Item 1 – Cover Page

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Form ADV Part 2A – Firm Disclosure Brochure
Effective: March 31, 2026

This Form ADV Part 2A ("Disclosure Brochure") provides information about the qualifications and business practices of Fermata, LLC ("the firm"). If you have any questions about the contents of this Disclosure Brochure, please contact us at (707) 938-7414 or by email at **chris@sonomawealth.com**. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about the firm to assist you in determining whether to retain the firm. Additional information about Fermata Advisors, LLC and its representatives are available on the SEC's website at **www.adviserinfo.sec.gov** by searching with our firm name or our CRD number 305614.

Item 2 – Material Changes

Annually, a complete Disclosure Brochure will be offered to clients along with a summary of material changes, if any, within 120 days from the firm's fiscal year-end. We have made the following changes to this Brochure since our last annual update dated March 31, 2025:

- Item 4: amended regulatory assets under management.
- Items 4, 5 & 8: Added new financial planning services under "Third Party Financial Planning."
- Item 10: amended to reflect related insurance agency, Fermata Insurance Services, LLC.
- Item 14: amended to remove Ramsey Solutions and added language surrounding firm use of client testimonials.

At any time, the current Disclosure Brochure is available on the SEC's Investment Adviser Public Disclosure website at **www.adviserinfo.sec.gov** by searching the firm name or CRD number 305614. A copy of this Disclosure Brochure may be requested at any time, by contacting (707) 938-7414 or by email at **chris@sonomawealth.com**.

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Item 3 – Table of Contents

Item 1 – Cover Page 1

Item 2 – Material Changes 2

Item 3 – Table of Contents 3

Item 4 – Advisory Business 4

Item 5 – Fees and Compensation 11

Item 6 – Performance-Based Fees and Side-By-Side Management 12

Item 7 – Types of Clients 13

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss 13

Item 9 – Disciplinary Information 18

Item 10 – Other Financial Industry Activities and Affiliations 18

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading 19

Item 12 – Brokerage Practices 19

Item 13 – Review of Accounts 21

Item 14 – Client Referrals and Other Compensation 22

Item 15 – Custody 23

Item 16 – Investment Discretion 23

Item 17 – Voting Client Securities 23

Item 18 – Financial Information 23

Privacy Policy 24

Item 4 – Advisory Business

Firm Information

The firm was organized in California as a limited liability company in August of 2019 and then registered as an investment advisor with the SEC to offer asset management services and financial planning. The firm's approach to working with clients is coaching centered and down-to-earth with a focus on the best interests of clients. The firm provides a level of expertise with retirement planning, managing investments, establishing company retirement plans (401k's, IRA's, SEP IRA's) and navigating inheritances.

This disclosure brochure provides information regarding the qualifications, business practices and details of the advisory services provided by the firm and the applicable fees.

Principal Owners

Daren E. Blonski
Daren E. Blonski is the President and Managing Member of the firm. He also serves as an investment advisor representative. Mr. Blonski is a CERTIFIED FINANCIAL PLANNER™, a Certified Retirement Planner Specialist™, a Certified Retirement Planning Counselor™, an Accredited Asset Management Specialist™, and an Accredited Investment Fiduciary™. Additional details about Mr. Blonski's work history and education are available in his individual ADV, Part 2B (Supplemental Brochure).

Christopher D. Sipes
Christopher D. Sipes serves in the capacity of Chief Compliance Officer and an investment advisor representative. Mr. Sipes is also a CERTIFIED FINANCIAL PLANNER™ and an Accredited Investment Fiduciary™. He complements Mr. Blonski's financial planning experience with over a decade of working as a banker and separately with an insurance agency.

Advisory Services Offered

Services are provided primarily to high-net-worth individuals, individuals, and businesses by providing regular and continuous management and supervision of assets as well as providing financial planning services. Assets are managed with a focus on investment goals, objectives, risk tolerance and financial situation. Investment portfolios consist primarily of mutual funds and/or exchange-traded funds ("ETFs") as well as individual stocks as appropriate.

- Clients may impose restrictions on investing in certain securities or types of securities.

Financial Planning Services

The firm, through its investment advisor representatives, generally provides financial planning as part of a comprehensive asset management engagement. However, financial planning is available separately for a separate fee. The type of plan can vary greatly depending on the scope and complexity of an individual's financial situation but can include:

Planning Strategies for Families and Individuals

- **Retirement –** planning an investment strategy with the objective of providing inflation-adjusted income as needed by the client.
- **College / Education –** planning to pay the future college / education expenses of a child or grandchild.
- **Insurance Needs –** planning for the financial needs of survivors to satisfy such financial obligations as housing, dependent child-care and spousal arrangements as well as education.
- **Estate Planning –** planning that focuses on the most efficient and tax friendly option to pass on an estate to a spouse, other family members or a charity.
- **Cash Flow/ Budget Planning –** planning to manage expenses against current and projected income.
- **Wealth Accumulation –** planning to build wealth within a portfolio that takes into consideration risk tolerance and time horizon.
- **Tax Planning –** planning a tax efficient investment portfolio to maximize deductions and off-setting losses.
- **Investment Planning –** planning an investment strategy consistent with a particular objective, time horizons, and risk tolerances.
- **Inheritance Planning –** planning for tax efficient methods to pass wealth to the next generation, as well as planning and guidance for those that find themselves in a sudden wealth situation when they receive an inheritance.

Planning Strategies for Businesses

- **Qualified Retirement Plans –** evaluate the types of retirement plans established by an employer for the benefit of the company's employees.
- **Stock Option Planning –** planning to maximize the value of employer issued stock options and optimize what to exercise and what to hold.
- **Key Person Planning –** evaluate the life insurance needs required in the event of the sudden loss of a key executive to buy time to find a new person or to implement other strategies to continue the business.
- **Executive Benefits –** planning to attract, reward, and retain top executive talent.
- **Deferred Compensation Plans –** planning for the use of tax deferred funds to be withdrawn and taxed at some point in the future.
- **Business Succession Planning –** planning for the continuation of a business after key executives move on to new opportunities, retire or pass away with the use of buy-sell agreements, key-man insurance and engaging independent legal counsel as needed.

Prior to engaging the firm to provide stand-alone planning or consulting services, clients are required to enter into a Financial Planning and Consulting Agreement setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to the firm commencing services.

Third Party Financial Planning

Certain financial planning services are provided by Investment Adviser Representatives who are independent contractors of the firm and compensated through a percentage of fees earned on financial planning engagements. This compensation structure presents a conflict of interest because the Investment Adviser Representative has an incentive to recommend financial planning services. Fermata Advisors supervises these arrangements and requires Investment Adviser Representatives to recommend services only when they believe the engagement is in the client's best interest. The fees charged to clients are not increased as a result of this compensation arrangement and are fully disclosed prior to engagement. See Item 5 for more information on fees.

Project and Hourly Consulting

Fermata, through its investment advisor representatives, may provide consulting services on an hourly or project basis to clients or on behalf of clients through their representative. The services consider information collected from the client such as financial status, investment objectives and tax status, among other data. An investment advisor representative may or may not deliver to the client a written analysis or report as part of the services. The investment advisor representatives tailor the consulting services to the individual needs of the client based on the investment objective chosen by the client. The engagement terminates upon final consultation with the client. Examples of consulting include:

- **Acquisition Analysis –** review potential acquisition targets financial statements
- **Financial Statement Analysis –** Review financial statements for operational efficiencies
- **Budgeting –** Help establish budgeted amounts for operating categories
- **Goal Setting –** Help establish operating goals for companies
- **Strategic Planning –** Consult on overall company strategy
- **Dissolution –** Assist in preparing company for dissolution
- **Performance Analysis –** Compare and analyze operating results vs. budget
- **Industry Research –** Gather industry data to assist in planning
- **Operations Analysis –** Compare specific operations to industry norms
- **Asset Valuations –** Gather third party corroboration for asset values
- **Business Opportunity Analysis –** Analyze potential business opportunities for feasibility

Hourly consulting and financial planning offer similar services, but the general difference is related to the area of focus. Financial planning is generally more comprehensive and considers a client's entire financial situation whereas hourly consulting tends to be focused on a particular financial objective or need.

Retirement Plan Consulting Services

Investment advisor representatives assist clients that are trustees or other fiduciaries to evaluate retirement plans ("Plans") by providing fee-based consulting and/or advisory services. Investment advisor representatives may perform one or more of the following services, as selected by the client in the client agreement:

- Assistance in the preparation or review of an investment policy statement ("IPS") for the Plan based upon consultation with client to ascertain Plan's investment objectives and constraints.
- Acting as a liaison between the Plan and service providers, product sponsors or vendors.

- Ongoing monitoring of investment manager(s) or investments in relation to the criteria specified in the Plan's IPS or other written guidelines provided by the client to the Investment advisor representative.

- Preparation of reports describing the performance of Plan investment manager(s) or investments, as well as comparing the performance to benchmarks.

- Ongoing recommendations for consideration and selection by clients about specific investments to be held by the Plan or, in the case of a participant-directed defined contribution plan, to be made available as investment options under the Plan.

- Training for the members of the Plan Committee about their service on the Committee, including education and consulting with respect to fiduciary responsibilities.

- Assistance in enrolling Plan participants in the Plan, including conducting an agreed upon number of enrollment meetings. As part of such meetings, Representatives may provide participants with information about the Plan, which includes information on the benefits of Plan participation, the benefits of increasing Plan contributions, the impact of pre-retirement withdrawals on retirement income, the terms of the Plan and the operation of the Plan.

- Assistance with investment education seminars and meetings for Plan participants. Such meetings may be on a group or individual basis and includes information about the investment options under the Plan (e.g., investment objectives, risk/return characteristics, and historical performance), investment concepts (e.g., diversification, asset classes, and risk and return), and how to determine investment time horizons and assess risk tolerance. Such meetings do not include specific investment advice about investment options under the Plan as being appropriate for a particular participant.

- Assistance making changes to investment options under the Plan.

- Assistance with the preparation, distribution and evaluation of Request for Proposals, finalist interviews, and conversion support in connection with vendor analysis and service provider support.

- Preparation of comparisons of Plan data (e.g., regarding fees and services and participant enrollment and contributions) to data from the Plan's prior years and/or a benchmark group of similar plans.

- Assistance in identifying the fees and other costs borne by the Plan for, as specified by client, investment management, recordkeeping, participant education, participant communication and/or other services provided with respect to the Plan.

If the Plan makes available publicly traded employer stock ("company stock") as an investment option under the Plan, Representatives do not provide investment advice regarding company stock and are not responsible for the decision to offer company stock as an investment option. In addition, if participants in the Plan invest the assets in their accounts through individual brokerage accounts, a mutual fund window, or other similar arrangement, or obtain participant loans, IARs do not provide any individualized advice or recommendations to the participants regarding these decisions. Furthermore, IARs do not provide individualized investment advice to Plan participants regarding their Plan assets.

If a client elects to engage the firm and our IARs to perform ongoing investment monitoring and ongoing investment recommendation services in the client agreement, such services will constitute "investment advice" under Section 3(21)(A)(ii) of ERISA. Therefore, the firm and our IAR will be deemed a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of ERISA in connection with those services. Clients should understand that to the extent the firm and our IARs are engaged to perform services other than ongoing investment monitoring and recommendations, those services are not "investment advice" under ERISA, and therefore, the firm and our IARs will not be a "fiduciary" under ERISA with respect to those other services.

Retirement Plan Rollovers

An employee generally has four (4) options for their retirement plan when they leave an employer:

1. Leave the money in his/her former employer's plan, if permitted
2. Rollover the assets to his/her new employer's plan if one is available and permitted
3. Rollover to an Individual Retirement Account (IRA), or
4. Cash out the account value, which has significant tax considerations

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney. If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

- Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
- Employer retirement plans generally have a more limited investment menu than IRAs.
- Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
- Your current plan may have lower fees than our fees.

If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because Investment Advisor Representatives have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of each. An employee will typically be investing only in mutual funds, you should understand the cost structure of the share classes, available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA. Clients should understand the various products and services they might take advantage of at an IRA provider and the potential costs of those products and services.

- Our strategy may have higher risk than the option(s) provided to you in your plan.
- Your current plan may also offer financial advice.
- If you keep your assets titled in a 401k or retirement account, participants could potentially delay their required minimum distribution beyond age.
- A 401(k) may offer more liability protection than a rollover IRA; each state may vary.
- Participants may be able to take out a loan on your 401k, but not from an IRA.
- IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
- If company stock is owned in a plan, participants may be able to liquidate those shares at a lower capital gains tax rate.
- Plans may allow Advisor to be hired as the manager and keep the assets titled in the plan name.

Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.

It is important to understand the differences between these types of accounts and to decide whether a rollover is the best option. Prior to proceeding, if you have questions contact your Investment Adviser Representative, or call our main number as listed on the cover page of this brochure.

When Advisor provides investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

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

Advisor also provides educational services to retirement plan participants with assets that could potentially be rolled over to an IRA advisory account. Education is based on a particular Client's financial circumstances and best interests. Again, Advisor has an incentive to recommend such a rollover based on the compensation received, which is mitigated by the fiduciary duty to act in a client's best interest and acting accordingly.

ERISA Fiduciary

Such services provided as an IAR are subject to the Investment Advisers Act of 1940 ("Advisers Act"), and the advisor is a fiduciary under the Advisers Act with respect to such services. In addition, if client elects to engage an IAR to perform ongoing investment monitoring and ongoing investment recommendation services to a Plan subject to ERISA in the client agreement, such services will constitute "investment advice" under Section 3(21)(A)(ii) of ERISA. Therefore, the IARs will be deemed a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of ERISA in connection with those services. Clients should understand that to the extent the investment advisor representative is engaged to perform services other than ongoing investment monitoring and recommendations, those services are not "investment advice" under ERISA and therefore, the investment advisor representative will not be a "fiduciary" under ERISA with respect to those other services.

From time to time the IAR may make the Plan or Plan participants aware of and may offer services available from IAR that are separate and apart from the services provided under Retirement Plan Consulting. Such other services may be services to the Plan, to a client with respect to client's responsibilities to the Plan and/or to one or more Plan participants. In offering any such services, the investment advisor representative is not acting as a fiduciary under ERISA with respect to such offering of services. If any such separate services are offered to a client, the client will make an independent assessment of such services without reliance on the advice or judgment of the IAR.

Insurance Products Compensation

Investment Advisor Representatives of Fermata who are also licensed as insurance agents, receive commissions and other compensation from insurance companies and insurance intermediaries, or through our related insurance agency, Fermata Insurance Services, LLC for the sale of insurance products (See Item 10 for more information regarding Fermata Insurance Services, LLC). Commission rates differ from product to product and carrier to carrier.

Insurance commissions can be a significant source of compensation and are paid separately from advisory fees. Commissions can be paid up-front in a lump sum or periodically over the course of the relationship. The amount and form of insurance compensation creates a conflict of interest in that Investment Advisor Representatives are incentivized to recommend insurance products based on the compensation received rather than on a client's best interest.

Investment Advisor Representatives are not required to offer the products of a specific insurance company. Any compensation received is separate from and does not offset regular advisory fees. Fermata will not charge advisory fees on any insurance products. Clients are under no obligation to implement any recommendations and have the option to implement such recommendations through brokers or agents unaffiliated with Fermata.

Fermata addresses the conflict of interest related to insurance products sales by requiring its investment advisor representatives to act in the best interest of the client, including when acting as insurance agents. Fermata and insurance-licensed representatives employ a process of analyzing each customer's financial situation, needs, goals and risk profile for the purpose of making recommendations that are based on an objective evaluation of each client's best interest rather than on the receipt of any commissions or other benefits.

Client Account Management

Prior to an engagement each client is required to enter into an agreement that defines the scope, conditions, and fees. Asset Management services will also require custodian specific account opening documents.

Assets Under Management

Assets under management shall be amended following the firm's December 31, 2025, fiscal year. Clients may request more current information at any time by contacting the firm. As of 3/13/26, the following were our assets under management:

Assets Under Management	
Discretionary	$707,571,804
Non-Discretionary	$301,977,242
Total	**$1,009,549,046**

Item 5 – Fees and Compensation

Fees for Advisory Services

Investment Management Services

Investment advisory fees are paid monthly, quarterly or as agreed in advance pursuant to the terms of the investment advisory agreement. Fees are based on the market value of assets under management at the end of the prior quarter as agreed in the advisory agreement.

Investment advisory fees are negotiable based on the scope and complexity of the services as well as the amount of time and expertise required but generally do not exceed 1.50%.

The investment advisory fee in the first period of service is prorated from the inception date of the account[s] to the end of the first month or quarter depending on the fee schedule agreement.

- If a client terminates an engagement prior to the billing period, fees for any partial billing period (if applicable) will be prorated to the date of termination and any excess fees will be returned to Client.
- Asset management fees are exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses. Please see Item 12 for more details regarding brokerage practices.

Mutual Fund Share Class Disclosures

Certain mutual fund share classes charge a 12b-1 fee that generally amounts to an additional .25% expense ratio or more. The purpose of 12b-1 fees is to cover marketing expenses and shareholder services such as support services and "other expenses" like legal, accounting and the administrative services of the custodian. When selecting a mutual fund, investment advisor representatives have a fiduciary duty to select the share class that helps manage the overall fee structure of the account that is in a client's best interest. The overall fee structure includes such fees as the asset management fee, the expense ratio and ticket charges.

- Mutual funds normally offer multiple share classes, including lower-cost share classes that do not charge 12b-1 fees and are therefore usually less expensive but with eligibility requirements.
- Investment adviser representatives will consider investing client funds in 12b-1 fee paying share classes even when a lower-cost share class is available as appropriate to account for the overall fee structure and tax considerations as well as other attributes of a particular fund that are not available for a lesser fee.
- Where available, the firm seeks to utilize lower-cost share classes when consistent with the client's custodial platform, account type, and overall cost structure.

Fee Billing

Investment Management Services

Investment advisory fees are calculated by the firm and deducted from the Client's account[s] at the Custodian. The firm shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the respective quarter end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with the firm at the end of each quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting the deduction of the investment advisory fee. Clients should verify the accuracy of fees.

Financial Planning Services

The firm can charge an hourly or flat fee basis for financial planning services. The total estimated fee, as well as the ultimate fee charged is based on the scope and complexity of the engagement.

- The fee for financial plans that are based on an hourly rate is calculated by a multiple of the anticipated number of hours required and an hourly rate that is generally between $250 to $500 an hour.
- The fee for financial plans generally starts at $5,000.

Third Party Financial Planning

For clients utilizing our third-party financial planning advisors, fees will be set by the level of planning selected. The firm will receive 30% of the fees charged to clients using this service. This is separate and distinct from other fees described herein.

Hourly Consulting Services

The firm can charge an hourly fee of generally between $250 to $500 to provide hourly consulting when a more comprehensive financial plan is not requested.

Retirement Plan Consulting

Fermata charges between a 0.75% to 1% asset management fee for retirement accounts subject to ERISA. The total estimated fee, as well as the ultimate fee charged is based on the scope and complexity of the engagement. The fee-paying arrangement for Retirement Plan Consulting will be outlined in a separate agreement.

Other Fees and Expenses

Clients can incur certain fees or charges imposed by third parties, other than the firm, in connection with investing that are detailed in the custodial agreement and/or fund prospectus. These fees and expenses will generally be used to pay fund management fees, account administration (e.g., custody, brokerage and account reporting), and possible distribution fees. The fees charged by the firm are separate and distinct from custodial and execution fees.

- Clients are responsible for all execution fees charged by the Custodian and/or executing broker/dealer.
- Clients can make direct investments, without the services of Fermata but would not receive the services designed to assist in determining which products or services are most appropriate.
- Clients are encouraged to review both the fees charged by the fund[s] and the fees charged by the firm and ask questions to fully understand applicable fees.

As discussed in Item 4 above, some of our investment adviser representatives who provide investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. As such, persons licensed as insurance agents have a financial incentive to recommend insurance products. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

See Item 10 below for more information regarding other financial industry activities and affiliations.

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

The firm does not charge performance-based fees for its investment advisory services.

The firm does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend or implement any particular investment options to its Clients.

Item 7 – Types of Clients

The firm offers investment advisory services primarily to high-net-worth individuals, individuals and small businesses. The number of each type of Client is provided on Form ADV Part 1A. These amounts change over time and are updated at least annually.

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

Methods of Analysis

The firm primarily employs a combination of behavioral, charting, cyclical, fundamental and technical methods of analysis in developing investment strategies. Research and analysis from the firm is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

- **Behavioral Analysis**

Behavioral finance analysis involves an examination of conventional economics as well as behavioral and cognitive psychological factors. Behavioral finance methodology seeks to combine a qualitative and quantitative approach to provide explanations for why individuals may, at times, make irrational financial decisions. Where conventional financial theories have failed to explain certain patterns, the behavioral finance methodology investigates the underlying reasons and biases that cause some people to behave against their best interests. The risks relating to behavior finance analysis are that it relies on spotting trends in human behavior that may not predict future trends.

- **Charting Analysis**

Charting analysis utilizes various market indicators as investment selection criteria. These criteria are generally pricing trends that may indicate movement in the markets. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the firm in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in technical and charting analysis may lose value and may have negative investment performance. The firm monitors these market indicators to determine if adjustments to strategic allocations are appropriate.

- **Cyclical Analysis**

Cyclical analysis is like technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the company that the firm can recommend or implement. The risks with cyclical analysis are like those of technical analysis.

- **Fundamental Analysis**

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

- **Technical Analysis**

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

Investment Strategies

- **Income with Capital Preservation.** Designed as a longer-term accumulation account, this investment objective is considered generally the most conservative. Emphasis is placed on generation of current income with minimal risk of capital loss. Lowering the risk generally means lowering the potential income and overall return.
- **Income with Moderate Growth.** This investment objective emphasizes generation of current income with a secondary focus on moderate capital growth.
- **Growth with Income.** This investment objective emphasizes modest capital growth with some focus on generation of current income.
- **Growth.** This investment objective emphasizes achieving high long-term growth and capital appreciation. There is little focus on generation of current income.
- **Aggressive Growth.** This investment objective emphasizes aggressive growth and maximum capital appreciation, with no focus on generation of current income. This objective has a very high level of risk and is for investors with a longer timer horizon.

Risk of Loss

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. the firm will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

While the methods of analysis help the firm in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The firm monitors these economic indicators to determine if adjustments to strategic allocations are appropriate.

The specific risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The firm will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Below is a list of risks that should be considered prior to investing that may apply to the particular investment held in a particular account. Additional unforeseen risks may apply and affect investment performance. Clients are encouraged to consider the following risks and ask questions:

- **Business Risk –** The measure of risk associated with a particular security. It is also known as unsystematic risk and refers to the risk associated with a specific issuer of a security. Generally speaking, all businesses in the same industry have similar types of business risk. More specifically, business risk refers to the possibility that the issuer of a particular company stock or a bond may go bankrupt or be unable to pay the interest or principal in the case of bonds.
- **Call Risk –** The risk specific to bond issues and refers to the possibility that a debt security will be called prior to maturity. Call risk usually goes hand in hand with reinvestment risk because the bondholder must find an investment that provides the same level of income for equal risk. Call risk is most prevalent when interest rates are falling, as companies trying to save money will usually redeem bond issues with higher coupons and replace them on the bond market with issues with lower interest rates.
- **Company Specific Risk –** A non-systemic risk specific to a certain company's operations, executive decisions and reputation which is difficult to quantify.
- **Concentration Risk –** Concentrated portfolios are an aggressive and highly volatile approach to trading and investing and should be viewed as complementary to a stable, highly predictable investment approach. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic price swings. In addition, the rise or drop in price of any given holding in the portfolio is likely to have a larger impact on portfolio performance than a more broadly diversified portfolio.

- **Credit Risk –** The risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Currency/Exchange Rate Risk –** The risk of a change in the price of one currency against another.
- **Force Majeure –** A natural and unavoidable catastrophe that interrupts the expected course of events, market structure and access to funds.
- **Interest Rate Risk –** The risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Inflationary Risk –** The risk that future inflation will cause the purchasing power of cash flow from an investment to decline.
- **Legislative Risk –** The risk of a legislative ruling resulting in adverse consequences.
- **Liquidity Risk –** The possibility that an investor may not be able to buy or sell an investment as and when desired or in sufficient quantities because opportunities are limited.
- **Market Risk –** The risk that the value of securities may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries. This is a risk that will affect all securities in the same manner caused by some factor that cannot be controlled by diversification.
- **Reinvestment Risk –** The risk that falling interest rates will lead to a decline in cash flow from an investment when its principal and interest payments are reinvested at lower rates.
- **Social/Political Risk –** The possibility of nationalization, unfavorable government action or social changes resulting in a loss of value.
- **Taxability Risk** – The risk that a security that was issued with tax-exempt status could potentially lose that status prior to maturity. Since municipal bonds carry a lower interest rate than fully taxable bonds, the bond holders would end up with a lower after-tax yield than originally planned.
- **Terrorism Risk –** An act of terror or calculated use of violence against the country, market structure or individuals.

The firm's methods of analysis and investment strategies do not represent any significant or unusual risks. However, all strategies have inherent risks and performance limitations.

Types of Investments (Examples, not limitations)

Investment advisor representatives of the firm allocate a client's assets as appropriate to help them reach their individual investment objectives within their time horizon in a manner consistent with their risk profile. Client funds are allocated appropriately in such investments as listed below:

- **Mutual Funds –** A pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets.
  - **Open-End Mutual Funds –** A type of mutual fund that does not have restrictions on the amount of shares the fund will issue and will buy back shares when investors wish to sell. Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have cost that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.
  - **Closed-End Mutual Funds –** A type of mutual fund that raises a fixed amount of capital through an initial public offering (IPO). The fund is then structured, listed and traded like a stock on a stock exchange. Clients should be aware that closed-end funds available within the program are not readily marketable. To provide investor liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds.
  - **Alternative Strategy Mutual Funds –** Certain mutual funds available in the program invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual 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. Although certain investment vehicles may obtain exposure through derivatives internally, the firm does not directly trade derivatives on behalf of clients.
- **Exchange Traded Funds (ETFs) –** An ETF is a portfolio of securities invested to track a market index similar to an index mutual fund, but the shares are traded on an exchange like an equity. An ETF share price fluctuates intraday depending on market conditions instead of having a net asset value (NAV) that is calculated once at the end of the day. The shares may trade at a premium or discount; and as a result, investors pay more or less when purchasing shares and receive more or less than when selling shares. The supply of ETF shares is regulated through a mechanism known as creation and redemption that involves large, specialized investors, known as authorized participants (APs). Authorized participants are large financial institutions with a high degree of buying power, such as market makers, banks or investment companies that provide market liquidity. When there is a shortage of shares in the market, the authorized participant creates more (creation). Conversely, the authorized participant will reduce shares in circulation (redemption) when supply falls short of demand. Multiple authorized participants help improve the liquidity of a particular ETF and stabilize the share price. To the extent that authorized participants cannot or are otherwise unwilling to engage in creation and redemption transactions, shares of an ETF tend to trade at a significant discount or premium and may face trading halts and delisting from the exchange.

  The performance of ETFs is subject to market risk, including the complete loss of principal. ETFs also have a trading risk based on cost inefficiency if the ETFs are actively traded and a liquidity risk if the ETFs has a large price spread and low trading volume. In addition, investors buying or selling shares in the secondary market pay brokerage commissions, which is a cost not incurred by mutual funds.

  Like mutual funds, shares of an ETF represent a partial ownership of an underlying portfolio of securities.

– **Inverse ETFs -** An inverse ETF seeks to deliver inverse returns of underlying indexes. To achieve their investment results, inverse ETFs generally use derivative securities, such as swap agreements, forwards, futures contracts and options. Inverse ETFs are designed for speculative traders and investors seeking tactical day trades against their respective underlying indexes. Inverse ETFs only seek investment results that are the inverse of their benchmarks' performances for one day only. Inverse ETFs carry many risks and are not suitable for risk-averse investors. This type of ETF is best suited for sophisticated, highly risk-tolerant investors who are comfortable with taking on the risks inherent to inverse ETFs. The principal risks associated with investing in inverse ETFs include compounding risk, derivative securities risk, correlation risk and short sale exposure risk. Compounding risk is one of the main types of risks affecting inverse ETFs. Inverse ETFs held for periods longer than one day are affected by compounding returns. Since an inverse ETF has a single-day investment objective of providing investment results that are one times the inverse of its underlying index, the fund's performance likely differs from its investment objective for periods greater than one day. Investors who wish to hold inverse ETFs for periods exceeding one day must actively manage and rebalance their positions to mitigate compounding risk.

– **Leveraged ETFs -** A leveraged ETF is a marketable security that uses financial derivatives and debt to amplify the returns of an underlying index. While a traditional ETF typically tracks the securities in its underlying index on a one-to-one basis, a leveraged ETF may aim for a 2:1 or 3:1 ratio. Leveraged ETFs are available for most indexes, such as the Nasdaq 100 and the Dow Jones Industrial Average (DJIA). Leveraged ETFs have higher fees and will not obtain their objective to multiply index returns over the long-term because of compound interest and sequence of returns. Although certain investment vehicles may obtain exposure through derivatives internally, the firm does not directly trade derivatives on behalf of clients.

- **Equity –** Investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environment.

- **Cash Positions –** Based on a perceived or anticipated market conditions and/or events, certain assets may be taken out of the market and held in a defensive cash position. All cash may be included as assets subject to the agreed upon advisory fee. Other investment types may be included as appropriate for a particular client and their respective trading objectives. The firm generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve a reasonable return on our client's cash balances through relatively low-risk conservative investments.

- **Structured Products –** Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.

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

Outside Managers

We may refer clients to third-party financial planning advisors ("Outside Managers"). Our analysis of Outside Managers involves the examination of the reputation, experience, expertise, investment philosophies, and client satisfaction of the Outside Managers to try and determine if the Outside Manager has demonstrated an ability to serve our client base with comprehensive, personalized, actionable, and suitable financial plans. While we do not control the recommendations the Outside Managers make, we partner with Outside Manager to make sure that the investment philosophies and the method of analysis align with our own. We further monitor the Outside Manager's recommendations on an ongoing basis. There is a risk that an Outside Manager may deviate from their stated investment philosophy, making it a less suitable investment for our clients. Moreover, as we do not control the Outside Manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Item 9 – Disciplinary Information

There are no legal, regulatory or disciplinary events involving the firm or any of its Supervised Persons.

Item 10 – Other Financial Industry Activities and Affiliations

Fermata Tax, LLC
Daren Blonski and Chris Sipes are Managing Partners and owners of Fermata Tax, LLC, a tax preparation and accounting firm. A conflict of interest may exist as Fermata may recommend Fermata Tax, LLC to advisory clients who seek business and tax services, thus resulting in compensation being paid to Messrs. Blonski and Sipes. Fees paid to Fermata Tax, LLC are separate and distinct from the advisory fees charged by Fermata Advisors or Sonoma Wealth Advisors. Clients are under no obligation to act upon our recommendations.

Fermata Tax Advisors, LLC
Daren Blonski and Chris Sipes are minority owners of Fermata Tax Advisors, LLC, a tax preparation and accounting firm. A conflict of interest may exist as Fermata may recommend Fermata Tax Advisors, LLC to advisory clients who seek business and tax services, thus resulting in compensation being indirectly paid to Messrs. Blonski and Sipes related to their ownership. Fees paid to Fermata Tax Advisors, LLC are separate and distinct from the advisory fees charged by Fermata Advisors or Sonoma Wealth Advisors. Clients are under no obligation to act upon our recommendations.

Sonoma Allocations, LLC
Ben Sedillo is Principal of Sonoma Allocations LLC, Insurance Sales. From time to time, he will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Fermata always acts in the best interest of the client, including the sale of commissionable products to advisory clients. Clients always have the right to decide whether or not to utilize the services of any representative of Fermata in such individual's outside capacities.

Fermata Insurance Services, LLC
Daren Blonski and Chris Sipes are Managing Partners and owners of Fermata Insurance Services, LLC, a registered insurance agency. A conflict of interest exists as Sonoma may recommend Fermata Insurance Services, LLC to advisory clients who seek insurance products or services, thus resulting in compensation being paid to Messrs. Blonski and Sipes. Fees paid to Fermata Insurance Services, LLC are separate and distinct from the advisory fees charged by us. Clients are under no obligation to act upon our recommendations.

Insurance Agents
Related persons of the firm, in their individual capacities, are agents for various insurance companies, including Fermata Insurance Services, LLC. As such, these individuals can receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Insurance commissions earned by these persons are separate from our advisory fees. When such recommendations or sales are made, a conflict of interest exists as they earn insurance commissions for the sale of those products, which creates an incentive to recommend such products. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Neither the firm nor any of its associated persons are registered, or have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of any of those entities.

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

Code of Ethics

The firm has implemented a Code of Ethics (the "Code") that defines our fiduciary commitment to each Client. This Code applies to all persons associated with the firm (our "Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. the firm and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of the firm's Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code, please contact us at (707) 938-7414 or by email at **chris@sonomawealth.com**.

Personal Trading with Material Interest

The firm allows our Supervised Persons to purchase or sell the same securities that are recommend or implemented on behalf of Clients. The firm does not act as principal in any transactions. In addition, the firm does not act as the general partner of a fund or advise an investment company. The firm does not have a material interest in any securities traded in a client account.

Personal Trading in Same Securities as Clients

The firm allows our Supervised Persons to purchase or sell the same securities that may be recommended or implemented to and purchased on behalf of Clients. Owning the same securities, we may recommend or implement (purchase or sell) to you presents a conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. Fermata requires that personal securities trades made by its Supervised Persons be reported to the Chief Compliance Officer ("CCO") for review.

Personal Trading at Same Time as Client

While the firm allows our Supervised Persons to purchase or sell the same securities that may be may recommend or implemented to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. At no time will the firm or any Supervised Person trade to the detriment of any Client.

Item 12 – Brokerage Practices

Charles Schwab & Co., Inc.

The firm recommends that clients establish brokerage accounts with Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member FINRA/SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Schwab provides access to its institutional trading and custody services, which are typically not available to Schwab retail investors. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

While, as a fiduciary, the firm endeavors to act in its clients' best interests, recommendations that clients maintain their assets in accounts at Schwab may be based in part on the benefits received and the availability of some of the foregoing products and services and other arrangements, not solely on the nature, cost or quality.

Clients should be aware that for accounts where Schwab serves as the custodian, the firm is limited to offering services and investment vehicles that are approved by Schwab, and may be prohibited from offering services and investment vehicles that may be available through other broker/dealers and custodians, some of which may be more suitable for a client's portfolio than the services and investment vehicles offered through Schwab.

Clients should understand that not all investment advisers recommend that Clients custody their accounts and trade through specific broker/dealers.

Benefits Received

Schwab makes available various products and services designed to assist the firm in managing and administering client accounts. Many of these products and services may be used to service all or a substantial number of accounts, including accounts not held with Schwab. These services include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and aggregation and allocation of trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of fees; and assist with back-office functions; recordkeeping and client reporting.

Schwab also makes available other services intended to help manage and further develop its business. Some of these services assist the firm to better monitor and service program accounts maintained at Schwab, however, many of these services benefit only the firm, for example, services that assist with growing its business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate, and include practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used in furtherance of the operation and development of its investment advisory business.

The products and services described above are provided as part of our overall relationship with Schwab. While as a fiduciary, the firm endeavors to act in its clients' best interests, the receipt of these benefits creates a conflict of interest because the firm's recommendation that clients custody their assets at the custodian based, in part, on the benefits and of the foregoing products and services and not solely on the nature, cost or quality of custody or brokerage services provided.

Best Execution

Although the commissions and/or transaction fees paid by our clients generally comply with our duty to obtain best execution, you may pay a commission that is higher than what another qualified broker-dealer might charge to affect the same transaction when we determine, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services we receive.

In seeking best execution, the determining factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for client transactions. The brokerage commissions or transaction fees charged by the broker- dealer/custodian are exclusive of, and in addition to, our investment management fee. Our best execution responsibility is qualified if the securities we purchase are mutual funds that are traded at net asset value as determined at the daily market close.

Aggregation & Allocation of Transactions

Transactions implemented by Fermata's investment adviser representatives for client accounts are generally affected independently. Consequently, the same securities purchased or sold on the same day in multiple client accounts will likely receive different execution prices that are more or less favorable than the prices other clients receive. Fermata may, in its sole discretion, determine that the purchase or sale of a particular security is appropriate for more than one client account and may aggregate client orders into one order ("Block Orders") for execution purposes. When this occurs, it is often advantageous to aggregate the securities of multiple clients into one trading block for execution. If your portfolio securities are purchased or sold in an aggregated transaction with the securities of other clients, you will all receive the same execution price, and if the aggregated purchase or sale involves several executions to complete the transaction, you will all receive the average price paid or received on the aggregated transaction. However, if an aggregated transaction results in only a partial execution and the equal allocation of the partial execution amongst multiple clients would result in an inefficient trading unit in client portfolios, we reserve the right to allocate the transaction to specific individual clients on an equitable rotational basis so that over time no client is disadvantaged in the management of its portfolio.

Directed Brokerage

The firm does not accept directed brokerage arrangements (when a client requires that account transactions be affected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker/dealer, and the firm would not seek better execution services or prices from other broker/dealers or be able to "aggregate" the client's transactions for execution with orders for other accounts managed by the firm. As a result, the client requesting directed brokerage may pay higher commissions or other transaction costs, greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Soft Dollars

Soft dollars are revenue programs offered by broker/dealers whereby an advisor enters into an agreement to place security trades in exchange for research and other services.

The firm receives support services without cost, at a discount, and/or at a negotiated rate, that include such things as research reports or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making.

These support services are provided based on the overall relationship without a minimum production level or value of assets held with the custodian. Consequently, it is not the result of soft dollar arrangements or any other express arrangements that involves the execution of client transactions as a condition to the receipt of services.

Item 13 – Review of Accounts

Frequency of Reviews

Securities in Client accounts are monitored on a regular and continuous basis by the Chief Compliance Officer. Formal reviews are generally conducted at least annually or more as needed.

The surveillance process focuses on accounts that have potential issues in the following areas:

- Market Performance
- Trading Inactivity
- High Cash Balance
- Position Concentration
- Asset Allocation
- Risk Tolerance
- Senior Suitability

Causes for Reviews

In addition to the investment monitoring noted above, each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request.

Accounts may be reviewed because of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify the firm if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

Review Reports

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s].

Item 14 – Client Referrals and Other Compensation Client Referrals from Solicitors

Fermata engages independent solicitors to provide client referrals. If a client is referred to us by a solicitor, this practice is disclosed to the client in writing by the solicitor. Fermata pays the solicitor a portion of the advisory fees earned a flat monthly fee or a fee per referral depending on the agreement with the specific solicitor. The fees paid to a solicitor do not increase the fees charged to a client. The use of solicitors is strictly regulated under applicable federal and state law. Fermata's policy is to fully comply with the requirements of Rule 206(4)-1, under the Investment Advisers Act of 1940, as amended, and similar state rules, as applicable. Compensation structures vary by solicitor and are fully disclosed to clients prior to engagement.

SmartAsset
Sonoma Wealth Advisors has entered into a written solicitor agreement with **SmartAsset**, where compensation for client referral is paid on a monthly basis. The agreement complies with applicable rules under the Investment Advisers Act of 1940. The associated cost are borne entirely by Sonoma Wealth Advisers.

Zoe Financial
Fermata receives client referrals from Zoe Financial, Inc through its participation in Zoe Advisor Network (ZAN). Zoe Financial, Inc is independent of and unaffiliated and there is no employee relationship. Zoe Financial established the Zoe Advisor Network as a means of referring individuals and other investors seeking fiduciary personal investment management services or financial planning services to independent investment advisors. Zoe Financial does not supervise Fermata and has no responsibility for the Advisor's management of client portfolios or the Advisor's other advice or services. Fermata pays Zoe Financial an on-going fee for each successful client referral. This fee is usually a percentage of the advisory fee that the client pays to the Advisor ("Solicitation Fee"). Fermata will not charge clients referred through Zoe Advisor Network any fees or costs higher than its standard fee schedule offered to its clients. For information regarding additional or other fees paid directly or indirectly to Zoe Financial Inc, please refer to the Zoe Financial Disclosure and Acknowledgement Form.

Other Compensation

Fermata receives an economic benefit from custodians in the form of the support products and services they make available to Fermata because our clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 –Brokerage Practices). The availability to us of our custodian's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

As disclosed under Items 5 & 10, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to Item 10.

Fermata Advisors utilizes client Testimonials as that term is defined in SEC Rule 206(4)-1(e)(17) of the Investment Advisers Act of 1940 in the firm's marketing material, including its website. All such testimonials are given by current clients, there has been no compensation paid to these clients for the statement(s) and there are no known conflicts between these clients and Fermata Advisors.

Item 15 – Custody

Custody means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them. As noted in Item 5, Fermata has the ability to deduct advisory fees directly from client accounts. The Securities and Exchange Commission generally takes the position that any arrangement under which a registered investment adviser is authorized or permitted to withdraw client funds or securities maintained with a custodian upon the adviser's instruction to the custodian is deemed to have custody of client funds and securities. However, Fermata will not maintain physical possession of client funds and securities. Rather, client funds and securities are held by a qualified custodian in accounts that are registered in the client's name. Prior to permitting the direct debiting of fees, each client must provide written authorization permitting fees to be paid directly from the custodian to Fermata.

Although Fermata is the client's adviser, clients will receive account statements electronically or by postal mail directly from the custodian at least quarterly. Clients should review the account statements promptly and carefully upon receipt. Clients should compare asset values, holdings, and fees on the statement to that in the account statement issued the previous period and to statements received, if any, from Fermata. We urge clients to compare information provided in such performance reports to the statements provided by the qualified custodian and contact us immediately should there be any discrepancies or concerns.

- Clients should review the fee calculated and deducted by the custodian to ensure that the fees were calculated correctly.

Item 16 – Investment Discretion

A client may choose to engage the firm to provide investment advisory services on a discretionary, or non-discretionary basis. Full discretion includes the authority to determine the securities to be bought or sold and well as the amount. Prior to the firm assuming discretionary authority over a client's account, the client shall be required to execute a written agreement, granting the firm full or limited authority to buy, sell, or otherwise effect transactions.

Item 17 – Voting Client Securities

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

Item 18 – Financial Information

Neither the firm, nor its management, have any adverse financial situations that would reasonably impair their ability to meet all obligations to its Clients.

- Neither the firm, nor any of its control persons, has been subject to a bankruptcy or financial compromise.
- The firm does not collect advance fees of $1,200 or more for services to be performed six months or more in the future.

Privacy Policy

Our Commitment to You

Fermata Advisors ("the firm") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as part of your relationship with the firm, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. the firm (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

The firm does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below. Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

Why you need to know?

Registered Investment Advisors must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

What information do we collect from you?

Driver's license number	**Date of birth**
Social security or taxpayer identification number	Assets and liabilities
Name, address, phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information. We require third parties that assist in providing our services to you to protect the personal information they receive from us.

How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

How do we share your information?

Basis for Sharing	Do we share?	Can you limit?
Servicing our Clients We share information with technology vendors and third-party service providers to manage and support operations and regulatory compliance (such as administrators, brokers, custodians, regulators, credit agencies, consultants and other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	**Yes**	**No**
Marketing Purposes The firm does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Advisor or the client has a formal agreement with the financial institution. We will only share information for purposes of servicing your accounts, not for marketing purposes.	**No**	**Not Shared**
Authorized Users Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	**Yes**	**Yes**
Information About Former Clients The firm does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	**No**	**Not Shared**

Other Important Information:
For California, North Dakota, and Vermont Customers In response to applicable state law, if the mailing address provided for your account is in California, North Dakota, or Vermont, we will automatically treat your account as if you do not want us to disclose your personal information to non-affiliated third parties for purposes of them marketing to you, except as permitted by the applicable state law.

Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us. Periodically we may revise this Policy and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (707) 938-7414 or by email at **chris@sonomawealth.com**.