

Item 1 - Cover Page



Registered Investment Advisor CRD # 284277

Saranap Wealth Advisors, LLC

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Form ADV Part 2A Firm Brochure

March 2024

This brochure provides information about the qualifications and business practices of Saranap Wealth Advisors, LLC. Please contact John Frederick Knolle at (925) 482-6590 if you have any questions about the content of this brochure.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about Saranap Wealth Advisors, LLC is available on the SEC's website at www.adviserinfo.sec.gov. Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD ("CRD") number, which is 284277.

While the firm and its associates may be registered and/or licensed within a particular jurisdiction, that registration and/or licensing in itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the firm or its associated personnel.

Item 2 - Material Changes

There have been no material changes to this brochure since our last annual filing, dated March 2023.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's website at www.adviserinfo.sec.gov or may contact our firm at (925) 482-6590 to request a copy at any time.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

Contents

Item 1 - Cover Page	1
Item 2 - Material Changes	2
Item 4 - Advisory Business	4
Item 5 - Fees and Compensation	7
Item 6 - Performance-Based Fees and Side-Bv-Side Management	10
Item 7 - Types of Clients	10
Item 8 - Methods of Analysis. Investment Strategies and Risk of Loss	11
Item 9 - Disciplinary Information	14
Item 10 - Other Financial Industry Activities and Affiliations	14
Item 11 - Code of Ethics. Participation or Interest in Client Transactions and Personal Trading ...	15
Item 12 - Brokerage Practices	17
Item 13 - Review of Accounts	19
Item 14 - Client Referrals and Other Compensation	20
Item 15 - Custody	23
Item 16 - Investment Discretion	23
Item 17 - Voting Client Securities	24
Item 18 - Financial Information	24
Item 19 - Requirements for State-Registered Advisers	24
Form ADV Part 2B Brochure Supplement	25

Important Information

Throughout this document Saranap Wealth Advisors, LLC may also be referred to as "the firm," "firm," "our," "we" or "us." The client or prospective client may be also referred to as "you," "your," etc., and refers to a client engagement involving a single *person* as well as two or more *persons and* may refer to natural persons and legal entities. In addition, the term "advisor" and "adviser" are used interchangeably where accuracy in identification is necessary (i.e., internet address, etc.).

Our firm maintains a business continuity and succession plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available under separate cover.

Item 4 - Advisory Business

Description of the Firm

Saranap Wealth Advisors, LLC is a California limited liability company formed in May of 2016. We may operate under the trade name Saranap Wealth Advisors. Our firm is not a subsidiary of nor does it control another financial services industry entity. In addition to our registration as an investment advisor in California in July of 2016, our firm and its associates may register, become licensed or meet certain exemptions to registration and/or licensing in other jurisdictions in which investment advisory business is conducted.

Saranap Wealth Advisors qualifies for an exemption from the registration requirements in the State of Texas as it does not have a place of business located in Texas and, during the preceding 12-month period, had no more than 5 clients who are Texas residents. As an investment adviser representative doing business in Texas, Mr. Knolle has filed a Form U-4 in Texas to notice file.

John Frederick Knolle, MBA, CFP® is the firm's Principal and Chief Compliance Officer (supervisor).¹ He also maintains controlling interest in the firm. Additional information about Mr. Knolle and his background may be found toward the end of this brochure.

Description of Advisory Services Offered

The firm's financial planning services provide clients with advice on key topics such as cash flow and budgeting, funding a college education, retirement planning, and risk management, estate or tax planning, among others. Ongoing and continuous supervision of clients' portfolios are provided through our portfolio management services offering as well as engaging the services of institutional investment managers. We also provide educational workshops involving a broad range of financial planning and investing topics.

An initial interview is conducted by a representative of our firm to discuss your current situation, goals and the scope of services that may be provided to you. During or prior to this meeting you will be provided with our Form ADV Part 2 firm brochure that includes a statement involving our privacy policy, as well as a brochure supplement about the representative who will be assisting you. We will also ensure that any material conflicts of interest have been disclosed to you that could be reasonably expected to impair the rendering of unbiased and objective advice.

Should you wish to engage Saranap Wealth Advisors for its services, you must first execute our client engagement agreement. Thereafter discussion and analysis will be conducted to determine your financial needs, goals, holdings, etc. Depending on the scope of the engagement, you may be asked to provide copies of the following documents early in the process:

- Wills, codicils, and trusts
- Insurance policies
- Mortgage information
- Student loan data
- Tax returns
- Current financial specifics including W-2s or 1099s
- Information on current retirement plans and benefits provided by your employer
- Statements reflecting current investments in retirement and non-retirement accounts
- Employment or other business agreements you may have in place
- Completed risk profile questionnaires or other forms provided by our firm

It is important that we are provided with an adequate level of information and supporting documentation throughout the term of the engagement including but not limited to: source of funds, income levels, and an account holder or attorney-in-fact's authority to act on behalf of the account, among other information that may be necessary for our services. The information and/or financial statements provided to us need to be accurate. Our firm may, but is not obligated to, verify the information that you have provided to us which will then be used in the advisory process.

It is essential that you inform our firm of significant issues that may call for an update to their plan. Events

such as changes in employment or marital status, an unplanned windfall, etc., can have an impact on your circumstances and plans. Our firm needs to be aware of such events so that adjustments may be made as necessary.

Financial Planning Services

Financial planning services are customized for your situation, and may be as broad-based or narrowly focused as you desire. The incorporation of most or all of the listed components allows not only a thorough analysis but also a refined focus of your plans so that the firm is able to assist you in reaching your goals and objectives.

Cash Flow Analysis and Debt Management

A review of your income and expenses will be conducted to determine your current surplus or deficit. Based upon the results, we will provide advice on prioritizing how any surplus should be used, or how to reduce expenses if they exceed your income. In addition, advice on the prioritization of which debts to repay may be provided, based upon such factors as the debt's interest rate and any income tax ramifications.

Recommendations may also be made regarding the appropriate level of cash reserves for emergencies and other financial goals. These recommendations are based upon a review of cash accounts (such as money market funds) for such reserves and may include strategies to save desired reserve amounts.

Risk Management

A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").

Employee Benefits

A review is conducted, and analysis is made as to whether you, as an employee, are taking maximum advantage of your employee benefits. We will also offer advice on your employer-sponsored retirement plan and/or stock options, along with other benefits that may be available to you.

Personal Retirement Planning

Retirement planning services typically include projections of your likelihood of achieving your financial goals, with financial independence usually the primary objective. For situations where projections show less than the desired results, a recommendation may include showing you the impact on those projections by making changes in certain variables (i.e., working longer, saving more, spending less, taking more risk with investments). If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

Education Planning

Advice involving college funding may include projecting the amount that will be needed to achieve post-secondary education funding goals, along with savings strategies and the "pros-and-cons" of various college savings vehicles that are available. We are also available to review your financial picture as it relates to eligibility for financial aid or the best way to contribute to family members, such as grandchildren, if appropriate.

Tax Strategies

Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, recommendations may be offered as to which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

Estate Planning

Our review typically includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. We may assess ways to minimize or avoid future estate taxes by implementing appropriate estate planning

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

Divorce Planning

Separation or divorce can have a major impact on your goals and plans. We will work with you to help you gain an understanding of your unique situation and provide you with a realistic financial picture so that you are in a better situation to communicate with legal counsel, a mediator or soon to be ex-spouse. We can assist in the completion of cash flow and net worth projections, budgetary analysis, as well as help you to understand what the consequences and/or benefits are involving a settlement.

Investment Consultation

Investment consultation services often involve providing information on the types of investment vehicles available, employee retirement plans and/or stock options, investment analysis and strategies, asset selection and portfolio design, as well as limited assistance if your investment account is maintained at another broker/dealer or custodian. The strategies and types of investments that may be recommended are further discussed in Item 8 of this brochure.

Broad-Based v. Modular Financial Planning

A broad-based plan is an endeavor that requires detail. Certain variables can affect the cost involved in the development of the plan, such as the quality of your own records, complexity and number of current investments, diversity of insurance products and employee benefits you currently hold, size of the potential estate, and special needs of the client or their dependents, among others. While certain broad-based plans may require 10 or more hours to complete, complex plans may require more than 20 hours.

At your request we may concentrate on reviewing only a specific area (modular planning), such as an employer retirement plan allocation, funding an education or estate planning issues, or evaluating the sufficiency of your current retirement plan. Note that when these services focus only on certain areas of your interest or need, your overall situation or needs may not be fully addressed due to limitations you may have established.

Whether we have created a broad-based or modular plan, we will present you with a summary of our recommendations, guide you in the implementation of some or all of them per your decision, as well as offer you periodic reviews thereafter. In all instances involving our financial planning engagements, our clients retain full discretion over all implementation decisions and are free to accept or reject any recommendation we make.

Portfolio Management Services

You may engage our firm to implement investment strategies that we have recommended to you. Depending on your risk profile, goals and needs, among other considerations, your portfolio will involve the employment of one of our investment strategies as well as either a broad range or more narrowly focused choice of investment vehicles which are further discussed in Item 8 of this brochure.

We typically prepare investment guidelines reflecting your objectives, time horizon, tolerance for risk, as well as any reasonable account constraints you may have for the portfolio. For example, you have the right to exclude certain securities (e.g., derivatives, etc.) at your discretion. These guidelines will be designed to be specific enough to provide future guidance while allowing flexibility to work with changing market conditions. Since this effort is the product of information and data you have provided, you may be asked to review it and provide your final approval. We will then develop a customized portfolio for you based on your unique situation, investment goals and tolerance for risk. We manage your portfolio on a discretionary or nondiscretionary basis (defined in Item 16). We want to note that it will remain your responsibility to promptly notify us if there is any change in your financial situation and/or investment objectives for the purpose of our reviewing, evaluating or revising previous account restrictions or firm investment recommendations.

We may recommend that an institutional investment manager serve your portfolio as a sub-advisor at our custodian. Prior to recommending a sub-advisor, we will conduct a due diligence process that includes

ensuring the sub-advisor is appropriately registered or notice-filed within your state of residence. Clients may be required to maintain a minimum account size to be eligible for these service, and certain sub-advisors may require a higher asset-level to invest in their program. We will inform you in advance of each sub-advisor's minimum investment criteria.

Third-Party Investment Management

Following our assessment, we may recommend that you engage a third-party manager to serve your portfolio at the third-party investment manager's preferred custodian. Prior to recommending a third-party investment manager, we will conduct a due diligence process that includes ensuring the sub-advisor is appropriately registered or notice-filed within your state of residence. Clients may be required to maintain a minimum account size to be eligible for these service, and certain third-party investment managers may require a higher asset-level to invest in their program. We will inform you in advance of any minimum investment criteria.

Under this type of engagement, we will gather input from you about your financial situation, investment objectives, reasonable restrictions you may want to impose on the management of the account, and we will then provide this information to the third-party investment manager to develop your portfolio. The third-party investment manager will invest on behalf of a client account in accordance with the strategies set forth in their own disclosure documents which will be provided to you by our firm prior to your employing these strategies. The selected third-party investment manager assumes discretionary authority over an account. At least annually thereafter a review will be performed from both a compliance and performance perspective to determine whether the selected investment manager remains an appropriate fit for your portfolio.

Educational Workshops

Saranap Wealth Advisors provides educational seminar sessions for those desiring information on personal finance and investing. Topics may include issues related to general financial planning, educational funding, estate planning, retirement strategies, implications involving changes in marital status, and various other current economic or investment topics. Our workshops are educational in nature and do not involve the sale of insurance or investment products.

Wrap Fee Programs

Our firm does not sponsor or serve as a portfolio manager in an investment program involving wrapped (bundled) fees.

Client Assets Under Management

As of March 7, 2024, our firm manages approximately \$62,839,000 in discretionary assets under management.

Item 5 - Fees and Compensation

Forms of payment are based on the types of services being provided, term of service, etc., and will be stated in your engagement agreement with our firm. Our published advisory fees may be discounted, and the final determination will be made by our firm. We strive to offer fees that are fair and reasonable in light of the experience of our firm and the services to be provided to you. We are obligated under California statute to inform you that similar services may be made available from others and potentially at a lesser fee.

Fees are to be paid by check or draft from US-based financial institutions. With your prior authorization payment may also be made through a qualified, unaffiliated PCI compliant third-party processor, or withdrawal from your investment account held at your custodian of record. Payment requests for our advisory fees will be preceded by our invoice, and fees paid to our firm will be noted in your account statement you will receive from your custodian. Our firm does not accept cash, money orders or similar forms of payment for its engagements.

Types of Fees and Payment Schedule

Financial Planning Services

Project-based engagements are assessed fixed fees that range from \$1,500 to \$5,000. Our fee will take

through the engagement, assets that comprise your overall portfolio, number of accounts comprising the portfolio, whether you or our firm will implement the transactions for your account(s), time involved in the engagement, among others. A deposit of \$750 or one-half of the quoted fee, whichever is greater, will be due upon execution of the engagement agreement, and the remaining portion is due upon plan delivery. We may require an equal monthly installment payment of the remaining fixed fee if the engagement extends beyond a calendar quarter.

Clients interested in a limited planning component engagement are assessed an hourly fee. Our rate is \$250 per hour; billed in 15-minute increments, and a partial increment (e.g., six minutes) will be treated as a whole increment. Prior to entering into an agreement with our firm you will receive an estimate of the overall cost based on your requirements and the time involved. A deposit equaling one-half of the quoted fee will be due upon execution of the engagement agreement, and the remaining portion is due upon presentation of your plan/advice. An hourly engagement lasting more than one month may be billed at the end of each month for time incurred.

Following our presentation of your financial plan, we are available to assist you over the course of the year to ensure various planning action items are accomplished. The fee ranges from \$500 to \$5,000 per calendar quarter and takes into consideration factors such as the complexity of your financial profile and requirements, the time involved assisting you in the plan's execution, assets that comprise your overall portfolio, as well as the number of individual accounts comprising your portfolio and where those accounts are maintained. Our retainer fee is to be paid within the first 10 calendar days of each new quarter. Retainer fees for partial quarters will be prorated. The agreed upon services will be rendered throughout each quarter; retainer fees are not extended or carried over into a subsequent period.

Portfolio Management Services

For those portfolios that we manage at our custodian of record, at the end of each calendar quarter you will pay our firm an asset-based fee based on an annualized rate as indicated in the following fee table. The fee is determined by the average daily value of account assets and calculated market value of the portfolio during the quarter and multiplying that quotient by the applicable number of basis points set forth in the fee table (one basis point equals 1/100 of one percent). The result is then divided by 4 to determine the quarterly fee.

Our fee is based on a straight tier; all accounts are charged a single percentage rate that declines at as asset levels increase. For the benefit of discounting your asset-based fee, we will attempt to aggregate accounts for the same individual or two or more accounts within the same family, or accounts where a family member has power of attorney over another family member's account. If a sub-advisor is engaged to execute its investment strategy within your account maintained at our custodian of record, the sub-advisor's fee is incorporated into the fee as noted in the table.

Assets Under Management	Annual Fee
\$0-\$249,999	1.15% (115 basis points)
\$250,000-\$999,999	1.00% (100 basis points)
\$1,000,000 - \$1,999,999	0.95% (95 basis points)
\$2,000,000-\$2,999,999	0.90% (90 basis points)
\$3,000,000-\$3,999,999	0.85% (85 basis points)
\$4,000,000 - Above	0.75% (75 basis points)

Accounts will be assessed in accordance with asset values disclosed on the statement the client will receive from the custodian of record for the purpose of verifying the computation of the advisory fee. In the rare absence of a reportable market value, our firm may seek a third-party opinion from a recognized industry source (e.g., unaffiliated public accounting firm), and the client may choose to separately seek such an opinion at their own expense as to the valuation of "hard-to-price" securities if necessary.

Your first billing cycle will begin once your agreement is executed with our firm and assets have settled into your account held by the custodian of record. Advisory fees for partial quarters will be prorated based on the remaining days in the reporting period in which our firm services the account. Fee payments will generally be assessed in arrears within the first 20 days of each quarterly billing cycle.

We will concurrently send you and the custodian of record a written notice ("invoice") each billing period that describes the advisory fees to be deducted from your account at our direction. This notice will be delivered prior to the deduction of fees. Your notice will include the total fee assessed, covered time period, calculation formula utilized, and reference to the assets under management in which the fee had been based.⁴ We encourage you to verify the accuracy of fee calculations; the custodian may not verify the accuracy of advisory fee assessments for you or on a consistent basis.

By signing our firm's engagement agreement, as well as the selected custodian account opening documents, you will be authorizing the withdrawal of our advisory fees from your account. The withdrawal will be accomplished by the custodian of record at the request of our firm, and the custodian will remit our fee directly to our firm. AH fees deducted will be clearly noted on account statements that you will receive directly from the custodian of record on at least a quarterly basis. Alternatively, you may request to directly pay our advisory firm its portfolio management fee in lieu of having the advisory fee withdrawn from your investment account. Our valuation assessment will remain the same as described above, and the client's direct payment must be received by our firm within 20 days of our invoice.

Third-Party Investment Managers

Each third-party investment manager program has a stated fee range that will be described to you through the use of that investment manager's disclosure documents and prior to your selection of the manager. The annualized asset-based fee ranges from 0.50% to 1.50% (50 to 150 basis points) and our firm will receive a portion of that fee that ranges from 0.25% to 1.00% (25 to 100 basis points) for our continued consultation service, which we will describe to you in your engagement agreement with our firm.

Investment management services fees, including debits and credits, will be noted on account statements that you will receive directly from your custodian of record on a quarterly or more frequent basis. We are not directly involved in the billing process of third-party investment accounts. We recommend that you verify the accuracy of fee calculations; the custodian may not verify the accuracy of third-party manager fees for you.

Your written authorization is required in order for the custodian of record to deduct advisory fees from your investment account. By signing the custodian account documents, you will be authorizing the withdrawal of fees from your account. The withdrawal of these fees from your account will be accomplished by the custodian of record. Most third-party managers do not allow for direct payment (e.g., payment by check, etc.). Our portion of the advisory fee will be remitted directly to our firm via the third-party investment manager.

Educational Workshops Fees

While certain seminars may be complimentary, workshop attendees may be assessed a per-session fee ranging from \$25 to \$500. Frequently these sessions will be paid for by the event sponsor, such as an employer or an association. The workshop fee will be announced in advance and will be determined by the length of the event, the number and expertise of the presenters involved, and whether or not educational materials are being provided. Payment will be due in advance of the first session.

Additional Client Fees

Any transactional or service fees (sometimes termed *brokerage fees*), individual retirement account fees, qualified retirement plan fees, account termination fees, or wire transfer fees will be borne by the account holder and per the separate fee schedule of the custodian of record. We will ensure you receive a copy of our custodian's fee schedule at the beginning of the engagement, and you will be notified of any future changes to these fees by the custodian of record and/or third-party administrator for certain tax-qualified plans. Fees paid by our clients to our firm for our advisory services are separate from any of these fees or other similar charges. In addition, advisory fees paid to our firm for its services are separate from any internal fees a client may pay involving mutual funds, exchange-traded funds (ETFs) or other similar investments.

Per annum interest at the current statutory rate based on the state in which the client resides may be assessed on fee balances due more than 30 days, and we may refer past due accounts to collections or legal counsel for processing. We reserve the right to suspend some or all services once an account is deemed past due.

Additional information about our fees in relationship to our brokerage and operational practices are noted in Items 10,12 and 14 of this document.

External Compensation for the Sale of Securities to Clients

Our firm does not charge or receive a commission or a mark-up on securities transactions, nor will the firm or an associate be paid a commission on the purchase of a securities holding that is recommended to a client. We do not receive "trailer" or SEC Rule 12b-1 fees from an investment company that may be recommended to a client. Fees charged by such issuers are detailed in prospectuses or product descriptions and interested investors are always encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges. You retain the option to purchase recommended or similar investments through your own selected service provider.

Termination of Services

Either party may terminate the agreement at any time by communicating the intent to terminate in writing. If you verbally notify our firm of the termination and, if in two business days following this notification we have not received your notice in writing, we will make a written notice of the termination in our records and send you our own termination notice as a substitute. Our firm will not be responsible for investment allocation, advice or transactional services (except for limited closing transactions) upon receipt of a termination notice. It will also be necessary that we inform the custodian of record and/or third-party investment manager that the relationship between parties has been terminated.

If a client did not receive our Form ADV Part 2 firm brochure at least 48 hours prior to entering into the firm's agreement, then that client will have the right to terminate the engagement without fee or penalty within five business days after entering into the agreement.

If a client terminates a project-based or hourly financial planning service after this five-day time period, the client will be assessed fees at the firm's current hourly rate for any time incurred in the preparation of the client's analysis or plan.

Retainer, portfolio management and third-party investment management services clients who terminate their agreement after the five-day period will be assessed fees on a prorated basis for services incurred from either (i) as a new client, the date of the engagement to the date of the firm's receipt of the written notice of termination, or (ii) all other accounts, the last billing period to the date of the firm's physical or constructive receipt of written termination notice.

If an educational workshop attendee or sponsor cancels within 24 hours of the first session, fees are normally not subject to a refund due to operational costs borne by our firm, but we typically credit the fee toward a future educational session presented by our firm.

The firm will return any prepaid, unearned fees within 30 days of the firm's receipt of termination notice. Earned fees in excess of any prepaid deposit will be billed at the time of termination and will be due upon receipt of our invoice. Our return of payment to a client for all forms of financial planning services as well as educational workshops will be completed via check from our firm's US-based financial institution. We will coordinate remuneration of prepaid asset-based fees to an investment account via the account custodian. Return of prepaid fees will never involve a personal check, cash or money order from our firm or from an associate of our firm.

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

Our firm's advisory fees will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as performance-based fees. Our fees will also not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not.

Item 7 - Types of Clients

We provide advisory services to individuals and high net worth individuals of all investment experience, as well as small businesses. We do not require minimum income, minimum asset levels or other similar preconditions. We will inform our clients in advance about any minimum account requirements involving sub-advisors or third-party investment managers. The firm reserves the right to decline services to any prospective client for any nondiscriminatory reason.

Item 8 - Methods of Analysis. Investment Strategies and Risk of Loss

Methods of Analysis

We employ what we believe to be an appropriate blend of fundamental, technical, and cyclical analyses. For example, fundamental analysis may involve evaluating economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. Technical and cyclical analysis involves studying the historical patterns and trends of securities, markets, or economies as a whole to determine potential future behaviors and the estimation of price movement which may be used to assist in the prediction of future price movements based on price patterns and trends, as well as an evaluation of a transaction before entry into the market in terms of risk and profit potential.

Our research may be drawn from a range of sources that include:

- financial periodicals and reference materials
- economists and other industry professionals
- corporate rating services
- company press releases
- annual reports, prospectuses and other regulatory filings

Investment Strategies

We recognize that each client's needs and goals are different; subsequently, portfolio strategies and underlying investment vehicles may vary. The following are common strategies utilized within our client's portfolios, *in alphabetical order*:

Active Asset Management

A portfolio manager engaging in an active asset management strategy believes it is possible to create a profit from identifying or leveraging mispriced securities, or producing similar returns with less risk, or producing returns greater than a stated benchmark, such as a well-known index. For example, a "large cap stock" fund manager might attempt to outperform the Standard & Poor's 500 Index by purchasing underpriced stocks or derivative instruments representing these positions. Active management strategy might involve attempting to preserve capital during times of higher risk using cash, cash equivalents or shorter-term fixed instruments, and the percentage of account holdings invested in the market may vary substantially based on what is believed to be the prevailing risk in the market. If the portfolio manager feels risk in the stock market is lower, that manager may increase exposure to equities to attempt to take advantage of growth opportunities.

Core + Satellite

This strategy blends passive (or index) and active investing, where passive investments are used as the basis or "core" of a portfolio and actively managed investments are added as "satellite" positions. The portfolio core holdings are indexed to potentially more efficient asset classes, while outlying selections are generally limited to active holdings to outperform a particular category (sector), or a selection of particular positions to increase core diversification, or to improve portfolio performance. For example, the core of a portfolio may be built with low-cost index funds or ETFs; satellite holdings would include active investments (e.g., sub-advisor, equities, etc.) with unique strategies that are believed capable of adding value beyond a stated benchmark over a full market cycle.

Modern Portfolio Theory

Modern Portfolio Theory states that by employing securities whose price movements have historically low correlations, it is possible to create an efficient portfolio that can offer the highest expected return for a given level of risk, or one with the lowest level of risk for a given expected return. The practice of Modern Portfolio Theory does not employ market timing or stock selection methods of investing but rather a long term, buy-and-hold strategy with periodic rebalancing of the account to maintain desired risk levels.

We generally develop diversified portfolios principally using a range of mutual funds, ETFs and fixed income instruments. Existing positions within an account will be evaluated and may be recommended to remain when deemed appropriate.

Risk of Loss

Our firm believes its strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, there is no guarantee that an investment objective will be achieved. Investing in securities involves risk of loss that clients should be prepared to bear. We have offered examples of such risk in the following paragraphs, and we believe it is important that our clients review and consider each of them risk prior to investing.

Active Portfolio Management

A portfolio that employs active management strategies (e.g., tactical trading) may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or "turnover." This may result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, thereby potentially reducing, or negating certain benefits of active asset management.

Company Risk

When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as *unsystematic risk* and can be reduced or mitigated through diversification.

Core + Satellite Strategies

Strategies involving Core + Satellite investing may have the potential to be affected by "active risk" (or "tracking error risk"), which might be defined as a deviation from a stated benchmark. Since the core portfolio attempts to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a satellite portfolio or position, or from a "sample" or "optimized" index fund or ETF that may not as closely align the stated benchmark.

Cyclical Analysis

An economic cycle may not be as predictable as preferred; many fluctuations may occur between long term expansions and contractions. The length of an economic cycle may be difficult to predict with accuracy and therefore the risk of cyclical analyses is the difficulty in predicting economic trends. Consequently, the changing value of securities is affected.

ETF and Mutual Fund Risks

The risk of owning ETFs and mutual funds reflect their underlying securities (e.g., stocks, bonds, derivatives, etc.). These forms of securities typically carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. Certain ETFs and indexed funds have the potential to be affected by "active risk," a deviation from its stated index (e.g., S&P 500).

While many ETFs and index mutual funds are known for their potential tax-efficiency and higher "qualified dividend income" (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be a holding within an ETF or mutual fund), may be considered "non-qualified" under certain tax code provisions. A holding's QDI will be considered when tax-efficiency is an important aspect of the client's portfolio.

Leveraged and/or inverse ETFs attempt to achieve multiples of the performance of an index or benchmark through the opposite (inverse) of the performance of the tracked index or benchmark. This strategy attempts to profit from, or hedge exposures to, downward drifting markets. There is risk involving this strategy and part of the concern is based on the fact that leveraged and inverse exchange traded funds "reset" daily, which means they are designed to achieve their stated objectives on a *daily basis*. It is due to the compounding effect of daily adjustments that ETF performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of an underlying index or benchmark during the same period. This effect is potentially magnified during volatile markets. If effects contrary to the ETF strategy occur, losses may be significant; therefore, leveraged and/or inverse ETFs will be considered for portfolios either properly hedged or for clients able to sustain potentially higher risks. Leveraged and inverse ETFs will not be used in portfolios where a "buy-and-hold" philosophy is

important.

Failure to Implement

As a financial planning client, you are free to accept or reject any or all of the recommendations made to you. While no advisory firm can guarantee future performance, no plan can succeed if it is not implemented. Clients who choose not to take the steps recommended in their financial plan may face an increased risk that their stated goals and objectives will not be achieved.

Financial Risk

Excessive borrowing to finance a business operation increases profitability risk because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Fixed Income Risks

Various forms of fixed income instruments, such as bonds, money market or bond funds may be affected by various forms of risk, including:

- Credit Risk - The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as "default risk." Credit risk may also occur when an issuer's ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.
- Interest Rate Risk - The risk that the value of the fixed income holding will decrease because of an increase in interest rates.
- Liquidity Risk - The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.
- Reinvestment Risk - With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

Fundamental Analysis

The challenge involving fundamental analyses is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value. If a security's price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

Inflation

When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

Market Risk

This is also called systematic risk. In cases where markets are under extreme duress, many securities lose their ability to provide diversification benefits. This is called systemic risk.

Passive Portfolio Management

A portfolio that employs a passive, efficient markets approach has the risk of generating lower-than-expected returns due to its broad diversification when compared to a portfolio more narrowly focused.

Political Risk

The risk of financial and market loss because of political decisions or disruptions in a particular country or region and may also be known as "geopolitical risk."

Research Data

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While our firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

Sub-Advisors/Third-Party Investment Managers

We will review with you the Form ADV Part 2A of any recommended sub-advisor or third-party investment manager to ensure you are familiar with their investment strategy and types of investment vehicles they employ so that they align with your objectives, as well as discuss with you the risks these may impose on the account.

Item 9 - Disciplinary Information

Neither the firm nor its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our offering advisory business or its integrity.

Item 10 - Other Financial Industry Activities and Affiliations

Firm policies require associated persons to conduct business activities in a manner that avoids conflicts of interest between the firm and its clients, or that may be contrary to law. We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest involving its business relationships that might reasonably compromise its impartiality or independence.

Our firm and its management are registered with the California Department of Business Oversight as a State registered investment advisor. The firm is not registered nor has an application pending to register as a broker-dealer with Financial Industry Regulatory Authority (FINRA) or as a CPO, CTA, FCM, etc. with the National Futures Association (NFA) member firm or associated person of such a firm, nor are we required to be registered with such entities. Neither our firm nor its management is or has a material relationship with any of the following types of entities:

- accountant or accounting firm
- bank, credit union or thrift institution, or their separately identifiable department or division
- another financial planning firm
- insurance company or insurance agency
- lawyer or law firm
- pension consultant
- real estate broker, dealer or advisor
- sponsor or syndicator of limited partnerships
- trust company
- issuer of a security, to include investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)

As referenced in Item 4 of this brochure, we provide recommendation to pre-screened, sub-advisors or third-party investment managers (who are also required to be registered as investment advisors) to service part of or the entire client portfolio, and in which both firms inevitably are paid a portion of the advisory fee as described in Item 5. Since our firm's compensation may differ among the various sub-advisors/third-party investment managers, our firm has an incentive to recommend one of their firms over another with whom we may have less favorable compensation arrangements. In light of this potential conflict of interest, our firm will review its recommendations across all similar offerings to ensure an appropriate "mix of business" has occurred, and in light of the client's needs, goals and objectives, and with respect to preferred sub-advisors. Our clients are welcome to review all of our investment program offerings and their stated fee ranges, and they should review their fee schedule referenced in their

agreement with our firm before the engagement. In addition, there is the potential for clients' fees assessed via a sub-advisor engagement to be higher than had a client obtained those services directly from that portfolio manager. Each client has the right to purchase recommended or similar investments through their own selected service provider, but it should be noted that certain sub-advisors or third-party investment managers may not be available to self-directed investors or under the same fee schedule.

Item 11 - Code of Ethics. Participation or Interest in Client Transactions and Personal Trading

Saranap Wealth Advisors holds itself to a *fiduciary standard*, which means the firm and its associates will act in the utmost good faith, performing in a manner believed to be in the best interest of its clients. Our firm believes that business methodologies, ethics rules, and adopted policies are designed to eliminate or at least minimize material conflicts of interest and to appropriately manage any material conflicts of interest that may remain. You should be aware that no set of rules can anticipate or relieve all material conflicts of interest. Our firm will disclose to its advisory clients any material conflict of interest relating to the firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

Code of Ethics Description

We have adopted a Code of Ethics that establishes policies for ethical conduct for our personnel. Our firm accepts the obligation not only to comply with applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Firm policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others. Our firm periodically reviews and amends its Code of Ethics to ensure that it remains current and requires firm personnel to annually attest to their understanding of and adherence to the firm's Code of Ethics. A copy of the firm's Code of Ethics is made available to any client or prospective client upon request.

CFP® Principles

CERTIFIED FINANCIAL PLANNER™ Professionals, such as Mr. Knolle, adhere to the Certified Financial Planner Board of Standards, Inc. principles, which state:

Principle 1 - Integrity

An advisor will provide professional services with integrity. Integrity demands honesty and candor which must not be subordinated to personal gain or advantage. Advisors are placed by clients in positions of trust, and the ultimate source of that trust is the advisor's personal integrity. Allowance can be made for innocent error and legitimate differences of opinion; but integrity cannot co-exist with deceit or subordination of one's principles.

Principle 2 - Objectivity

An advisor will provide professional services objectively. Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which an advisor functions, an advisor should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.

Principle 3 - Competence

Advisors will maintain the necessary knowledge and skill to provide professional services competently. Competence means attaining and maintaining an adequate level of knowledge and skill and applies that knowledge effectively in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Advisors make a continuing commitment to learning and professional improvement.

Principle 4 - Fairness

Advisors will be fair and reasonable in all professional relationships. Fairness requires impartiality, intellectual honesty and disclosure of material conflict(s) of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that you would want to be treated and is an essential trait of any professional.

Principle 5 - Confidentiality

Advisors will protect the confidentiality of all client information. Confidentiality means ensuring that information is accessible only to those authorized to have access. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.

Principle 6 - Professionalism

Advisors will act in a manner that demonstrates exemplary professional conduct. Professionalism requires behaving with dignity and courtesy to all who use their services, fellow professionals, and those in related professions. Advisors cooperate with fellow advisors to enhance and maintain the profession's public image and improve the quality of services.

Principle 7-Diligence

Advisors will provide professional services diligently. Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.

Privacy Policy Statement

We respect the privacy of all clients and prospective clients (collectively termed "customers" per federal guidelines), both past and present. It is recognized that clients have entrusted our firm with non-public personal information, and it is important that both access persons and customers are aware of firm policy concerning what may be done with that information.

The firm collects personal information about customers from the following sources:

- Information provided to us complete their plan or investment recommendation;
- Information provided via engagement agreements and other documents completed in connection with the opening and maintenance of an account;
- Information customers provide verbally; and
- Information received from service providers, such as custodians, about client transactions.

The firm does not disclose non-public personal information about our customers to anyone, except in the following circumstances:

- When required to provide services our customers have requested;
- When our customers have specifically authorized us to do so;
- When required during the course of a firm assessment (i.e., independent audit); or
- When permitted or required by law (i.e., periodic regulatory examination).

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of customer information. Within the firm, access to customer information is restricted to personnel that need to know that information. All access persons and service providers understand that everything handled in firm offices is confidential and they are instructed not to discuss customer information with someone else that may request information about an account unless they are specifically authorized in writing by the customer to do so. This includes providing information about a family member's account.

The firm will provide customers with its privacy policy on an annual basis and at any time, in advance, if firm privacy policies are expected to change.

Investment Recommendations and Conflicts of Interest

Neither the firm nor any associate is authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a "related person" (e.g., associate, an immediate family member, etc.) has a material financial interest, such as in the capacity as a board member, underwriter, or advisor to an issuer of securities, etc.

An associate is prohibited from borrowing from or lending to a client unless the client is an approved lending institution.

Our firm provides a broad range of advisory services to its clients, including financial planning and portfolio management. A fee may be earned by the firm and/or an associate for some or all of these services. Whether an associate is serving a client in one or more capacities, they will disclose in advance how they are being compensated and if there is a conflict of interest involving any service being provided. A conflict of interest exists within these various client relationships, and we hereby note that you are under no obligation to act on a recommendation from an associate. If you elect to do so, you are under no obligation to complete all of them through our firm or a service provider whom we may recommend to you.

Our firm does not trade for its own account (e.g., proprietary trading). The firm's related persons may buy or sell securities that are the same as, like, or different from, those recommended to clients for their accounts, and this poses a conflict of interest. We mitigate this conflict by ensuring that we have policies and procedures in place to ensure that the firm or a related person will not receive preferential treatment over a client. To reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of client recommendation, etc.), firm policy may require that we periodically restrict or prohibit related parties' transactions. Any exceptions must be approved in writing by our Chief Compliance Officer, and personal trading accounts are reviewed on a quarterly or more frequent basis. Please refer to Item 6 of the accompanying Form ADV Part 2B for further details.

Item 12 - Brokerage Practices

Factors Used to Select Broker/Dealers for Client Transactions

Your account must be maintained by a qualified custodian (broker/dealer, bank or trust company) that is frequently reviewed for its capabilities to serve in that capacity by their respective industry regulatory authority. Our firm is not a custodian, nor is there an affiliate that is a custodian.

When we are engaged to provide an investment consultation via a financial planning service component, we may recommend that you retain the service provider with whom your assets are currently maintained. Should you prefer a new service provider, a recommendation made by our firm would be based on your needs, in addition to overall costs and ease of use of that provider.

Accounts served by a third-party investment manager are to be maintained at one or more custodians that have been selected by the respective third-party investment manager and they will be disclosed in the third-party investment manager's disclosure documents and account opening forms.

We prefer that our portfolio management services clients to use either TD Ameritrade Institutional, a division of TD Ameritrade, Inc. or Schwab Adviser Services™ (collectively known as "Qualified Custodians"), both Members FINRA/SIPC. Our firm is independently owned and operated; we are not legally affiliated with the Qualified Custodians. While we recommend these Qualified Custodians, you will decide whether to do so and will open your account in your name with them by entering into an agreement directly with them. We do not technically open the account for you, although we will assist you in doing so. If you do not wish to place your assets with the Qualified Custodians, we may be able to serve as your investment advisor with another custodian of your choice if the other custodian's policies allow us to do so.

These Qualified Custodians offer independent investment advisors' various services which include custody of client assets, trade execution, clearance and settlement, etc. Our firm may receive certain benefits from these Qualified Custodians through participation in its independent advisor support program (**please refer to Item 14 for further details**), however, there is no direct link between our firm's participation in their program and the investment advice we may provide to our clients. Our firm periodically assesses any recommended service provider (including Qualified Custodians) which generally involves a review of the range and quality of services, reasonableness of fees, among other items, and in comparison, to industry peers.

Client Referrals from Custodians

We do not receive referrals from our preferred custodian, nor are client referrals a factor in our selection of a custodian.

Best Execution

"Best execution" means the most favorable terms for a transaction based on all relevant factors, including

those listed in the earlier paragraph titled *Factors Used to Select Broker/Dealers for Client Transactions* and in Item 14. We recognize our obligation in seeking best execution for our clients; however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected custodian's transactions represent the best "qualitative execution" while taking into consideration the full range of services provided. Our firm will seek services involving competitive rates, but it may not necessarily correlate into the lowest possible rate for each transaction. We have determined having our portfolio management clients' accounts trades completed through our recommended custodian is consistent with our obligation to seek best execution of client trades. A review is regularly conducted with regard to recommending a custodian to our clients in light of our duty to seek best execution.

Directed Brokerage

Our internal policy and operational relationship with our custodian require client accounts custodied with them to have trades executed per their order routing requirements. We do not direct which executing broker should be selected for client account trades, whether that is an affiliate of our preferred custodian or another executing broker of our custodian's choice. As a result, you may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices on transactions than might otherwise be the case. In addition, since we routinely recommend a custodian for our advisory clients, and that custodian may choose to use the execution services of its broker affiliate for some or all of our client account transactions, there is an inherent conflict of interest involving our recommendation since our advisory firm receives various products or services described in this section from that custodian. Note that we are not compensated for trade routing/order flow, nor are we paid commissions on such trades. We do not receive interest on our client accounts' cash balances.

Client accounts maintained at our custodian are unable to direct brokerage. As a result, they may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case if they had the opportunity to direct brokerage.

For accounts maintained at a custodian of the client's choice (e.g., held-away accounts), the client may choose to request that a particular broker is used to execute some or all account transactions. Under these circumstances, the client will be responsible for negotiating, in advance of each trade, the terms and/or arrangements involving their account with that broker, and whether the selected broker is affiliated with their custodian of record or not. We will not be obligated to seek better execution services or prices from these other brokers, and we will be unable to aggregate transactions for execution via our custodian with other orders for accounts managed by our firm. As a result, the client may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case.

Aggregating Securities Transactions

Trade aggregation involves the purchase or sale of the same security for several clients/accounts at approximately the same time. This may also be termed "blocked," "bunched" or "batched" orders. Aggregated orders are affected to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among multiple client accounts should there be differences in prices, brokerage commissions or other transactional costs that might otherwise be unobtainable through separately placed orders. Our firm may, but is not obligated to, aggregate orders and we do not receive additional compensation or remuneration as a result of aggregated transactions.

Transaction charges and/or prices may vary due to account size and/or method of receipt. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which a related person may invest, the firm will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.*, or similar guidance if the jurisdiction in which the client resides provides such direction.

Please note that when trade aggregation is not allowed or infeasible and necessitates individual transactions (e.g., withdrawal or liquidation requests, odd-lot trades, non-discretionary accounts, etc.), an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

We review firm trading processes on a periodic basis to ensure they remain within stated policies and

regulation. You will be informed, in advance, should trading practices change at any point in the future.

Trade Errors

Our firm corrects our trade errors through an account maintained by TD Ameritrade Institutional, and we may be responsible for certain trading error losses that occur within a client account. Clients should be aware that trading error gains in accounts maintained at TD Ameritrade Institutional are swept to a designated account and donated to a 501(c)(3) charity of TD Ameritrade Institutional's choice, and TD Ameritrade Institutional will be obligated to disclose in their own literature to account holders whether such recipients' receipt of such donations presents a material conflict of interest.

Item 13 - Review of Accounts

Scheduled Reviews

Financial Planning Services

Periodic reviews are encouraged for any form of our planning services, and we believe they should occur on at least on an annual basis. Reviews will be conducted by Mr. Knolle and typically involve analysis and possible revision of your previous plan or investment allocation. A copy of revised plans or asset allocation reports will be provided upon client request.

Unless stated for in your engagement agreement (e.g., retainer engagement), reviews are generally conducted under a new or amended agreement and will be assessed at our current fee rate.

Third-Party Investment Management Services

For accounts served by a recommended third-party investment manager, Mr. Knolle will periodically review reports provided to you by your third-party investment manager. The firm will contact you at least annually to review your financial situation and objectives. We will communicate information to your third-party investment manager as warranted and assist you in understanding and evaluating the services provided by the third-party manager. In certain instances, you may be able to communicate directly with your selected third-party investment manager, but we ask that you coordinate the session through our firm.

Internal Portfolio Management Services

Portfolios are reviewed on a quarterly or more frequent basis by Mr. Knolle. Client-level reviews are also completed by Mr. Knolle, and we recommend that they occur on at least an annual basis. A copy of a revised investment guideline or asset allocation reports will be provided to the client upon request.

Interim Reviews

Financial Planning Services

You should contact our firm for additional reviews when you anticipate or have experienced changes in your financial situation (i.e., changes in employment, an inheritance, the birth of a new child, etc.), or if you require changes involving your investment account. Non-periodic reviews are conducted by Mr. Knolle, and a copy of revised plans or asset allocation reports will be provided to the client upon request.

All Portfolio Management Services

Additional reviews by your portfolio manager and Mr. Knolle may be triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector. A portfolio may be reviewed for an additional holding or when an increase in a current position is under consideration. Account cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

Content of Client Provided Reports and Frequency

Whether you have opened and maintained an investment account on your own or with our assistance, you will receive account statements sent directly from your custodian where your investments are held. We urge you to carefully review these account statements for accuracy and clarity, and to ask questions when something is not clear.

Our firm may produce its own performance reports which are calculated using time-weighted and internal rate of return methodologies. These will be reviewed for accuracy by Mr. Knolle prior to delivery. The

reports are intended to inform clients about investment performance over the current period, as well as over the longer term since the account's inception; both on an absolute basis and as compared to a known benchmark. These reports are periodically back-tested by Mr. Knolle. Third-party investment management clients may receive portfolio performance reports directly from their third-party manager; we do not back-test nor certify reports from an external party.

All clients are urged to carefully review and compare account statements that they have received from their account custodian with any report they may receive from any source, including our advisory firm, if that report contains any type of performance information.

Item 14 - Client Referrals and Other Compensation

As disclosed in Item 12, Saranap Wealth Advisors receives economic benefit from Qualified Custodians in the form of various products and services they make available to the firm and other independent investment advisors that may not be made available to a "retail investor." There is no direct link between our firm's participation in their program and the investment advice we may provide to our clients. These benefits may include the following products and services (provided either without cost or at a discount):

- receipt of duplicate client statements and confirmations
- research related products and tools
- access to trading desks serving our clients
- access to block trading services
- the ability to have advisory fees deducted directly from a client's accounts (per written agreement)
- resource information related to capital markets and various investments
- access to an electronic communications network for client order entry and account information
- access to mutual funds with no transaction fees and/or select investment managers
- discounts on marketing, research, technology, and practice management products or services provided to our firm by third-party providers

TD AMERITRADE SPECIFIC DISCLOSURES

Some of the noted products and services made available by TD Ameritrade Institutional may benefit our advisory firm but may not directly benefit a client account, and certain research and other previously referenced services may qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934. The availability of these services from TD Ameritrade Institutional benefits our firm because it does not have to produce or purchase them as long as firm clients maintain assets in accounts at TD Ameritrade Institutional. There is a conflict of interest since our firm has an incentive to select or recommend a custodian based on our firm's interest in receiving these benefits rather than your interest in receiving favorable trade execution. It is important to mention that the benefit received by our firm through participation in any custodian's program does not depend on the amount of brokerage transactions directed to that custodian, and our selection of a custodian is primarily supported by the scope, quality, and cost of services provided as a whole - not just those services that benefit only our advisory firm. Further, we will act in the best interest of our clients regardless of the custodian we may select.

Per Items 4 and 5 of this brochure, for our initial and continuing consultation we receive a portion of the asset-based fee that is paid by a client to a third-party investment manager. Please refer to Item 10 and 12 for additional information with respect to our offerings and the potential conflict of interest they may present.

We do not engage in solicitation activities involving unregistered persons. If we receive or offer an introduction to a client, we do not pay or earn a referral fee, nor are there established *quid pro quo* arrangements. Each client has the right to accept or deny such referral or subsequent services.

An associate of the firm may hold individual membership or serve on boards or committees of professional industry associations. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements.

A benefit these entities may provide to the investing public is the availability of online search tools that allow interested parties (prospective clients) to search for individual participants within a selected state or region. These passive websites may provide means for interested persons to contact a participant via

electronic mail, telephone number, or other contact information, in order to interview the participating member. The public may also choose to telephone association staff to inquire about an individual within their area and would receive the same or similar information. A portion of these participant's membership fees may be used so that their name will be listed in some or all of these entities' websites (or other listings). Prospective clients locating our advisory firm or an associate via these methods are not actively marketed by the noted associations. Clients who find our firm in this way do not pay more for their services than clients referred in any other fashion. The firm does not pay these entities for prospective client referrals, nor is there a fee- sharing arrangement reflective of a solicitor engagement.

SCHWAB ADVISER SERVICES SPECIFIC DISCLOSURES

This selection is designed to relate to Schwab, but since Saranap offers a multi-custodial platform, some of the descriptions below will reflect that fact.

Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (e.g., mutual funds or ETFs) do not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. For some accounts, Schwab charges you a percentage of the dollar amount of assets in the account in lieu of commissions. In addition to commissions and asset-based fees, Schwab would charge you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that, if applicable, a TPAM executes for our clients at a different broker- dealer, but where securities bought or the funds from securities sold are deposited (settled) into your Schwab account. These fees would be in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, to minimize your trading costs, we seek and encourage you and your IAR to execute trading costs through the Schwab (or other custodians that you may utilize as part of Saranap's service). Trading away can sacrifice best execution and incur additional costs from the other firm, as well as fees from our custodians to transfer in those positions.

Products and Services Available to Us from Schwab

Schwab Adviser ServicesTM serves independent investment advisory firms like Saranap. They provide our clients with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. Schwab also makes available various support services. Some of those services help us manage and grow our business. Schwab's support services are generally available on an unsolicited business (Saranap does not have to request them) and at no cost to us. The following material provides a more detailed description of Schwab support services.

Services that benefit you.

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

Service that do not directly benefit you.

Schwab also makes available to use other products and services that benefit us but do not directly benefit you and or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of 3rd parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained in Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)

- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from other clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

We do not open accounts for you, although we may assist you in doing so. To the extent that your account is maintained at Schwab (or any other Saranap's other custodians for that matter), and most trades may occur through Schwab or such other designated custodian, such custodians have the ability to use other brokers to execute trades for your account.

Your Brokerage and Custody Costs

For our client's accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, mutual funds and ETDs) do not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. For some accounts, Schwab charges you a percentage of the dollar amount of the assets in the account in lieu of commissions.

Services that generally benefit only us.

Schwab also offers other service intended to help us manage and further develop our business enterprise. Their services include:

- Educational conference and events;
- Consulting on technology and business needs;
- Consulting on legal and compliance-related needs;
- Publications and conferences on practice management and business succession;
- Access to employee benefits providers, human capital consultants and insurance providers; and
- Marketing consulting and support.

Saranap intends to use the benefit to covers some of the costs of its annual sales and due diligence conference for our investment advisory personnel and supervised persons. This is being included as a conflict of interest. It serves as an incentive to use Schwab over other custodians.

At the same time, Saranap included a disclosure that Saranap obtains financial benefit when Saranap or its personnel invite product providers, such as a mutual fund company, insurance company and private placement sponsor, to a meal, educational or entertainment events, and they pay the bills for such events.

Schwab provides some of these services itself. In other cases, it will arrange for 3rd party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or part of the 3rd party fees. Schwab may also provide us with other benefits, such as occasional business entertainment for our personnel.

Our interest in Schwab's services, as well as the service of other Custodians.

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's ancillary services. Schwab has also agreed to pay for certain technology, research, marketing, and compliance consulting products and services on our behalf. The fact that we receive these benefits from Schwab is an incentive for us to recommend/request the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate, whichever custodian we use, our selection of the custodians, whether Schwab or otherwise, as custodian and broker is driven by the Best Interest of our clients. Our selection is primarily supported by the scope, quality, and price of custodian's services and not service that benefit only us.

Item 15 - Custody

Your assets will be maintained by an unaffiliated, Qualified Custodian. Your assets are not held by our firm or any associate or our firm. In keeping with this policy involving our client funds or securities, our firm:

- Restricts the firm or an associate from serving as trustee or having general power of attorney over a client account;
- Prohibits any associate from having authority to directly withdraw securities or cash assets from a client account. We may be deemed to have custody of your assets since we may request the withdrawal of advisory fees from an account, we will only do so through the engagement of a qualified custodian maintaining your account assets, via your prior written approval, and following our delivery of our written notice (invoice);
- Does not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm;
- Will not collect advance fees of \$500 or more for services that are to be performed six months or more into the future; and
- Will not authorize an associate to have knowledge of a client's account access information (i.e., online 401(k), brokerage or bank accounts) if such access would allow physical control over account assets.

Your custodian of record will provide you with your investment account transaction confirmations and account statements, which will include all debits and credits as well as our firm's advisory fee for that period. Statements are provided on at least a quarterly basis or as transactions occur within their account. Our firm will not create an account statement for a client or serve as the sole recipient of an account statement.

As a reminder, if you receive a report from any source that contains investment performance information, you are urged to carefully review and compare your account statements that you have received directly from your custodian of record.

Item 16 - Investment Discretion

Portfolio Management Services

We generally provide our portfolio management services on a *discretionary* basis. Similar to a limited power of attorney, discretionary authority allows our firm to implement investment decisions, such as the purchase or sale of a security on behalf of your account, without requiring your prior authorization for each transaction in order to meet your stated investment objectives. This authority will be granted through your execution of both our engagement agreement and the selected custodian's account opening documents.

Note that your custodian will specifically limit our firm's authority within your account to the placement of trade orders and the request for the deduction of our advisory fees.

Our firm prefers to not manage client accounts on a *nondiscretionary basis* but we may accommodate such requests on a case-by-case basis. Such account authority requires your ongoing prior approval involving the investment and reinvestment of account assets, portfolio rebalancing, or for our firm to give instructions to the custodian maintaining your account (i.e., wire instructions, etc.). You will be required to execute our firm's client services agreement that describes our limited account authority, as well as the custodian of record's account opening document that includes their limited power of attorney form or clause. Please note that in light of the requirement for your pre-approval you must make yourself available and keep our firm updated on your contact information so that instructions can be efficiently affected on your behalf.

You may amend our account authority by providing our firm revised written instructions. As noted in Item 4, we will allow for reasonable restrictions involving the management of your account. It remains your responsibility to notify us if there is any change in your situation and/or investment objective so that we may reevaluate previous investment recommendations or portfolio holdings.

Sub-Advisors and Third-Party Investment Management Services

Sub-advisors and third-party investment managers generally provide their services on a discretionary basis as described above. If you require your account be managed on a nondiscretionary basis, you should be aware that most sub-advisors and third-party investment managers retain the right to either refuse or

terminate an account, or continue to manage the account under a higher asset-based fee due to increased operational costs. We will inform you in advance involving their investment authority.

Financial Planning Services

If you ask us to assist you in any trade execution (including account rebalancing) under an investment consultation component of our financial planning services, such as assisting you with your held-away assets, it will typically be accomplished on a nondiscretionary basis.

Item 17 - Voting Client Securities

Our clients may periodically receive proxies or other similar solicitations sent directly from the custodian of record or transfer agent. Should we receive a duplicate copy, note that we do not forward these or any correspondence relating to the voting of the client securities, class action litigation, or other corporate actions.

Our firm does not vote proxies on a client's behalf, including those accounts that we have discretionary authority over; nor do we offer specific guidance on how to vote proxies. We will not offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. However, we will answer limited questions with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or its legal representative.

If your account is supervised by a third-party investment manager, you should review the third-party investment manager's Form ADV Part 2 to determine their proxy voting policies. Otherwise, you will maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by you shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to your holdings. You should consider contacting the issuer or your legal counsel involving specific questions you may have with respect to a particular proxy solicitation or corporate action.

Item 18 - Financial Information

Our advisory firm will not take physical custody of your assets, nor do we have the type of account authority to have such control. Fee withdrawals must be done through a qualified intermediary (e.g., your custodian of record), per your prior written agreement, and following your receipt of our firm's written notice.

Engagements with our firm do not require that we collect fees from you of \$500 or more for our advisory services that we have agreed to perform six months or more into the future.

Neither our firm nor its management serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

The firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients, nor has the firm and its management been the subject of a bankruptcy petition.

Due to the nature of our firm's advisory services and operational practices, an audited balance sheet is not required nor included in this brochure.

Item 19 - Requirements for State-Registered Advisers

For further information involving firm principal executive and management personnel, their business activities as well as material conflicts of interest, please refer to areas previously disclosed in Items 6 and 9 through 11, as well as the accompanying Form ADV Part 2B brochure supplement that immediately follows this page. In consonance with Item 10 of this brochure, neither our firm nor a member of its management has a material relationship with the issuer of a security.



Registered Investment Advisor CRD # 284277

Saranap Wealth Advisors, LLC

1212 Broadway Plaza, Suite 2100

Walnut Creek, CA 94596

(925) 482-6590

www.saranapwealthadvisors.com

John Frederick Knolle, MBA, CFP®

Principal / Chief Compliance Officer / Investment Advisor Representative

[CRD Number: 6666500]

Form ADV Part 2B Brochure Supplement

March 2024

This brochure provides information about John Frederick Knolle that supplements the Saranap Wealth Advisors, LLC Form ADV Part 2A firm brochure. You should have received a copy of that brochure. Please contact Mr. Knolle at (925) 482-6590 if you did not receive the full brochure or if you have any questions about the contents of this supplement. Additional information about John Frederick Knolle is available on the Securities and Exchange Commission's (SEC) website at www.adviserinfo.sec.gov.

Item 2 - Educational Background and Business Experience

Regulatory guidance requires the firm to disclose relevant post-secondary education and professional training for each principal executive and associate of the firm, as well as their business experience for at least the most recent five years.

Principal Executive Officers and Management Persons

Principal/Chief Compliance Officer/Investment Advisor Representative/Managing Member

John Frederick Knolle

Year of Birth: 1969 / CRD Number: 6666500

Educational Background and Business Experience

Educational Background

CERTIFIED FINANCIAL PLANNER™ Professional, Certified Financial Planner Board of Standards, Inc.¹ Master of Business Administration, San Francisco State University; San Francisco, CA Bachelor of Science in Finance and Banking, San Francisco State University; San Francisco, CA

Business Experience

Saranap Wealth Advisors, LLC (08/2016-Present) Walnut Creek, CA
Principal/Managing Member/Chief Compliance Officer/Investment Advisor Representative

Mellon Capital Management Corporation (04/1998-08/2016) San Francisco, CA
Senior Portfolio Manager/Trader

MSCI Barra, Inc. (04/1996-04/1998)
Berkeley, CA Analyst

Item 3 - Disciplinary Information

Registered investment advisors are required to disclose certain material facts about its associated personnel regarding any legal or disciplinary events, including criminal or civil action in a domestic, foreign or military court, or any proceeding before a state, federal or foreign regulatory agency, self-regulatory organization, or suspension or sanction by a professional association for violation of its conduct rules, that would be material to your evaluation of each officer or a supervised person providing investment advice. Mr. Knolle has not been the subject of any such event.

Item 4 - Other Business Activities

Investment advisor representatives are required to disclose outside business activities that account for a significant portion of their time or income, or that may present a conflict of interest with their advisory activities.

Mr. Knolle is not registered, nor has an application pending to register, as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. He does not receive commissions, bonuses or other compensation based on the sale of securities, including that as a registered representative of a broker/dealer or the distribution or service ("trail") fees from the sale of mutual funds.

Mr. Knolle is a property owner/landlord for a rental property. This activity involves one percent of his time after traditional business hours. No advisory firm clients are investors in, solicited on behalf of, or served by Mr. Knolle involving this other business activity; therefore, our firm does not believe this activity presents a conflict of interest with its clients.

Item 5 - Additional Compensation

Neither our advisory firm nor Mr. Knolle is compensated for advisory services involving performance-based fees. In addition, firm policy does not allow associated persons to accept or receive additional economic

benefit, such as sales awards or other prizes, for providing advisory services to firm clients.

Item 6 - Supervision

Mr. Knolle serves as the firm's Chief Compliance Officer. Because supervising one's self poses a conflict of interest, the firm has adopted policies and procedures to mitigate this conflict and to ensure oversight obligations are met. Questions relative to the firm, its services or this Form ADV Part 2B brochure supplement may be made to the attention of Mr. Knolle at (925) 482-6590.

Additional information about the firm, other advisory firms, or an associated investment advisor representative is available on the internet at www.adviserinfo.sec.gov. A search of this site for firms may be accomplished by firm name or a unique firm identifier, known as an IARD or CRD number. The IARD number for Saranap Wealth Advisors, LLC is 284277. The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by calling the California Department of Business Oversight Securities Regulation Division at (866) 275-2677.

Item 7 - Requirements for State-Registered Advisers

There have been neither awards nor sanctions or other matter where Mr. Knolle or Saranap Wealth Advisors has been found liable in an arbitration, self-regulatory or administrative proceeding. Neither Mr. Knolle nor our advisory firm has been the subject of a bankruptcy petition.

Information about Professional Designations and Education

¹The **CERTIFIED FINANCIAL PLANNER™, CFP®** and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

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

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

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

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

- Continuing Education - Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field