

Item 1: Cover Page



CAVALOT CAPITAL LLC

2301 Blake St Suite 100

Denver, CO 80205

Form ADV Part 2A – Firm Brochure

(720) 295-4143

<https://www.cavalotcapital.com>

Dated July 26, 2022

This Brochure provides information about the qualifications and business practices of Cavalot Capital LLC, "Cavalot Capital". If you have any questions about the contents of this Brochure, please contact us at (720) 295-4143. 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.

Cavalot Capital LLC is registered as an Investment Adviser with the States of Colorado, California and Louisiana. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Cavalot Capital is available on the SEC's website at www.adviserinfo.sec.gov, which can be found using the firm's identification number, 312088.

Item 2: Material Changes

Please see the following material changes since the most recent filing of Form ADV Part 2A, dated April 26, 2022.

- Item 4: The Advisor has added Project Based Financial Planning Services.
- Item 5: The Advisor has added pricing for Project Based Financial Planning Services and updated the rate for Hourly Based Financial Planning.

Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations, and routine annual updates as required by the securities regulators. Either this complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Cavalot Capital LLC.

At any time, you may view the current Disclosure Brochure online at the SEC's Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov> by searching for our firm name or by our CRD number 312088.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at ciao@cavalotcapital.com

Item 3: Table of Contents

Contents

Item 1: Cover Page	1
Item 2: Material Changes	1
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees & Compensation	10
Item 6: Performance-Based Fees & Side-By-Side Management	15
Item 7: Types of Clients	15
Item 8: Methods of Analysis, Investment Strategies & Risk of Loss	15
Item 9: Disciplinary Information	21
Item 10: Other Financial Industry Activities & Affiliations	21
Item 11: Code of Ethics, Client Transactions & Personal Trading	22
Item 12: Brokerage Practices	23
Item 13: Review of Accounts	27
Item 14: Client Referrals & Other Compensation	27
Item 15: Custody	28
Item 16: Investment Discretion	28
Item 17: Voting Client Securities	28
Item 18: Financial Information	29
Item 19: Requirements for State-Registered Advisers	29
Form ADV Part 2B – Brochure Supplement	32

Item 4: Advisory Business

Description of Advisory Firm

Cavalot Capital LLC is registered as an Investment Adviser with the States of Colorado, California and Louisiana and first became registered as an investment advisor in March, 2021. Damian Palfini is the President, Chief Compliance Officer and Principal Owner of Cavalot Capital. Cavalot Capital currently reports non-discretionary Assets Under Management of \$0 and discretionary Assets Under Management of \$1,594,893 calculated as of January 2022.

Cavalot Capital is a fee-only financial planning and investment advisory firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Types of Advisory Services

Discretionary Investment Management Services

We are in the business of managing individually tailored investment portfolios on a discretionary basis, this allows Cavalot Capital to make buy and sell decisions for the Client's account without seeking approval for each trade. Our firm provides continuous advice to a Client regarding the investment of Client funds based on the individual needs of the Client. Through personal discussions in which goals and objectives based on a Client's particular circumstances are established, we develop a Client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation targets. We will also review and discuss a Client's prior investment history, as well as family composition and background.

We also offer Cryptoasset Investment Management Services for clients with appropriate risk tolerance, liquidity and experience. Any client interested in these services will be required to go through a detailed suitability screening to ensure it meets their goals and objectives.

Account supervision is guided by the stated objectives of the Client (e.g., maximum capital appreciation, growth, income, or growth, and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure.

Use of Third Party Managers, Outside Managers, or Sub-Advisors (TAMPs)

We also recommend Third Party Managers, Outside Managers, or Sub-Advisors (TAMPs) for portfolio management services. We assist Clients in selecting or composing an appropriate asset allocation model, completing the Outside Manager's investor profile questionnaire, interacting with the Outside Manager and reviewing the Outside Manager. Our review process and analysis of outside managers is further discussed in Item 8 of this Form ADV Part 2A. Additionally, we will meet with the Client on a

periodic basis to discuss changes in their personal or financial situation, suitability, and any new or revised restrictions to be applied to the account. Fees pertaining to this service are outlined in Item 5 of this brochure.

Schwab Institutional Intelligent Portfolios

One third party manager we recommend is an automated investment program from Schwab Institutional Intelligent Portfolios (the "Program") through which Clients are invested in a range of investment strategies composed of exchange-traded funds and cash and constructed and managed by us. The Client's portfolio is held in a brokerage account opened by the Client at Charles Schwab & Co., Inc. ("CS&Co"). We are independent of and not owned by, affiliated with, or sponsored or supervised by CS&Co., or their affiliates (together, "Schwab"). We are the Client's investment advisor and primary point of contact with respect to the Program and are solely responsible for managing Client assets, not Schwab. Cavalot Capital will determine the appropriateness of the Program for the Client, choose a suitable investment strategy and portfolio for the client's investment needs and goals, and manage that portfolio on an ongoing basis.

We charge Clients a fee for our services as described below under Item 5 Fees and Compensation. Our fees are not set or supervised by Schwab. Neither Clients nor Cavalot Capital will pay any brokerage commissions or any other fees to CS&Co. as part of the Program and we do not pay any fees for use of the platform. Schwab does receive other revenues in connection with the Program.

Financial Planning Services

We offer project-based financial planning and ongoing financial planning in the form of a monthly subscription. Financial planning services will be offered with no obligation from the client to engage Cavalot Capital in investment management services and a financial planning client always has the right to decide whether to engage Cavalot Capital for investment management services.

Project Based Financial Planning Services

The client and Cavalot Capital jointly review the client's goals and values around money, net worth, cash flow, insurance, employee benefits, retirement planning, investments, etc. Cavalot Capital then does a comprehensive analysis of the client's current and future

financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they affect and are affected by the entire financial and life situation of the client.

Clients purchasing this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals. The client is

expected to inform Cavalot Capital when changes or concerns arise and to provide necessary documents and data for Cavalot Capital to use in our analysis. No follow-up advice is provided in a Project-based Financial Plan engagement following the completion of the project. No investment management services are provided in such an engagement. Clients have the option to engage Cavalot Capital for Discretionary Investment Management services at additional cost, otherwise Clients are solely responsible for implementing any recommendations made by Cavalot Capital. Clients are not obligated to implement any recommendations through Cavalot Capital.

Following the initial financial planning project, clients may choose to continue working with the Planner to enact action items listed and to maintain close communication while implementing plan recommendations. In general, the financial plan will address any or all of the areas of concern listed below. The Client and planner will work together to select the specific areas to cover which may include, but are not limited to, the following:

- **Business Planning:** We provide consulting services for Clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.
- **Cash Flow and Debt Management:** Review income and expenses to determine current surplus or deficit, prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. Recommend appropriate cash reserves for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.
- **Cryptoasset Advice:** We can provide advice related to cryptocurrencies, coins, tokens, NFTs and other digital assets. Topics may include basic education, asset allocation and diversification, security, estate planning and general tax planning strategies.
- **Education Planning:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.

- **Estate Planning:** Analysis of exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts, and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

- **Financial & Life Goals:** We will help Clients identify financial and life goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal and provide accountability.
- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet Clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing

insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).

- **Stock Compensation Planning:** We review current stock grants and vesting parameters to better understand your cash flow over the next few years. Then we take a look at the tax implications and risks of different strategies available to you based on your expected time with the company and/or personal changes that may affect those strategies.
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with the consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

Financial Planning Monthly Subscription

This service involves working one-on-one with a planner over an extended period of time. By paying a fixed monthly fee, Clients get to work with a planner who will assist them in developing and implementing their plan. The planner and Client will build out a financial planning service calendar that lays out the areas of focus that will be addressed each month based on the Client’s priorities. The Client will be provided with a summary of the work completed each month on their monthly invoice. Clients will have regularly scheduled meetings through the term of the engagement, depending on their individual situation with additional face-to-face, email and/or phone consultations at no additional charge.

Over the course of the engagement, Cavalot Capital will jointly review with the Client their goals and values around money, net worth, cash flow, insurance, employee benefits, retirement planning, insurance, investments, etc. (full list below) according to the service calendar. These areas will be considered in light of the entire financial and life situation of the client, which is a defining aspect of financial planning. No investment management services are provided in such an engagement. Clients have the option to engage Cavalot Capital for Discretionary Investment Management services at additional cost, otherwise Clients are solely responsible for implementing any recommendations made by Cavalot Capital. Clients are not obligated to implement any recommendations through Cavalot Capital.

Clients subscribing to the Monthly Subscription will receive a written or an electronic report on the areas that have been addressed up until that point at the end of each month. At the end of each

anniversary year beginning 12 months after the Client signs the initial financial planning agreement, Cavalot Capital provides a comprehensive analysis with an overview of their current financial condition, an assessment of their risks and opportunities, their current goals, and our recommendations for achieving their goals and mitigating risks. The service calendar will be revisited and adjusted as necessary at this time as well.

Clients get continuous access to the planner who will help the Client implement recommendations, monitor the plan, make additional recommendations as previous recommendations are implemented, reach out for regular Client meetings, adapt the plan to changing circumstances in the Client's life, recommend changes when necessary, and ensure the plan is up to date. The Client is expected to inform Cavalot Capital when changes or concerns arise and to provide necessary documents and data for us to use in our analysis. Clients might have changes or concerns in any of the areas enumerated below, as were covered in the initial analysis. Cavalot Capital will review the new information in the context of the existing plan and share our findings, analysis and potential recommendations with the Client. The plan and the client's financial situation and goals will be monitored throughout the year and follow-up phone calls and emails will be made to the Client to confirm that any agreed upon action steps have been carried out.

In general, the financial plan will address any or all of the areas of concern listed above. The Client and planner will work together to select the specific areas to cover which may include, but are not limited to, those listed above under Project Based Financial Planning.

For California Residents: CCR Section 260.235.2 Disclosure

For Clients who receive our Financial Planning services, we must state when a conflict exists between the interests of our firm and the interests of our Client. The Client is under no obligation to act upon our recommendation. If the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transaction through our firm.

Educational Webinars

We may provide web-based seminars (webinars) for groups or individuals seeking general advice on investments and other areas of personal finance. The content of these webinars will vary depending upon the needs of the attendees but will generally cover basic personal finance concepts such as investing, cash flow management, retirement planning, employee benefits, equity compensation, cryptoassets and business planning. These webinars are purely educational in nature and do not involve the sale of any investment or insurance products. Information presented will not be based on any individual's person's need, nor does Cavalot Capital provide individualized investment advice to attendees during these webinars.

Client Tailored Services & Client Imposed Restrictions

We offer the same suite of services to all of our Clients. However, specific management of Client investment portfolios is dependent upon the Client Investment Policy Statement which outlines each

Client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a Client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Wrap Fee Programs

We do not participate in wrap fee programs.

Item 5: Fees & Compensation

Please note, the investment advisory contract may be terminated by the Client within five (5) business days of signing the contract without incurring any advisory fees. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

Discretionary Investment Management Services

Our standard annual advisory fee is based on the market value of the assets under management and is calculated as follows:

Account Value	Traditional Assets	Cryptoassets
Less than \$125,000	1.00%	1.5%
\$125,001 - \$250,000	0.90%	
\$250,001 - \$500,000	0.80%	
\$500,001 - \$1,000,000	0.70%	
\$1,000,001 - \$3,000,000	0.60%	
\$3,000,001 and Above	0.50%	

The annual fees for traditional assets (equities, ETFs, mutual funds) are negotiable and are pro-rated and paid in arrears on a quarterly basis. The advisory fee is a tiered fee and is calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart and applying the fee to the account value as of the last day of the quarter. No increase in the annual fee shall be effective without agreement from the Client by signing a new agreement or amendment to their current advisory agreement.

Advisory fees are directly debited from Client accounts (please see item 15 for more information regarding direct deduction of our fees from client accounts). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 15 calendar days in advance. Since fees are paid in arrears, no refund will be needed upon termination of the account.

The annual fees for cryptoassets are negotiable and are pro-rated and annualized and calculated daily pursuant to a valuation methodology that has been developed by an independent third party using a time weighted formula reflecting a 24-hour volume weighted average. Fees will be invoiced monthly in

arrears and directly debited from the Client account. Accounts initiated or terminated mid-month will be charged a prorated fee based on the number of days remaining in the month. An account may be terminated with written notice at least 15 calendar days in advance. Since fees are paid in arrears, no refund will be needed upon termination of the account.

Cryptoassets do not count towards fee breakpoints on the above fee schedule and are a flat percentage regardless of assets under management (AUM) or account size.

Client is responsible for all fees and expenses (including taxes) incurred by, or arising in connection with, services from third-party service providers, including technology and platform providers. Client understands that Client's account assets may be subject to fees and expenses charged, directly or indirectly, by exchanges, protocols, tokens, the Custodian, and other service providers. All of these fees and expenses are separate charges, additional to the fees paid to the Adviser.

Client acknowledges Adviser may use its discretionary authority to liquidate account assets to cover Client fees, either where the account holds insufficient cash for direct fee deduction, or if fees are unpaid by the due date indicated on the invoice. Clients are responsible for fees due through the date of termination of this agreement.

For California Residents: CCR Section 260.238(j) Disclosure

Please note, lower fees for comparable services may be available from other sources.

Use of Third Party Managers, Outside Managers, or Sub-Advisors (TAMPs)

The standard advisory fee is based on the market value of the account and is calculated as follows:

Account Value	Annual Advisory Fee
Less than \$125,000	0.50%
\$125,001 - \$250,000	0.45%
\$250,001 - \$500,000	0.40%
\$500,001 - \$1,000,000	0.35%
\$1,000,001 - \$3,000,000	0.30%
\$3,000,001 and Above	0.25%

The annual fees are negotiable and are prorated and paid in arrears on a quarterly basis. The advisory fee is a tiered fee and is calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart and applying the fee to the account value as of the last day of the quarter.

When an Outside Manager is used, the Outside Manager will debit the Client's account for Cavalot Capital's advisory fee, and will remit the fee to Cavalot Capital. Please note, the above fee schedule does include the Outside Manager's fee, if any. No increase in the annual fee shall be effective without

agreement from the Client by signing a new agreement or amendment to their current advisory agreement.

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

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 15 calendar days in advance. Since fees are paid in arrears, no refund will be needed upon termination of the account.

For California Residents: CCR Section 260.238(j) Disclosure

Please note, lower fees for comparable services may be available from other sources.

Project Based Financial Planning Fixed Fee

Financial Planning will generally be offered on a fixed fee basis. The fixed fee will be agreed upon before the start of any work. The fixed fee can range between \$0 and \$20,000 and is priced subjectively according to the degree of complexity associated with the Client's situation (see Item 5 section titled "Complexity Fee Discretion below"). For example, a couple with stock options that owns their own business would require greater firm resources in the form of time and expertise and would therefore merit a higher fee than a single person with just salary compensation.

The fee is typically half due upon signing the client agreement, and the remaining half due upon delivery of the agreed upon project plan. Monthly or quarterly payment plans may also be available. The service may be terminated at any time, effective immediately. If service is terminated before delivery of the project plan, Cavalot Capital will deliver the work already done. If less than half the work has been performed at termination, Cavalot Capital will refund the client, by check or electronic fund transfer, for the unearned amount. If more than half the work has been performed at termination, Cavalot Capital will invoice the client for the additional amount due. The refund or additional amount due will be calculated based on an hourly rate of \$300/hour. The fee is negotiable. Clients will receive an invoice for fee payment requests. Fees for this service may be paid by electronic funds transfer or credit card.

Financial Planning Monthly Subscription

The Monthly Subscription consists of a one-time upfront charge of \$0 - \$10,000 and an ongoing fee that is paid monthly, in arrears, at the rate of \$0 - \$2,500 per month beginning 1 month after the client signs the initial financial planning agreement. Both the upfront and monthly fee are priced subjectively according to the degree of complexity associated with the Client's situation (see Item 5 section titled "Complexity Fee Discretion below"). For example, a client who is a couple, has stock options, crypto holdings, and owns their own business would require greater firm resources in the form of time and expertise and would therefore merit a higher fee than a single person with just salary compensation.

Fees for this service may be paid by electronic funds transfer or credit card. This service may be terminated at any time with 30 days' notice. Upon termination of any agreement, the fee will be prorated and any unearned fee will be refunded to the Client based on the number of days the services were provided in the final month. If the client resumes their Financial Planning Monthly Subscription after 6 months has lapsed since termination of service they will be required to pay the upfront charge again in order to resume services.

The upfront portion of the Financial Planning Monthly Subscription fee is for Client onboarding, data gathering and setting the basis for the financial plan. This work will commence immediately after the fee is paid, and will be completed within the first 30 days of the date the fee is paid. Therefore, the upfront portion of the fee will not be paid more than 6 months in advance. Therefore, the upfront portion of the fee will not be paid more than six months in advance.

There is a minimum annual fee of \$4,000 for all financial planning clients. Cavalot Capital, at its sole discretion, may waive this requirement for clients in certain circumstances.

Discounting of Financial Planning Fees:

The services to be provided to the client and their specific fees will be detailed in the client agreement. The firm's published fees are negotiable. We strive to offer fees that are fair and reasonable in light of the experience of our firm and the services to be provided to the client.

For California Residents: CCR Section 260.238(j) Disclosure

Please note, lower fees for comparable services may be available from other sources.

Hourly Financial Planning Fee

Hourly Financial Planning engagements are offered at an hourly rate of \$300 per hour with a 1 hour minimum (\$300) and billed in 1/10th of an hour increments thereafter (\$39 every 6 minutes). For example, an engagement for 1.5 hours would be \$300 for the first 60 minutes + \$150 for the remaining 30 minutes ($\$300 \times .5 = \150) for a total of \$450. The fee may be negotiable in certain cases and is due at the completion of the engagement. In the event of early termination by the Client, any fees for the hours already worked will be due immediately. Fees for this service may be paid by electronic funds transfer or credit card.

For California Residents: CCR Section 260.238(j) Disclosure

Please note, lower fees for comparable services may be available from other sources.

Financial Planning Fees Paid via Credit Card

Cavalot Capital uses Advice Pay, a third-party payment processor to process credit card transactions. Advice Pay processes payments through the Stripe platform and submits all Client payment and personal information via tokenization. No Client information is stored directly on any Advice Pay server and Cavalot Capital does not store Client credit card information.

Educational Webinars

Webinars are offered to organizations and the public on a variety of financial topics. Fees range from free to \$10,000 per webinar or free to \$2,500 per participant. Fees for all webinars are due prior to the start of the webinar and can be paid via electronic funds transfer or credit card. The fee range is based on the content, amount of research conducted, the number of hours of preparation needed, and the number of attendees.

In the event that the Client decides to cancel their attendance for any reason, they will be refunded any fees paid within 5 business days.

Complexity Fee Discretion

For some services, Cavalot Capital evaluates the complexity of a client's financial situation in determining the fee the client will pay. Cavalot Capital's definition of complexity is the existence of circumstances, or lack thereof, that will require more time and effort of Cavalot Capital's to deliver valuable advice to a particular client. Factors that may impact complexity include, but are not limited to, the following:

- Income and related tax considerations
- Components of net worth, including high or low amounts of assets and/or liabilities and number of accounts
- Marital and family status
- Business ownership, employment status and employee benefits considerations including equity or crypto compensation
- Real estate and other illiquid investment ownership or held away assets
- Overall income tax situation
- Recent or upcoming relocation, multiple tax jurisdictions
- Number of financial and life goals
- Risk management plan or lack thereof
- Estate plan or lack thereof
- Timing of financial independence/retirement
- Crypto and Digital Asset Exposure

Other Types of Fees & Expenses

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the Client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in requiring our portfolio management clients to use Schwab as their custodian and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

Item 6: Performance-Based Fees & Side-By-Side Management

We do not offer performance-based fees and do not engage in side-by-side management.

Item 7: Types of Clients

We provide financial planning and/or investment portfolio management services to individuals, high net-worth individuals, families, trusts and small businesses. For trusts we provide investment management services only, we do not act as trustee for trusts. For programs with account minimums Cavalot Capital, in its sole discretion, may accept clients with smaller portfolios based upon each client's particular circumstances as it deems appropriate.

As a condition for starting and maintaining a Traditional Investment Portfolio Management relationship with Cavalot Capital, we generally impose a minimum portfolio size of \$100,000, except for clients enrolled in the Program utilizing Schwab Institutional Intelligent Portfolios and Cryptoasset Investment Portfolio Management (see below).

Schwab Institutional Intelligent Portfolios: Clients eligible to enroll in the Program include individuals, IRAs, and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, are not eligible for the Program. The minimum investment required to open an account in the Program is \$50,000. The minimum account balance to enroll in the tax-loss harvesting feature is \$50,000.

Cryptoasset Investment Portfolio Management: Clients are able to open individual & joint accounts, trusts, corporate accounts, traditional and Roth IRAs, and SEPs. For Cryptoasset Investment Portfolio Management we generally impose a minimum portfolio size of \$10,000.

Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

Our primary methods of investment analysis are fundamental, technical, cyclical and tactical analysis.

Fundamental analysis involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and

expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that the information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Technical analysis involves using chart patterns, momentum, volume, and relative strength in an effort to pick sectors that may outperform market indices. However, there is no assurance of accurate forecasts or that trends will develop in the markets we follow. In the past, there have been periods without discernible trends and similar periods will presumably occur in the future. Even where major trends develop, outside factors like government intervention could potentially shorten them.

Furthermore, one limitation of technical analysis is that it requires price movement data, which can translate into price trends sufficient to dictate a market entry or exit decision. In a trendless or erratic market, a technical method may fail to identify trends requiring action. In addition, technical methods may overreact to minor price movements, establishing positions contrary to overall price trends, which may result in losses. Finally, a technical trading method may underperform other trading methods when fundamental factors dominate price moves within a given market.

Cyclical analysis is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Tactical analysis is an active management portfolio strategy that shifts the percentage of assets held in various categories to take advantage of market pricing anomalies or strong market sectors. This strategy allows portfolio managers to create extra value by taking advantage of certain situations in the marketplace. It is a moderately active strategy since managers return to the portfolio's original strategic asset mix once reaching the desired short-term profits.

Use of Outside Managers:

We utilize Schwab Intelligent Portfolios ("SIP") as our third-party robo-advisor platform for smaller clients that Cavalot Capital cannot service directly using our in-house investment management expertise and for those that prefer Passive Investment Management. SIP utilizes algorithms in the course of providing automated portfolio management services and enables Cavalot Capital to combine our wealth management expertise with the power of an automated investment management platform. Schwab offers robust ETF or mutual fund portfolios designed by Cavalot Capital that allow us to define up to 45 asset classes and set the asset allocations and drift parameters for each portfolio. We can create a virtually unlimited number of portfolios that reflect our investment strategies and help meet the needs of our clients and provide the flexibility to make adjustments as needed. Schwab Intelligent Portfolios offers an automated rebalancing, tax-loss harvesting and paperless client onboarding and reporting

experience via our customized Client portal. Schwab is competitively priced and no commissions or custody fees are charged to our clients.

Clients can start investing in our portfolios using a straightforward online enrollment and account opening process by completing an investor profile and risk tolerance questionnaire. Cavalot Capital will review the recommended portfolio and can make adjustments before Client assets are invested. Whenever clients log in they'll see the customized experience for Cavalot Capital, and have automatic access to statements and performance reports.

By using SIP as our robo-advisor for smaller clients, Cavalot Capital can focus on providing one-on-one personalized investment advice to a smaller client base that would otherwise not be serviced by larger banks and institutions. Please be informed that investment advisory services could be obtained directly from Schwab Intelligent Portfolios at no additional cost using different recommended model portfolios created by Schwab. While performing the necessary due diligence, Cavalot Capital creates its own recommended model portfolios on the Schwab Intelligent Portfolios platform using low cost ETFs and mutual funds. The client chooses to engage with Cavalot Capital and not Schwab directly due our investment experience and access to advice which are not provided through Schwab Intelligent Portfolios. Cavalot Capital provides value to the advisory relationship by working with the client to establish financial goals and practices, by providing ongoing financial planning and investment monitoring services for the client, and by continuously re-evaluating the client's financial portfolio. Currently, these services are not offered directly through the Schwab Intelligent Portfolios platform. The limitations of using Schwab Intelligent Portfolios is that the client does not have access to purchase individual stocks or to customize the portfolio to include direct commodities or alternative investments. The limitation could mean that the portfolio does not have the highest risk-reward that the client could achieve if they would otherwise utilize our in-house investment platform or third-party money managers.

In addition, by utilizing Schwab Intelligent Portfolios this may limit the investment products available to the client. If Cavalot Capital does not believe Schwab Intelligent Portfolios offers appropriate investment vehicles for the client (for example, in a situation where a client's portfolio requires investments other than the funds primarily offered by Schwab Intelligent Portfolios), Cavalot Capital's fiduciary duty to the client requires it to advise the client as such, and to act accordingly.

Investment Strategies

Cavalot Capital primarily uses long-term trading and passive investing when managing client assets. Long term trading is also referred to as buy and hold and is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Passive investing involves building portfolios that are composed of various distinct asset classes. The asset classes are weighted in a manner to achieve the desired relationship between correlation, risk, and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index mutual funds or exchange-traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark. Active managers generally engage in higher trading volume which can create expenses that reduce returns.

Material Risks Involved

All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear. Many of these risks apply equally to stocks, bonds, commodities, and any other investment or security. Material risks associated with our investment strategies are listed below.

Market Risk: Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

Strategy Risk: The Adviser's investment strategies and/or investment techniques may not work as intended.

Small and Medium Cap Company Risk: Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the Client's portfolio.

Interest Rate Risk: Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

Legal or Legislative Risk: Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

Inflation: Inflation may erode the buying power of your investment portfolio, even if the dollar value of your investments remains the same.

Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

Common stocks may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

Exchange Traded Funds prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above (premium) or below (discount) their net asset value, and an ETF purchased at a premium may ultimately be sold at a discount; (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which the Clients invest.

Mutual Funds: When a Client invests in open-end mutual funds or ETFs, the Client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the Client will incur higher expenses, many of which may be duplicative. In addition, the Client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

Foreign Securities: The securities of many foreign countries, including emerging countries, have substantially less trading volume than the securities markets of the US, and securities of some foreign companies are less liquid and more volatile than securities of comparable US companies. Further, many foreign governments are less stable than the US. There can be no assurance that any significant, sustained instability would not increase the risks of investing in the securities markets of certain countries. While we typically gain exposure to foreign markets through ETFs, funds, or similar pooled vehicles rather than investing directly in foreign securities, the limited liquidity of some foreign markets may affect our ability to acquire or dispose of securities at a price and at the time we think is advisable.

Alternative Strategy Mutual Funds/ETFs: Certain mutual funds or ETFs invest primarily in alternative investments and/or strategies which may not be suitable for all investors and involve special risks, such as risks associated with commodities, real estate, leverage, use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates, and price volatility because of the fund's concentration in the real estate industry.

Risks Associated with Cryptocurrencies, Tokens and Other Digital Assets

Cryptoasset Risk: Generally as appropriate and suitable, we may recommend cryptocurrencies, tokens, or other cryptoassets ("Tokens"). As a new technological development, investing in cryptoassets is subject to different risks in addition to those traditionally associated with the trading of assets. These Tokens are highly speculative and can lose some, or all of their value, are not covered by FDIC or SIPC insurance.

Protocol and Governance Risk: Tokens are a relatively recent technological innovation. Bitcoin is widely considered to be the first popular Token and was invented in 2009. Other Tokens in which we may invest were created after Bitcoin. There can be no assurance that the Token industry will continue in its current form. Tokens are generally created and supported by an underlying blockchain or protocol, such as the Bitcoin Protocol or the Ethereum Protocol. Any malfunction, malicious attack, break-down or abandonment of the network may have an adverse effect on the Token's protocol or network which could lead to loss of value of the Token. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to the Tokens by rendering ineffective the cryptographic consensus mechanism that underpins a Token's protocol. There can be no assurance that changes or developments in Token protocols will not adversely impact your Account. The protocols on which Tokens are based are generally open source (permission-less) software. Any user can download the software, modify it and then propose that users and miners of a specific Token adopt the modification. When a modification is introduced and a substantial majority of users and miners consent to the modification, the change is implemented, and the Token's protocol and network remains uninterrupted. However, if less than a substantial majority of users and miners consent to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a "fork" (i.e., "split") of the Token's network (and the Blockchain), with one prong running the pre-modified software and the other running the modified software. The effect of such a fork would be the existence of two versions of the Token's network running in parallel, but with each version's Token lacking interchangeability.

Custodial and Exchange Risk: The trading of Tokens is fragmented across several different exchanges. These exchanges are targets for distributed denial of services attacks (referred to as "DDoS Attacks") and other hacking attempts. Certain Token exchanges have experienced trading disruptions due to fraud, failure, security breaches and DDoS Attacks. There can be no assurance that your Account Tokens will not be adversely affected by an attack on a Token exchange. Client accounts will hold Tokens in one or more digital "wallet" that Cavalot Capital, in its sole discretion, deems appropriate for any such Token. These wallets or accounts will be held at a qualified custodian. Storage of a Token in the digital wallet generally represents the public address associated with the underlying Blockchain, which is known as the "public key." In order to transfer a Token to or from the digital wallet, the controller of the wallet must also have the unique, private numerical code, often referred to as the "private key." To the extent a private key in respect of any Token is lost, destroyed, accessed by a third party or otherwise compromised and no backup of the private key is accessible, the Account or its custodian will be unable to transfer the Token held in the public wallet address associated with that private key. Consequently, such Tokens will effectively be lost, which could adversely affect the value of your portfolio. The custodian may periodically store Tokens in "hot wallets" which are connected to the internet to facilitate transactions in Tokens. Tokens stored in "hot wallets" may be more susceptible to theft or compromise than Tokens stored in other digital wallets. T

Regulatory Uncertainty: Regulation of Tokens and Token trading continues to evolve in the United States and foreign jurisdictions. Regulatory actions could negatively impact Tokens in various ways, including, for purposes of illustration only, through a determination that one or more Tokens are regulated financial instruments or securities that require registration or licensing. Regulators, including

state, federal, or foreign regulators, as well as state and federal agencies, may also determine that trading or transacting in Tokens is an activity requiring licensing or is otherwise subject to regulation under existing law. State and federal regulators may also assert that a Token or Token trading is being conducted unlawfully under interpretations of existing law and may take action at any time to freeze or stop Tokens from being released or traded, and regulators may assert criminal or civil claims against Token companies or Token trading participants, without notice. The basis for regulatory claims can include anti-money laundering or anti-terrorist financing regimes. There can be no assurance that Tokens in which we invest will not be adversely affected by increases in regulatory activity concerning particular Tokens or Token exchanges or trading platforms.

Unanticipated Risks: Cryptographic tokens and digital assets are new and still largely untested. In addition to the risks outlined in this Brochure, there are other risks associated with the purchase of Tokens that Cavalot Capital is unable to anticipate. Such risks may further materialize as unanticipated variations or combinations of the risks discussed in this Brochure.

Item 9: Disciplinary Information

Cavalot Capital does not have any disciplinary information to disclose in this item.

Item 10: Other Financial Industry Activities & Affiliations

No Cavalot Capital employee is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Damian Palfini provides consulting on marketing and technology systems to Palfini Financial, which is affiliated with SagePoint Financial, Inc. member FINRA/SIPC. Damian Palfini does not provide investment advice to Palfini Financial but may have access to limited client personal information such as names and email addresses to assist in marketing efforts of Palfini Financial which may create a conflict of interest. To manage this conflict of interest, Damian Palfini sends clients of Palfini Financial communications directly through the marketing technology platform utilized by Palfini Financial and must receive prior approval from Palfini Financial before sending any marketing communications.

No Cavalot Capital employee is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

Cavalot Capital does not have any related parties. As a result, we do not have a relationship with any related parties.

Other than the soft dollar benefits received from our required custodian, Charles Schwab, as disclosed in item 12 below, Cavalot Capital only receives compensation directly from Clients.

Recommendations or Selections of Other Investment Advisers

As referenced in Item 4 of this brochure, Cavalot Capital recommends Clients to Outside Managers to manage their accounts. In the event that we recommend an Outside Manager, please note that any fee they charge is included in the fee schedule above (as noted in Item 5) and will be described to you prior to engagement. You always have the right whether to engage our third party manager, you are not obligated, contractually or otherwise, to use the services of any Outside Manager we recommend. Additionally, Cavalot Capital will only recommend an Outside Manager who is properly licensed or registered as an investment adviser.

Disclosure of Material Conflicts

All material conflicts of interest under CCR Section 260.238(k) are disclosed regarding Cavalot Capital, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

Item 11: Code of Ethics, Client Transactions & Personal Trading

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each Client. Our Clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc., and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

Code of Ethics Description

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory Clients. A summary of the Code of Ethics' Principles is outlined below.

Integrity - Associated persons shall offer and provide professional services with integrity.

Objectivity - Associated persons shall be objective in providing professional services to Clients.

Competence - Associated persons shall provide services to Clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.

Fairness - Associated persons shall perform professional services in a manner that is fair and reasonable to Clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.

Confidentiality - Associated persons shall not disclose confidential Client information without the specific consent of the Client unless in response to proper legal process, or as required by law.

Professionalism - Associated persons' conduct in all matters shall reflect the credit of the profession.

Diligence - Associated persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide a copy of its Code of Ethics to any Client or prospective Client upon request.

Investment Recommendations Involving a Material Financial Interest & Conflicts of Interest

Neither our firm, its associates or any related person is authorized to recommend to a Client or effect a transaction for a Client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

Advisory Firm Purchase of Same Securities Recommended to Clients & Conflicts of Interest

Our firm and its "related persons" may buy or sell securities similar to, or different from, those we recommend to Clients for their accounts. In an effort to mitigate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates' transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by the firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

Trading Securities At/Around the Same Time as Client's Securities

From time to time, our firm or its "related persons" may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Cavalot Capital to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions create a conflict of interest; however, Cavalot Capital will never engage in trading that front runs or operates to the client's disadvantage if representatives of Cavalot Capital buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

Factors Used to Select Custodians and/or Broker-Dealers

Cavalot Capital LLC does not have any affiliation with Broker-Dealers. Specific custodian recommendations are made to the Client based on their need for such services. We require Clients to use Charles Schwab as custodian for traditional assets we manage based on the reputation and services provided by the firms.

1. Research & Other Soft-Dollar Benefits

We receive benefits due to the nature of our custodial relationships with Charles Schwab & Co., Inc. ("Schwab")

2. Brokerage for Client Referrals

We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

We do require the use of Charles Schwab & Co. as custodian for Clients whose traditional assets we manage, however, Clients may custody their assets at a custodian of their choice.

The Custodian & Brokers We Use (Charles Schwab & Co., Inc.)

The custodian we require to maintain custody of your traditional assets that we manage is Charles Schwab, although we may be deemed to have limited custody of your assets due to our ability to withdraw fees from your account (see Item 15 – Custody, below).

We require that our clients use Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we require that you use Schwab as custodian, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

How we select brokers/custodians:

We seek to require a custodian that will hold your assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the them
- Reputation, financial strength, security and stability
- Their prior service to us and our clients

- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

Your Brokerage & Custody Costs

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services or commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab is typically compensated by earning interest on the uninvested cash in your account in Schwab’s Cash Features Program.

Products & Services Available to Us From Schwab

Schwab Advisor Services™ is Schwab’s business serving independent investment advisory firms like us (formerly Schwab Institutional). They provide our clients and us with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services that help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. The availability to us of Schwab’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. Following is a more detailed description of Schwab’s support services:

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

Services that may not directly benefit you: Schwab also makes available to us other products and services that benefit us and assist in managing and administering our clients’ accounts but may not directly benefit you or your account including investment research, both Schwab’s own and that of third parties. We may use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients’ accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only us: Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs

- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself or arrange for third-party vendors to provide the services to us. Schwab may discount or waive its fees for some of these services or pay all or a part of a third-party's fees and may also provide us with other benefits such as occasional business entertainment of our personnel.

We will use Schwab's platform to better service clients by providing an integrated white glove experience. We may use Schwab's educational conferences and business entertainment to our personnel to increase employee education and therefore better service clients.

The availability of services from Schwab benefits us because we do not have to produce or purchase them and they are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. With respect to the Program, as described above under Item 4 Advisory Business, we do not pay SPT fees for the Platform. In light of our arrangements with Schwab, we have an incentive to recommend that our clients maintain their accounts with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a conflict of interest. We believe, however, that our selection of Schwab as custodian is in the best interests of our clients. It is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only us.

Schwab Institutional Intelligent Portfolios

Client accounts enrolled in the Program are maintained at, and receive the brokerage services of, Charles Schwab & Co., Inc. (Schwab), a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While clients are required to use Schwab as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with Schwab by entering into a brokerage account agreement directly with them. We do not open the account for the client. If the client does not wish to place his or her assets with Schwab, then we cannot manage the client's account through the Program. Schwab may aggregate purchase and sale orders for Funds across accounts enrolled in the Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the Platform.

Cryptoassets Custodian

For clients investing in cryptoassets, we recommend clients establish an account with Gemini Custody, a qualified custodian under New York Banking Law. We are not affiliated with Gemini Custody and we do not receive any research or other soft dollar benefits from Gemini Custody.

Client is responsible for opening an account at Custodian for the execution of Bitcoin, Ethereum, and other digital transactions and custodial services ("Account"). Client agrees to give the Custodian instructions to accept and carry out the instructions of Adviser. Client is responsible for paying the fees and charges of the Custodian and other services providers relating to the Account.

Aggregating (Block) Trading for Multiple Client Accounts

Generally, 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”). We will then distribute a portion of the shares to 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. Subject to our discretion, regarding particular circumstances and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. 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.

Outside Managers used by Cavalot Capital may block Client trades at their discretion. Their specific practices are further discussed in their ADV Part 2A, Item 12.

Item 13: Review of Accounts

Client managed accounts with the Investment Advisory Service will be reviewed regularly depending on strategies on a quarterly basis by Damian Palfini, President and CCO. On at least an annual basis we will schedule a meeting with the client to review their accounts together and ensure their portfolio continues to align with their needs and objectives. The account is reviewed with regards to the Client’s investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition or deletions of Client imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per Client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest. Clients will have access to review their accounts online through the custodian (Charles Schwab) website and mobile application. Cavalot Capital will not provide written reports to Investment Advisory Clients outside of the statement provided by the custodian.

Item 14: Client Referrals & Other Compensation

Other than the benefits disclosed immediately below, and above in Item 12, we do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our Clients. Nor do we, directly or indirectly, compensate any person who is not advisory personnel for Client referrals.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. In addition, Schwab has also agreed to pay for certain products and services for which we would otherwise have to pay once the value of our clients’ assets in accounts at Schwab reaches a

certain size. You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

Item 15: Custody

Cavalot Capital does not accept custody of Client funds except in the instance of withdrawing investment management fees from Client accounts.

For Client accounts in which Cavalot Capital directly debits their advisory fee:

- i. Cavalot Capital will send a copy of its invoice to the custodian at the same time that it sends the Client a copy.
- ii. The custodian will send at least quarterly statements to the Client showing all disbursements for the account, including the amount of the advisory fee.
- iii. The Client will provide written authorization to Cavalot Capital, permitting them to be paid directly for their accounts held by the custodian.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains Client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account reports and invoices that we may provide to you and promptly notify us of any discrepancies. Our reports or invoices may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16: Investment Discretion

For those Client accounts where we provide Investment Management Services, we require discretion over Client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to Clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the Client will execute a Limited Power of Attorney, which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the Client.

Item 17: Voting Client Securities

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder

communications relating to the Client's investment assets. If the Client has any question regarding a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

Regarding cryptoassets, there are no voting rights for Bitcoin. Governance tokens on the Ethereum network may have voting rights, which the Adviser will not make recommendations on or vote on behalf of Client.

Item 18: Financial Information

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to Clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of Client funds or securities or require or solicit prepayment of more than \$500 in fees per Client six months in advance.

Item 19: Requirements for State-Registered Advisers

Damian Palfini

Born: 1981

Educational Background

- 2008 – Bachelor of Arts – International Relations, California State University, Chico

Business Experience

- 03/2021 – Present, Cavalot Capital LLC, President and CCO
- 03/2021 - Present, Palfini Financial, Marketing & Technology Consultant
- 03/2009 – 02/2021, Palfini Financial, Investment Portfolio Manager

Professional Designations, Licensing & Exams

CFP (Certified Financial Planner)®: The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification

marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with Clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

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 in order 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.

Other Business Activities

Damian Palfini works as a marketing and technology systems consultant for Palfini Financial. This activity accounts for approximately 10% of his time.

Performance-Based Fees

Cavalot Capital is not compensated by performance-based fees.

Material Disciplinary Disclosures

No management person at Cavalot Capital has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

Material Relationships That Management Persons Have With Issuers of Securities

Cavalot Capital LLC, nor Damian Palfini, have any relationship or arrangement with issuers of securities.

Additional Compensation

Other than the soft dollar benefits disclosed in Item 12 above, Cavalot Capital does not receive any economic benefit from any person, company, or organization, in exchange for providing Clients advisory services through Cavalot Capital.

Requirements for State Registered Advisers

Cavalot Capital has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.