other types of investments may also be recommended where we deem such investments appropriate based on your stated

goals and objectives. We reserve the right to make recommendations regarding any type of investment held in your portfolio at the inception of the advisory relationship.

Once the client portfolio is constructed, Donato Wealth Management provides continuous supervision of the portfolio as changes in the market conditions and client circumstances may require. Investments and allocations are determined based upon the clients' predefined objectives, risk tolerance, time horizons, financial horizons, financial information, and other various suitability factors. Further restrictions and guidelines imposed by clients may affect the composition and performance of a client's portfolio. For these reasons, performance of the portfolio might not be identical with other clients of Donato Wealth Management. We review the clients' financial circumstances and investment objectives on an ongoing basis and make adjustments to clients' portfolios or allocation models as may be necessary to achieve the desired results.

In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g., attorneys, accountants, etc.) and we are expressly authorized to rely on the information you provide. You must promptly notify our firm of any changes in your financial circumstances or investment objectives that might affect the manner in which your accounts should be managed.

#### **Fees**

The Donato Wealth Management Wrap Fee Program is a component of the portfolio management services offered by the firm. The portfolio management service fees are described in Item 5 of the firm's Form ADV Part 2A Disclosure Brochure above.

#### **Termination**

At the inception of portfolio management services, the first pay period's fees will be calculated on a pro-rata basis. The portfolio management agreement between you and Donato Wealth Management will continue in effect until either party terminates the agreement in accordance with the terms of the management agreement. Donato Wealth Management's annual fee will be pro-rated through the date of termination. Refunds are not applicable because fees are payable in arrears.

#### **Additional Fees and Expenses**

The fees are charged as described above and are not based on a share of capital gains of the funds of an advisory client.

The Donato Wealth Management Wrap Fee Program fees do not include mark-ups and mark-downs, dealer spreads or other costs associated with the purchase or sale of securities, interest, taxes, or other costs, such as national securities exchange fees, charges for transactions not executed through Fidelity and/or TD Ameritrade, costs associated with exchanging currencies, wire transfer fees, or other fees required by law or imposed by third parties. The Account will be responsible for these additional fees and expenses.

All fees paid to Donato Wealth Management for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. In the rare occasion where a fund also imposes sales charges, a client will pay an initial or deferred sales charge.

Each mutual fund, ETF, or variable annuity in which the Account may be invested will also charge a management fee, other internal expenses, and a possible distribution fee. Certain mutual funds offered through the Donato Wealth Management Wrap Fee Program may impose short-term trading charges (typically 1% - 2% of the amount originally invested) for redemptions made within short periods of time.

All of the fees and expenses discussed above will be indirect expenses borne by the Account, and will be in addition to the Donato Wealth Management Wrap Fee Program Fee. You should consider all of these fees and

expenses (including the Donato Wealth Management Wrap Fee Program Fee) to fully understand the total amount of fees and expenses to be paid by the Account and to evaluate the advisory services being provided. The fees and expenses related to mutual funds, ETFs, or variable annuities are disclosed in their respective prospectus or summary disclosure document.

**Other Important Considerations**

In determining whether to establish a Donato Wealth Management Wrap Fee Program account, you are advised that the overall cost of the Donato Wealth Management Wrap Fee Program may be higher or lower than you might otherwise incur by purchasing separately the types of securities available in the Donato Wealth Management Wrap Fee Program. In order to compare the cost of the Donato Wealth Management Wrap Fee Program with unbundled services, you should consider the turnover rate in our investment strategies, trading activity in the account, and standard advisory fees and brokerage commissions that would be charged at Fidelity and/or TD Ameritrade, or at other broker-dealers and investment advisers.

The advisory fee also may cost the client more than it would if assets were held in a traditional brokerage account. In a brokerage account, a client is charged a commission for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If the client plans to follow a buy and hold strategy for the account or does not wish to purchase ongoing investment advice or management services, the client should consider opening a brokerage account rather than a wrap fee program account.

The investment products available to be purchased in the wrap fee program can be purchased by clients outside of a wrap fee program account, through broker-dealers or other investment firms not affiliated with Donato Wealth Management.

**Account Requirements and Types of Clients - Item 5**

We generally offer investment advisory services to individuals, pension and profit sharing plans and participants, trusts, estates, charitable organizations, corporations, and other business entities.

Donato Wealth Management generally requires a minimum account size of \$10,000 for advisory accounts. However, from time-to-time, in its sole discretion, Donato Wealth Management may accept smaller accounts based on various criteria, such as anticipated future assets, related accounts, and other factors.

**Portfolio Manager Selection and Evaluation - Item 6**

**Portfolio Managers**

Donato Wealth Management is the portfolio manager of the Donato Wealth Management Wrap Fee Program. Each account is managed by the Associated Person assigned to the client relationship. We use the sub advisory services of Foundations Investment Advisors LLC (CRD# 175083). Foundations Investment Advisors LLC gives us access to its proprietary portfolio models, along with models provided or managed by Cabana Asset Management, Frontier Wealth Management, Morningstar Investment Management, BlackRock Solutions, among others. All clients will be provided with a current copy of Foundations Investment Advisors LLC's Form ADV Part 2 Brochure at the inception of service. This document provides important disclosures about Foundations Investment Advisors LLC's services, portfolio models, fees, conflicts of interest, disciplinary history (if any), and other important information that would help clients understand the scope of sub advisory services provided by Foundations Investment Advisors LLC.

We conduct ongoing due diligence review of the sub-adviser. Due diligence may consist of the following: reviewing Form ADV or other disclosure documents, reviewing the sub-adviser's qualifications, expertise, and strategies, conducting in person or telephonic interviews with the sub-adviser, confirming the registration status of the sub-adviser, requesting and reviewing any disciplinary/regulatory history of the sub-adviser, reviewing the sub-advisers' policies and procedures, reviewing the sub-adviser's custodial relationships, etc.

We do not review model portfolio performance information to determine or verify its accuracy or its compliance with presentation standards, nor do we review model portfolio provider performance information. Clients should note that performance information might not be calculated on a uniform and consistent basis.

Where required, Associated Persons responsible for the management of the account are registered as investment adviser representatives. Clients should refer to each Associated Person's Form ADV Part 2B Supplement, provided to you along with the copy of our disclosure brochure, for more information about their disciplinary, business and educational backgrounds. Please contact us at (512) 833-6557 or at [philip-jr@ira-master.com](mailto:philip-jr@ira-master.com) with any questions you may have.

Since our firm's sole portfolio management program is the wrap program, we have not identified any conflicts of interest related with the recommendation of the wrap program versus the recommendation of another type of portfolio management account.

Clients will receive statements directly from their account custodian(s) at least quarterly. Donato Wealth Management may also provide performance reports on an as needed basis.

#### **Other Advisory Services**

Please refer to Item 4 of the firm's Form ADV Part 2A Disclosure Brochure above for information about other advisory services offered by Donato Wealth Management.

#### **Performance-Based Fees and Side-By-Side Management**

Performance-based fees are based on a share of capital gains on or capital appreciation of the client's assets. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. We do not accept performance-based fees or participate in side-by-side management. Our fees are calculated as described in the Services Fees and Compensation section above and in Item 5 of the firm's Form ADV Part 2A Disclosure Brochure. They are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account(s).

#### **Investment Strategies**

Please refer to Item 8 of the firm's Form ADV Part 2A Disclosure Brochure above for information about Donato Wealth Management's investment strategies.

#### **Methods of Analysis**

Please refer to Item 8 of the firm's Form ADV Part 2A Disclosure Brochure above for information about the methods of analysis used by Donato Wealth Management.

#### **Risk of Loss**

Please refer to Item 8 of the firm's Form ADV Part 2A Disclosure Brochure above for information about risks associated with investments in securities.

**Proxy Voting**

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

**Client Information Provided to Portfolio Managers - Item 7**

Donato Wealth Management is the sole sponsor of the Donato Wealth Management Wrap Fee Program and together with its portfolio managers has access to and is responsible for maintaining all information provided by clients. Client information will be updated in the company records upon notification of changes provided by clients and during client meetings between Donato Wealth Management and clients.

**Client Contact with Portfolio Managers - Item 8**

Donato Wealth Management is the sole sponsor and portfolio manager to the Donato Wealth Management Wrap Fee Program. Clients are free to contact Donato Wealth Management or their designated investment adviser representative at any time with questions regarding the Donato Wealth Management Wrap Fee Program. We can be reached at (512) 833-6557 or at [philip-jr@ira-master.com](mailto:philip-jr@ira-master.com).

**Additional Information - Item 9****Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or of the integrity of our management. Neither Donato Wealth Management nor any of its management personnel has a history of material legal or disciplinary events that are required to be reported in this section. Information regarding the history of the firm and its registered personnel can be found online at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Other Financial Industry Activities or Affiliations**

Senior Tax and Insurance Advisors, PLLC is a licensed insurance agency, affiliated with our firm through common control and ownership. Persons providing investment advice on behalf of our firm are licensed insurance agents. Our firm and licensed persons are eligible to earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions are separate and in addition to advisory services and fees. Senior Tax and Insurance Advisors, PLLC, currently offers the following types of insurance products: Medicare Supplement, Index Universal Life, Life, Health, Property, Home, and Auto insurance.

Receipt of commission-based compensation presents a conflict of interest because our firm and persons providing investment advice on behalf of our firm who are licensed insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than recommendations made solely based on your needs. We address this conflict of interest by recommending insurance products only where we, in good faith, believe that it is appropriate for the client's particular needs and circumstances and only after a full presentation of the recommended insurance product to our client. In addition, we explain the insurance underwriting process to our clients in illustrating how the insurer also reviews the client's application and



disclosures prior to the issuance of a resulting insuring agreement. Ultimately, all insurance sales are on a non-discretionary basis and are offered by duly licensed and supervised insurance professionals by our affiliated entity. Clients are under no obligation contractually or otherwise, to purchase insurance products through any person or entity affiliated with our firm.

Senior Tax and Insurance Advisors, PLLC also offers tax preparation services. Our firm is affiliated with Terry Hutchens, CPA, and Nathan Sheppard, who may also provide accounting services to clients of the firm. Clients are under no obligation to utilize the accounting services offered through the affiliated accountants listed below and are free to choose their own.

Clients are under no obligation to utilize the tax preparation and/or insurance services offered through related entities or persons associated with our firm.

#### **Description of Our Code of Ethics**

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

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of the firm's Code of Ethics is available upon request by contacting our Chief Compliance Officer, Philip D. Capriotti, Sr. at (512) 833-6557 or [philip@ira-master.com](mailto:philip@ira-master.com).

#### **Participation or Interest in client Transactions**

We endeavor to uphold our fiduciary responsibilities to our clients at all times. However, at times, Donato Wealth Management and/or its Associated Persons may take positions in the same securities as clients, which may pose a conflict of interest with clients. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality, disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

#### **Portfolio Management Account Reviews**

Accounts are reviewed by Philip Capriotti, Sr. and/or by the Associated Person named as adviser of record on the account. The frequency of reviews is determined based on the client's investment objectives, but reviews are conducted no less frequently than annually. Additional reviews are usually triggered by a change in the client's investment objectives, tax considerations, large deposits or withdrawals, large purchases or sales, loss of confidence in corporate management, or changes in macro-economic climate.

The client's independent custodian provides account statements directly to the client no less frequently than quarterly. The custodian's statement is the official record of the client's securities account and supersedes any statements or reports created on behalf of the client by Donato Wealth Management.

**Brokerage Practices and Trade Aggregation**

Please refer to Item 12 of the firm's Form ADV Part 2A Disclosure Brochure above for information about Donato Wealth Management's brokerage practices and trade aggregation.

**Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers and custodians with which we have an institutional advisory arrangement. We do not receive other benefits from a broker-dealer in exchange for client referrals.

**Directed Brokerage**

Due to the nature of our advisory services, we do not allow clients to direct brokerage.

**Client Referrals and Other Compensation**

Except for the receipt of additional compensation from Fidelity and TD Ameritrade (described under Item 12 of Form ADV Part 2A above), and the commissions received by certain Associated Persons for the sales of insurance products (described under Items 5 and 10 of Form ADV Part 2A above), we do not receive any other compensation from outside parties in connection with the investment advice we provide to you.

**Sale of Insurance Products**

IARs of Donato Wealth Management will solicit, offer and sell insurance products to you for commissions in their separate capacity as insurance agents. This represents a conflict of interest since Donato Wealth Management and the IAR receive fees and/or commissions if you choose to implement the recommendations of your IAR in his or her separate capacity as an insurance agent. You are under no obligation to implement recommendations through your IAR and are free to choose any insurance company you wish to implement the recommendations.

**Financial Information**

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

**Requirements for State-Registered Advisors - Item 10**

**This section is not applicable because our firm is SEC registered**

### **Donato Wealth Management Privacy Notice**

This notice is being provided to you in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information ("Regulation S-P") and/or comparable state laws. Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard your nonpublic personal information.

#### **INFORMATION WE COLLECT**

Donato Wealth Management must collect certain personally identifiable financial information about its customers to provide financial services and products. The personally identifiable financial information that we gather during the normal course of doing business with you may include:

- information we receive from you on applications or other forms;
- information about your transactions with us, our affiliates, or others;
- information we receive from a consumer reporting agency.

#### **INFORMATION WE DISCLOSE**

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted or required by law, or as necessary to provide services to you. In accordance with applicable federal and/or state laws, we may disclose all of the information we collect, as described above, to certain nonaffiliated third parties such as our attorneys, accountants, auditors and persons or entities that are assessing our compliance with industry standards. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

#### **CONFIDENTIALITY AND SECURITY**

We restrict access to nonpublic personal information about you to those Employees who need to know that information to provide financial products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

#### **ACCURACY**

Donato Wealth Management strives to maintain accurate personal information in our client files at all times. However, as personal situations, facts and data change over time; we encourage our clients to provide feedback and updated information to help us meet our goals.