



## CAVU Wealth Advisors, LLC

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This Brochure provides information about the qualifications and business practices of CAVU Wealth Advisors (CAVU). If you have any questions about the contents of this Brochure, please contact us at 925.388.0372 or via email: [info@cavuwealth.com](mailto:info@cavuwealth.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.

CAVU WEALTH ADVISORS is a registered investment Advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

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Additional information about CAVU WEALTH ADVISORS also is available on the SEC's website at [www.Advisorinfo.sec.gov](http://www.Advisorinfo.sec.gov).

Our Brochure may be requested by contacting David Sylvester, Founding Principal at 925.388.0372 or david@cavuwealth.com. Our Brochure is also available on our web site [www.cavuwealth.com](http://www.cavuwealth.com), also free of charge.

Additional information about CAVU is also available via the SEC's web site [www.Advisorinfo.sec.gov](http://www.Advisorinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with CAVU who are registered, or are required to be registered, as investment Advisor representatives of CAVU.

## **Item 2 – Material Changes**

### **Material Changes in 2017**

1. On December 23, 2017 John Nicholas ("Nick") Foy left CAVU to start his own wealth management firm in Charlotte, N.C. The firm, Greenway Wealth Advisors, is currently in the registration process. Once approved, Greenway plans to operate in a similar manner to CAVU in most important respects. We expect that all of Nick Foy's primary clients, encompassing about \$25 million in assets under management, will transition to the new firm.

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### Item 3 -Table of Contents

Item 2 – Material Changes .....	ii
Item 3 -Table of Contents .....	iii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	3
Item 6 – Performance-Based Fees and Side-By-Side Management .....	5
Item 7 – Types of Clients.....	5
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Item 9 – Disciplinary Information .....	8
Item 10 – Other Financial Industry Activities and Affiliations .....	8
Item 11 – Code of Ethics .....	9
Item 12 – Brokerage Practices .....	10
Item 13 – Review of Accounts.....	11
Item 14 – Client Referrals and Other Compensation.....	13
Item 15 – Custody .....	13
Item 16 – Investment Discretion .....	13
Item 17 – Voting Client Securities.....	13
Item 18 – Financial Information.....	14
Item 19 – Requirements for State-Registered Advisors – Employee Details.....	14

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## Item 4 – Advisory Business

CAVU Wealth Advisors, LLC (CAVU) is a Registered Investment Advisor that provides two major types of services: (1) investment management and (2) financial planning. We bundle both services together to provide a comprehensive wealth management service to clients. We feel that this holistic approach provides the most effective service and a satisfying result for the clients.

We use the words “comprehensive” and “holistic” to describe our approach to working with clients. We believe that the financial advice we dispense is better when we fully integrate all relevant factors in a client’s life into that advice. We seek to understand a client’s goals and incorporate discussions and actions related to estate planning (legal), tax planning (accounting), and insurance – all areas that our clients typically use other professional advisors. As part of our service, and at no extra charge, we offer to help coordinate the advice from all the client’s professional advisors.

Our services can be categorized under two broad areas: (1) investment management and (2) financial planning. These services (described in more detail under Item 8) are bundled together in our comprehensive approach. We charge just one fee for the entire service.

The fee for this service is based on a fixed percent of the assets under management at the time of billing. Occasionally, CAVU will provide financial consulting based on an hourly rate of \$350. These types of services are discussed in detail below.

CAVU began accepting clients in November 2009. At December 31, 2017 assets under management totaled \$85 million, all on a discretionary basis. (This means that our clients authorize CAVU to make investment decisions independent of their approval. However all investment decisions are guided by a written Investment Policy Statement that the client has signed. See Item 16, below.)

David Sylvester, CFA, CFP® is the founder and majority owner of CAVU. Hilary Disher, CAVU’s tax strategist, has a small ownership position in CAVU.

### **CAVU Wealth Advisors Clarity 401k**

The CAVU Wealth Advisors Clarity 401k is generally available to organizations that sponsor or intend to sponsor a retirement plan for their employees. The program offers plan design, evaluation, investment advisory and monitoring services as well as participant education and advice. Services may include assistance with developing an Investment Policy Statement, prudent selection and monitoring of Plan investment options, development of an Investment Committee, selection of a Third Party Administrator (TPA) and Recordkeeper, conversion of existing Plans to new service providers and/or investment options and development of participant communications and ongoing Plan sponsor support. CAVU Wealth Advisors offers Fiduciary Advisor Services in compliance with sections 408(b)(14) and 408(g) of the Employee Retirement Income Security Act of 1974 (“ERISA”).

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## Services Provided

The CAVU Wealth Advisors Clarity 401k provides services as outlined in the program's Agreement. Generally, the services provided under the CAVU Wealth Advisors Qualified Retirement Plan Program include the following:

- The benefits of CAVU Wealth Advisors' ongoing research and analysis, which includes information gained from our ongoing study of macroeconomic conditions, the historical analysis of capital markets with a view toward estimating long-term returns of certain asset classes, research with regard to the deployment of capital in ways to reduce various risks relative to historical returns, the taxation of investments, review of specific investment products and strategies, and other matters affecting clients' investments and plan administration in general.
- Development and implementation of an Investment Policy Statement, which may thereafter be amended from if the Plan Sponsor's circumstances change.
- Evaluation and assistance in selection of Third Party Administrator and Record Keeping service providers.
- Development of and support for an Investment Committee utilizing the Prudent Practices for Investment Stewards.
- Plan startup or conversion assistance, development of certain participant enrollment and educational materials, presentations at employee meetings about Plan-related topics and general ongoing assistance with Plan administration. -
- Newsletters and other materials published by CAVU Wealth Advisors
- Reviews with a frequency agreed upon by the client and CAVU Wealth Advisors, generally quarterly or annually.

Total Plan Assets	Annual Fee
\$0 to 3,999,999	0.5% of Plan assets*
\$4,000,000 to \$5,999,999	\$20,000 plus 0.30% of Plan assets exceeding \$4,000,000
\$6,000,000 to \$7,999,999	\$26,000 plus 0.20% of Plan assets exceeding \$6,000,000
\$8,000,000 and above	\$30,000 plus 0.10% of Plan assets exceeding \$8,000,000

**CAVU Essentials.** CAVU Essentials is the trade name we have given for our service offering to clients who do not yet meet our financial minimum level. Under this program clients open accounts and have their money invested and managed by Betterment, Inc., based on an investment model CAVU has developed. CAVU provides financial planning services for the client, including annual check-up meetings with CAVU advisors.

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CAVU initially works with CAVU Essentials clients by identifying their goals and objectives, determining the appropriate assets allocation between equities and fixed income, and providing the client with the directions to open online accounts with Betterment.

Through Betterment's online system, CAVU Essentials clients open up new accounts and transfer money to those accounts. Betterment then invests that money in a manner consistent with the asset allocation that CAVU has determined with the client. Clients will interact directly with Betterment when account related activities (cash transfers, withdrawals, deposits, account registration changes, etc.) are necessary. Betterment handles all of the above, including rebalancing the portfolios and tax-loss harvesting when necessary.

Financial planning activities are handled directly by CAVU. Clients gain access to CAVU Online, our client portal to the financial planning service that we use. We use CAVU Online, along with regular meetings with the clients to cover the non-investment part of their financial plan. In this regard, CAVU Essentials clients receive a similar experience to CAVU's regular clients.

For more information on CAVU Essentials see section 5 (fee schedule), section 7 (types of clients), section 12 (brokerage practices) and section 13 (review of accounts).

## Item 5 – Fees and Compensation

CAVU is a “fee-only” advisor. We charge an annual fee based on a percent of assets under management. The fee is assessed on a quarterly basis (1/4 of the annual percentage fee) and is paid by the client at the beginning of the quarter based on the account balance at that time. Fees will be prorated depending on when assets are added or withdrawn during the quarter. Our minimum annual fee is \$5,000 per year, although we may waive that minimum under special circumstances.

For individual clients, CAVU generally provides non-investment financial planning advice on topics which include risk management, tax planning, cash flow management, retirement planning, education funding, wealth transfer, and other topics. This “comprehensive” advice is included in the annual fee we charge.

**Specialized Services Provided at an Hourly Rate.** Occasionally CAVU may also contract with non-clients to provide specialized financial planning, consulting or advisory services at a rate of \$350 per hour. All hourly fees are billed in arrears for work provided. This service is not for our current clients (who are billed as described above), but only for individuals who are seeking specific advice without having CAVU manage their financial assets under our annual fee agreement.

**Termination of Investment Advisory Agreements.** All investment advisory agreements for CAVU services may be terminated at any time without penalty by written notice by the client to CAVU. Any fees paid by the client, but not yet earned by CAVU, will be refunded in full.

CAVU has two separate fee schedules:

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**Individual clients.** These clients receive investment management and financial planning services.

**Institutional clients.** These clients receive only investment management services.

**Annual Fee Schedule – Individual Accounts**

<u>Fee</u>		<u>Account Size</u>
1.00%	on portion up to -	\$ 1,500,000
0.75%	on portion over -	\$ 1,500,000
0.40%	on portion over -	\$ 5,000,000
0.25%	on portion over -	\$10,000,000

Hourly Fee for Financial Planning Services<sup>1</sup>: \$350 per hour

<sup>1</sup> Financial planning services are normally included in the annual fee schedule above. However, in certain circumstances the client and advisor will determine that a specific planning project is outside of the normal scope of the annual fee. In these instances, CAVU will provide a letter identifying the scope of the project and the hourly fees that will be charged.

**Institutional Fee Schedule**

<u>Fee</u>		<u>Account Size</u>
0.75%	on portion up to -	\$1,500,000
0.50%	on portion over -	\$1,500,000
0.35%	on portion over -	\$5,000,000
0.25%	on portion over -	\$10,000,000

CAVU reserves the right to accept or decline a new client portfolio to manage. Fees are generally not negotiable, although CAVU reserves the right to offer lower fees than stated above, under special circumstances. No fees will be charged, however, that are higher than those stated above.

CAVU fees are separate and distinct from the fees and expenses charged by mutual funds held in client accounts. These fees are also separate from any custodial fees. These mutual fund and ETF fees, commonly called the fund's *expense ratio*, usually range between 0.06% per year and 0.75% per year. On balance CAVU client's portfolios have a blended expense ratio of approximately .30% per year. A description of mutual fund fees and expenses is available in each fund's prospectus.

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CAVU will not bill or accept payment of fees in advance if the total of all fees paid in advance by a client would exceed \$500 in any six-month period.

The portfolio value upon which the percentage fee is based will include the current fair market values of all investments directly managed by CAVU. In the rare case where the market value is not known, CAVU will value the investment at cost or book value.

**CAVU Essentials Fee Schedule:**

For clients in our CAVU Essentials program, the annual fee is 1% of the assets the client has managed through our third-party custodian and investment provider Betterment. Of this fee, Betterment retains .25%, and CAVU receives the remaining .75%.

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

CAVU does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of client assets).

## **Item 7 – Types of Clients**

CAVU provides portfolio management services to individuals and institutions. Our primary market is for individual clients with financial assets ranging between \$500,000 and \$5 million. We have found this market needs and appreciates the holistic approach to wealth management that CAVU practices.

We also provide a financial planning service to individuals who are serious about their finances and are regular savers, but don't meet our \$500,000 asset minimum. This service is called **CAVU Essentials**. Portfolio administration and investing is handled by a third party (Betterment Institutional) while financial planning is handled by CAVU. Further information is found in Items 5, 12, and 13.

As a result of our low fees and use of low cost passive investment funds, we believe that we are also an attractive investment management option for small and medium sized institutional accounts. These clients would typically be small trusts, foundations, endowments, charitable organizations, small businesses and defined contribution (i.e. 401k) or defined benefit retirement plans.

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



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## **Our Investment Process**

The first step in our investment process is to determine the optimal asset allocation (between equities and fixed income) for the client. We work with the client to determine his/her tolerance for risk. We also take other factors into consideration (including, but not limited to, such factors as current net worth, financial asset composition, sources of income, near term-need for cash, etc.) before settling on a target allocation. Once determined, we believe that a client's allocation should only change based on changes in the client's circumstances, and not based on market movements or conditions.

After determining the appropriate equity allocation, we then begin to build a portfolio that gives our clients broad exposure to the global capital markets. In most cases CAVU recommends portfolios based on various appropriate asset classes. The vehicles used to achieve these asset classes are usually "managed portfolios" such as no-load mutual funds and exchange traded funds representing particular markets and asset classes. When determining which of these "managed portfolios" to use, we focus on many factors (including, but not limited to, the long term record of the fund, its expense ratio, fidelity to its representation of that asset class, and the likely tax and cost consequences associated with investing in that managed portfolio).

CAVU pays particular attention to the risk and return characteristics of the different asset classes that we recommend. For most clients we believe it is appropriate to provide some limited exposure to international markets which are usually not denominated in U.S. dollars and which have different growth rate, risk, and return characteristics.

Most client portfolios consist of approximately 15 distinct asset classes. The equity portion might consist of 11 asset classes including domestic large company, large company value, small company, small company value and REIT managed portfolios. International exposure would include international large company value, small company, small company value, emerging markets, emerging market small company and emerging market value. For clients with a global portfolio, domestic equities would comprise approximately 2/3<sup>rd</sup> of the entire equity allocation, with non-U.S. equities comprising approximately 1/3<sup>rd</sup> of the equity exposure.

Fixed income exposure is designed to provide a return on investment with very limited volatility. We focus on "managed portfolios" (i.e. mutual funds) consisting of high credit quality securities. In addition the "duration" in the portfolios is kept short to minimize volatility that could be caused by fluctuating interest rates.

The final result is a portfolio consisting of approximately 15 asset classes which hold over 12,000 different securities. Diversification is enhanced by using appropriate non U.S. asset classes.

In making investment recommendations or preparing financial plans, CAVU obtains general information from commercially available services, including services covering taxation, investment companies, real estate investment trusts, stocks and bonds, annuities, market conditions, and historical information and

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rating on individual securities. CAVU may also employ consultants to provide additional expertise in unique situations.

Part of effective investment management is paying attention to the tax consequences of each investment decision. Often times we manage several accounts for a client, some taxable and some tax deferred (retirement) accounts. We pay attention to “asset location” which often leads to tax-inefficient asset classes (notably REITS, fixed income securities and possibly value oriented funds) being placed in the tax deferred accounts.

CAVU's investment strategies are developed to meet several basic requirements. First they must be directed at a client's needs, goals, objectives, and risk tolerance. Second, they must be based on a disciplined, long-term investment outlook. CAVU will not attempt to predict short-term market movements, nor will CAVU engage in any “market-timing” strategies.

**As mentioned earlier, an important part of CAVU’s services is risk management. However, all of the investments made by CAVU have some degree of price volatility. None of the investments are guaranteed, and all carry the possibility of loss of principal. Investing in securities involves risk of loss that clients should be prepared to bear.**

### **Our Planning Services**

CAVU provides financial planning services as part of our comprehensive service to our individual clients. CAVU supplies analysis in a broad range of financial areas. The specific nature of the planning services desired by the client will be determined prior to CAVU starting its work.

The financial planning process starts with the gathering of financial information either through oral interviews or the completion of a financial questionnaire by the client. CAVU then consults with the client and prepares a written plan based on the individual client's financial needs, goals and tax status. The client receives a copy of this written plan, which is presented and discussed in one or more personal meetings. Implementation of any recommendations made in the plan is at the client's discretion.

In most cases, a plan will consist of a “Strategic Financial Plan,” which outlines specific financial and retirement goals and calculates the rate of return and savings rate required to achieve them. Normally the strategic plan also contains an asset summary, consisting of a compilation of the client's existing investment assets.

In some cases, the plan may contain other analyses depending on individual needs. These may include tax planning, insurance needs planning and educational funding models. In each case, written recommendations will be made on the investments, budgets, cash flows, and savings that the analysis suggests.

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## **Risk Management**

Helping to managing the risks that affect clients is a primary function of the CAVU's service. The assessment of risks listed below apply to our methods of analysis as well as our investment strategy.

The risks listed below are some (but not all) of the risks that we monitor for our clients:

<b>Key Risks</b>	<b>CAVU Solutions</b>
Client emotion	Advisor discipline and investment architecture
Asset allocation	Test and evaluate client's tolerance for volatility
Longevity	Develop and monitor strategic financial plan
Market	Design portfolios to efficiently accept this risk
Business & Event	Diversify away using index-like investment funds
Interest rate	Keep fixed income maturities short
Credit	Concentrate fixed income in Investment grade securities
Currency	Recognize global economy and maintain diversification
Liquidity	Assess cash needs, use very liquid investment securities
Geopolitical	Avoid investment exposure to non-transparent economies

## **Item 9 – Disciplinary Information**

Registered investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of CAVU or the integrity of CAVU's management. CAVU and its employees have never been involved in any disciplinary action.

## **Item 10 – Other Financial Industry Activities and Affiliations**

In connection with its financial and investment advisory services, CAVU may provide advice on the need for insurance products. However, this advice can only be implemented through a third-party agent licensed to sell insurance. (To maintain its fiduciary role, CAVU has chosen not to sell any insurance products.) There will be no commissions or benefits, either directly or indirectly, received by CAVU on these transactions.

CAVU may provide investment management services to other financial advisors on an independent contractor basis. The investment management philosophy, process, methodology, and investment vehicles would be substantially similar to the investment process described under Item 8 above. CAVU charges a fee for these services, which is based on the assets under management at the end of the quarter.

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## Item 11 – Code of Ethics

CAVU has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes, among other things, provisions relating to the confidentiality of client information, fairness and full disclosures. (See full Code of Ethics below.) All supervised persons at CAVU must acknowledge the terms of the Code of Ethics annually, or as amended.

From time to time principals of CAVU may recommend mutual funds, or other securities, which principals of CAVU have purchased, or intend to purchase, for their own accounts. Indeed, the principals of CAVU have a policy to purchase for their own accounts, to the extent consistent with their goals and objectives, the same investments recommended to clients in similar circumstances. In the vast majority of cases such transactions will involve publicly traded mutual funds and ETFs. In the case of ETFs, our personal trading policy is to complete all client orders prior to any identical ETF trading in our own account.

To avoid any potential conflicts of interest involving personal trades, CAVU has adopted a Code of Ethics which includes personal trading and insider trading policies and procedures.

CAVU's Personal Trading Policy also requires employees to report personal securities transactions on at least a quarterly basis and provide CAVU with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest.

### CAVU Wealth Advisors Code of Ethics

**Objectivity:** We strive to be as unbiased as possible in providing advice to clients.

**Confidentiality:** We will keep all client data private unless authorization is received from the client to share it. We will treat all documents with care and take care when disposing of them. Relations with clients will be kept private.

**Competence:** We strive to maintain a high level of knowledge and ability. We participate in continuing education at least at the minimum level required of a CFP® certificant. We won't provide advice in areas where we are not capable.

**Fairness & Suitability:** Our dealings and recommendation with clients will always be in the client's best interests.

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**Integrity & Honesty:** We will maintain a high degree of integrity and honesty in all of our activities. This includes our activities with our clients, our fellow workers, prospective clients, and our third party vendors.

**Regulatory Compliance:** Following government regulations is important to insuring that we remain above reproach as professionals.

**Full Disclosure:** We will always fully describe the method of our compensation and identify potential conflicts of interest to our clients.

**Professionalism:** We will conduct ourselves in a way that would be a credit to our profession. This includes, but isn't limited to, integrity, honest treatment of clients, and treating everyone with respect.

Adopted February 12, 2010

## Item 12 - Brokerage Practices

Normally client assets are held in an institutional brokerage account with an independent custodian such as Charles Schwab & Co. (Schwab), Fidelity, TD Ameritrade (TDA), or Betterment Securities. Currently the majority of our clients have their primary accounts held at Schwab. CAVU will only use custodians with well-known national reputations, and who are members of the Securities Investor Protection Corporation (SIPC), and the New York Stock Exchange.

The independent custodians normally charge commissions on the purchase and sale of securities that CAVU buys and sells. These fees, which normally range between \$7 and \$35 per trade, can also be charged for the purchase and redemption of no-load mutual funds. All transaction costs are paid by the client. **Neither CAVU nor its principals share in any of the fees charged by custodians.**

CAVU places all of its trades through custodian broker/dealer firms where the investments are held. As a result, we don't act as a principal or an agent in any of the trades that we initiate.

Once a new client's assets are transferred and invested in their own accounts little trading takes place. On an ongoing basis the primary trading activity is related to occasional portfolio rebalancing or transactions to raise needed cash for distribution to the client. As a result of our investment process, we believe client trading costs are de minimis to investment performance.

Those clients that use Betterment Securities as their custodian will have their assets invested by Betterment Institutional utilizing an allocation model developed by CAVU and appropriate for the client's circumstances. Betterment invests and rebalances the client assets according to this model and

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charges CAVU ¼ of 1% annually for providing this service. This cost is absorbed by CAVU and is included in our fee schedule referred to in item 5 above.

On a periodic and systematic basis, CAVU reviews its brokerage relationship with Schwab (and any other brokers utilized to execute trades) to ensure that it is fulfilling its fiduciary duty to seek best execution on transactions. We have found Schwab's trading costs to consistently be in the same range of the other large custodians (primarily Fidelity and TD Ameritrade). However, since we require our clients to have custodial accounts at Charles Schwab, Fidelity, TD Ameritrade, or Betterment Securities, there is a possibility that the transaction fees a client pays to these custodians would be higher than if the client were to choose a different custodian.

Since CAVU does not practice market timing and customizes each client's rebalancing program, we do not have any opportunity to batch client trades. This is neither a cost advantage nor disadvantage in the execution of trading orders. Furthermore, the preponderance of our activity is in mutual funds which get executed after the market closes with all investors realizing the same purchase or sale price.

CAVU's custodians and several of the mutual fund firms that we use provide proprietary and third party information that isn't otherwise available to individual investors. These services are provided to CAVU (and other RIA and institutional advisors) in the normal course of business. There is no extra charge to CAVU or its clients for these services and they are not dependent on CAVU's level of business with the service provider. CAVU does not maintain any "soft dollar" arrangements.

CAVU has no affiliation with its custodians or other service providers. CAVU uses these services for client accounts but receives no compensation, either directly or indirectly.

### **Item 13 – Review of Accounts (except for CAVU Essentials clients)**

Client accounts are reviewed on a regular basis:

1. **Monthly portfolio review.** Performed by a principal of CAVU. This review is intended to highlight asset class allocations within the portfolios. Market movements may have caused those allocations to drift when compared to the client's target allocation, which may then require buy and sell transactions to rebalancing the allocations.
2. **Annual review.** Each account is subject to a thorough and formal review by a principal of CAVU. Performance of each asset class is reviewed along with the overall account asset class allocation, and the tax impact of any changes. Each of these issues is reviewed and discussed, in person, with the client. The strategic financial plan, if applicable, is also reviewed with the client at this time.

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Formal communication with CAVU clients comes from both CAVU and the custodian where the client has their accounts. The following are the formal communication methods:

1. Monthly statement. Initiated by the custodian (Schwab, etc.) This statement, generated for each account, shows all of the activity in the account over the previous month, along with the account balances.
2. Quarterly review. Initiated by CAVU. This report provides the client a snapshot of their portfolio returns, the quarterly fee, and a perhaps a letter from CAVU.
3. Annual review. Prepared by CAVU. Describes in detail the performance of the portfolio and the various asset classes that comprise the portfolio. Comparisons are made to appropriate benchmarks.

## **Review of Accounts - CAVU Essentials clients**

CAVU Essentials clients invest directly through Betterment. Betterment's computers rebalance each client's portfolio on a regular basis depending on cash flows and investment performance. The accounts are rebalanced to a target that is determined by CAVU and the client after review of the client's specific situation and tolerance for market volatility.

Betterment provides CAVU Essentials clients with regular investment performance measurement reports.

CAVU's primary ongoing role will be to provide the client a comprehensive annual review where goals are reviewed and adjusted, investment performance is assessed, and the client's financial plan is reviewed and updated. The annual review for CAVU Essentials clients will look similar to the annual review for regular CAVU clients and will include:

1. **Annual review.** Each account is subject to a thorough and formal review by a principal of CAVU. Performance of each asset class is reviewed along with the overall account asset class allocation, and the tax impact of any changes. Each of these issues is reviewed and discussed, in person, with the client. The strategic financial plan, if applicable, is also reviewed with the client at this time.

As part of the engagement, clients give CAVU written authority to use discretion when managing their portfolios. This includes security selection, size (\$ amount), price, and time of transaction.

CAVU executes its trades through the custodian where the account is located. **Neither CAVU nor any of its principals share in any of the commissions or fees charged by these custodians.**

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In addition to brokerage services, CAVU's custodians (Schwab, TDA, Fidelity, and Betterment for example) provide CAVU's clients with valuable custodial, recordkeeping and research services. CAVU, on a periodic basis, reviews the brokerage relationship with its custodians to ensure that it is fulfilling its fiduciary duty to seek best execution on client transactions.

#### **Item 14 – Client Referrals and Other Compensation**

CAVU does not compensate anyone for providing referrals to our firm. From time to time we may provide referrals to our clients regarding potential services from accountants, attorneys and insurance agents. We do not receive any compensation for referrals that we make.

#### **Item 15 – Custody**

Clients receive monthly statements from the custodial firm that holds their investment assets. CAVU urges clients to carefully review such statements and compare the official custodial records to the account statements that CAVU provides each quarter. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

When opening custodial accounts, clients authorize CAVU to withdraw its management fees from the client accounts. CAVU does this on a quarterly basis. We send a statement to the client's custodian and the custodian then debits the account and sends the money to CAVU. The custodian, however, does not review or calculate the fee. It is important for CAVU's clients to review their quarterly CAVU statement and the monthly custodian account statements to ensure that the management fee was calculated and assessed correctly.

#### **Item 16 – Investment Discretion**

CAVU usually receives discretionary investment authority from the client at the outset of an advisory relationship. This discretionary authority allows CAVU to buy and sell securities in client accounts. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Investment guidelines are determined by the client's Investment Policy Statement.

#### **Item 17 – Voting Client Securities**



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As a matter of firm policy and practice, CAVU does not have any authority to vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in their portfolios. CAVU may provide advice to clients regarding the clients' voting of proxies.

## **Item 18 – Financial Information**

Registered investment Advisors are required in this Item to provide you with certain financial information or disclosures about CAVU's financial condition. CAVU has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **Item 19 – Requirements for State-Registered Advisors – Employee Details**

### **Our People and our advisory standards**

To provide professional services CAVU requires a college degree, and another professional designation, typically either CFA or CFP® designation. In some cases, particularly for our tax specialists, a Certified Public Accountant (CPA) license is required. The following people are responsible for determining the general investment advice given to clients:

#### **David George Sylvester, CFA, CFP®**

Year of Birth: 1955

Education and Professional Designations:

- University of Richmond, Richmond, VA BS in 1977
- Chartered Financial Analyst, 1985
- Certified Financial Planner®, 2009

Business Background preceding five years:

Mr. Sylvester has been associated with CAVU Wealth Advisors for the past five years.

**Regulatory disciplinary action:** There has never been any disciplinary action associated with Mr. Sylvester.

**Other Business Activities:** Mr. Sylvester is not involved in any other business activities.

**Additional Compensation:** Mr. Sylvester's sole compensation is as the owner of CAVU.

**Supervision:** Mr. Sylvester is self-supervised.

**Requirements for State-Registered Advisors:** No items to disclose.

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**Hilary S. Disher**

Year of Birth: 1983

Education and Professional Designations:

- University of Richmond, Richmond VA - BS, 2005
- Certified Public Accountant, 2007

Business Background preceding five years:

The Ayco Companies/Goldman Sachs  
San Francisco, CA  
February 2013 – June 2014

Deloitte Tax, LLP  
San Francisco, CA  
June 2005 – February 2013

**Regulatory disciplinary action:** There has never been any disciplinary action associated with Ms. Disher.

**Other Business Activities:** Ms. Disher is not involved in any other business activities.

**Additional Compensation:** Ms. Disher's sole compensation is as the owner of CAVU.

**Supervision:** Ms. Disher is supervised by Mr. Sylvester.

**Requirements for State-Registered Advisers:** No items to disclose.

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