



Paraiba Wealth Management LLC

3084 N. Front Street
Hercules, California 94547
(415) 465-0243

www.paraibawealth.com

Form ADV Part 2A: Firm Brochure

January 10, 2025

This disclosure brochure provides information about the qualifications and business practices of Paraiba Wealth Management LLC (also referred to as we, us and Paraiba Wealth Management throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact us at 415-742-8223 or contact@paraibawealth.com. The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Paraiba Wealth Management is also available on the Internet at www.adviserinfo.sec.gov. You can view our firm's information on this website by searching for Paraiba Wealth Management LLC or our firm's CRD number 322336.

*Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our first disclosure dated March 29, 2023 we have made the following material changes to this Form ADV Part 2A:

- We amended Item 5 - Fees and Compensation, to amend our standard fee schedule.

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Item 4 – Advisory Business

Paraiba Wealth Management is an investment adviser registered with the State of California and is a limited liability company (LLC) formed under the laws of the State of California.

- Alvin Yam is one of the Managing Members and serves as the firm's Chief Compliance Officer (CCO). He controls 50% of Paraiba Wealth Management. Full details of the education and business background of Alvin Yam are provided at *Item 19* of this Brochure.
- Allan Yam is the other Managing Member. He controls 50% of Paraiba Wealth Management. Full details of his education and business background are also provided at *Item 19* of this Brochure.
- Paraiba Wealth Management filed its initial application to become registered as an investment adviser in July, 2022.

Introduction

The investment advisory services of Paraiba Wealth Management are provided to you through an appropriately licensed individual who is an investment adviser representative of Paraiba Wealth Management (referred to as your investment adviser representative throughout this brochure).

For all investment advisory services provided by Paraiba Wealth Management, you should be aware that a conflict of interest exists between our interests and your interests. You are under no obligation to act on our recommendations and, if you do, are under no obligation to affect any transaction through us.

Per the requirements of CCR Section 260.238(k), we have fully disclosed all material conflicts of interest regarding Paraiba Wealth Management, our investment adviser representatives and our employees that could reasonably be expected to impair the rendering of unbiased and objective advice.

Description of Advisory Services

The following are descriptions of the primary advisory services of Paraiba Wealth Management. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and Paraiba Wealth Management before we can provide you the services described below.

Asset Management Services – Paraiba Wealth Management offers asset management services, which involves Paraiba Wealth Management providing you with continuous and ongoing supervision over your specified accounts.

You must appoint our firm as your investment adviser of record on specified accounts (collectively, the "Account"). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

We will need to obtain certain information from you to determine your financial situation and investment objectives. We make investment decisions for you based on information you provide to us. Therefore, our investment selections may not be suitable if you do not provide us with accurate and complete information. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account.

You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities. You can also request other restrictions on the Account, such as when you need to keep a minimum level of cash in the Account or you do not want us to buy or sell certain specific securities or security types in your Account. We reserve the right to not accept and/or terminate management of your Account if we feel that your imposed restrictions would limit or prevent us from meeting or maintaining your investment strategy.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you, or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

Non-Managed Assets. We will only be responsible for the supervision and management of securities we recommend. We will not be responsible for the supervision or management of non-managed assets. Non-managed assets can include securities held in your account that is under our management that were:

- Delivered into the account by you;
- Purchased by you;
- Purchased by Paraiba Wealth Management at your request as an accommodation; or
- Designated by you to be non-managed securities by written notification.

We do not assess our investment advisory management fee on non-managed assets.

Financial Planning Services - Paraiba Wealth Management offers financial planning services, which involve preparing a written financial plan covering specific or multiple topics. When providing financial planning services, the role of your investment adviser representative is to find ways to help you understand your overall financial situation and help you set financial objectives.

Financial planning services typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning.

If you retain our firm for financial planning services, we will gather information about the client's financial circumstances and objectives. We can also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we review and analyze the information provided to our firm and the data derived from our financial planning software, we

will deliver a plan, designed to help you achieve your stated financial goals and objectives. With respect to clients who have engaged our firm's Asset Management Services, we can provide consultative or modular financial planning on specific topics selected by the client.

Our broad-based financial plans typically address the following topics:

- Asset Allocation
- Budgeting
- Cash Flow Analysis & Budgeting
- College/Education Planning
- Investment Analysis
- Investment Planning
- Retirement Planning
- Risk Management
- Cross-Border Planning Issues

We also provide modular and single-project financial plans which only cover those specific areas of concern mutually agreed upon by you and us. A modular or single-project financial plan is limited or segmented and does not involve the creation of a full written financial plan. You should be aware that there are important issues that may not be taken into consideration when your investment adviser representative develops his or her analysis and recommendations under a modular written financial plan.

Our financial planning services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our financial planning recommendations. To the extent that you would like to implement any of our investment recommendations through Paraiba Wealth Management or retain Paraiba Wealth Management to actively monitor and manage your investments, you must execute a separate written agreement with Paraiba Wealth Management for our Asset Management Services.

Courtesy Account Services – Upon discretion and final approval by Paraiba Wealth Management, some clients will be allowed to establish a Courtesy Account (i.e., “non-managed” account) through Charles Schwab & Company, Inc. or a brokerage platform selected by the client to appoint Paraiba Wealth Management as the investment adviser to the account. While our firm will be listed as an investment adviser on a courtesy account; courtesy accounts do not receive ongoing supervision and monitoring services like the services provided through the Asset Management Services described above.

Our advice under this service is limited in that we only provide advice on existing/legacy holdings, available money market funds and other mutual funds that can be used instead of holding client funds in cash-only positions. If requested by the client, we can include courtesy account holdings in our performance and position reports. A client can direct Paraiba Wealth Management to execute a trade by either purchasing or selling individual securities as well. Through this service, the client will provide Paraiba Wealth Management trading authorization on the account, but Paraiba Wealth Management will make trade implementations strictly on an unsolicited, non-discretionary basis. This means clients are responsible for initiating all purchase and sale decisions of general securities; clients will be solely responsible for approving all purchase and sale instructions; and clients must instruct Paraiba Wealth Management to make changes within the account. Clients with courtesy accounts, and not Paraiba Wealth Management or any of our employees, will have the primary responsibility for the performance and monitoring of all securities that are purchased for, or held, in the courtesy account.

Retirement Plan Rollover Recommendations - When Paraiba Wealth Management provides investment advice about your retirement plan account or individual retirement account (“IRA”) including whether to maintain investments and/or proceeds in the retirement plan account, roll over such investment/proceeds

from the retirement plan account to a IRA or make a distribution from the retirement plan account, we acknowledge that Paraiba Wealth Management is a “**fiduciary**” within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”) as applicable, which are laws governing retirement accounts. The way Paraiba Wealth Management makes money creates conflicts with your interests, so Paraiba Wealth Management operates under a special rule that requires Paraiba Wealth Management to act in your best interest and not put our interest ahead of you.

Under this special rule’s provisions, Paraiba Wealth Management must act as a fiduciary to a retirement plan account or IRA under ERISA/IRC:

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

To the extent we recommend you roll over your account from a current retirement plan account to an individual retirement account managed by Paraiba Wealth Management, please know that Paraiba Wealth Management and our investment adviser representatives have a conflict of interest.

We can earn increased investment advisory fees by recommending that you roll over your account at the retirement plan to an IRA managed by Paraiba Wealth Management. We will earn fewer investment advisory fees if you do not roll over the funds in the retirement plan to an IRA managed by Paraiba Wealth Management.

Thus, our investment adviser representatives have an economic incentive to recommend a rollover of funds from a retirement plan to an IRA which is a conflict of interest because our recommendation that you open an IRA account to be managed by our firm can be based on our economic incentive and not based exclusively on whether or not moving the IRA to our management program is in your overall best interest.

We have taken steps to manage this conflict of interest. We have adopted an impartial conduct standard whereby our investment adviser representatives will (i) provide investment advice to a retirement plan

participant regarding a rollover of funds from the retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in Paraiba Wealth Management receiving unreasonable compensation related to the rollover of funds from the retirement plan to an IRA, and (iii) fully disclose compensation received by Paraiba Wealth Management and our supervised persons and any material conflicts of interest related to recommending the rollover of funds from the retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

When providing advice to a retirement plan account or IRA, our investment advisor representatives will act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk, tolerance, financial circumstances, and a client's needs, without regard to the financial or other interests of Paraiba Wealth Management or our affiliated personnel.

Limits Advice to Certain Types of Investments

Paraiba Wealth Management provides investment advice on the following types of investments:

- Mutual Funds
- Exchange Traded Funds (ETFs)
- Exchange-listed Securities
- Foreign Issues
- Corporate Debt Securities
- Municipal Securities
- US Government Securities
- Options Contracts on Securities
- Interests in Partnerships Investing in Real Estate
- Hedge Funds
- Equities (e.g., individual stock positions), Fixed income positions (e.g., bonds)

Although we generally provide advice only on the products previously listed, our firm will occasionally utilize additional types of investments, other than those listed above, if they are appropriate to address the individual needs, goals and objects of the client or in response to client inquiry. Paraiba Wealth Management may offer investment advice on any investment held by the client at the start of the advisory relationship and we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

Please refer to *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss* for more information.

Tailor Advisory Services to Individual Needs of Clients

Paraiba Wealth Management's advisory services, including our financial planning services, are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

When managing client accounts through our firm's Asset Management Services program, we will typically manage a client's account in accordance with one or more model portfolios that are customized for clients through allocations changes. When client accounts are managed using model portfolios, investment selections are based on the underlying model and we generally do not develop customized (or individualized) portfolio holdings for each client. However, the determination to use a particular model or models is always based on each client's individual investment goals, objectives and mandates.

Client Assets Managed by Paraiba Wealth Management

Paraiba Wealth Management has approximately \$15 million in assets under management to report as of the date of this Brochure.

Item 5 – Fees and Compensation

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements.

Paraiba Wealth Management believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fees may be higher than those charged by other investment advisers offering similar services/programs.

The exact fees and other terms will be outlined in the agreement between you and Paraiba Wealth Management.

Asset Management Services

Fees charged for our Asset Management Services are charged based on a percentage of assets under management, billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the previous billing quarter.

Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If Asset Management Services are commenced in the middle of the billing period, then the prorated fee for that billing period is based on the value of the Account when services commence and is due immediately and will be deducted from Account when services commence.

The following is our fee schedule. Each asset tier shall be assessed a fee percentage in accordance with the schedule shown below. The cumulative fee percentage for managed accounts shall be the blended rate based on the fee percentages applied to each asset tier:

<u>Assets Under Management</u>	<u>Annual Fees</u>
First \$500,000	1.10%
Next \$500,000	0.90%
Next \$2,000,000	0.80%
Next \$2,000,000	0.70%
Amounts above \$5,000,000	0.50%

Asset Management Services continue in effect until terminated. You may terminate the services by providing Paraiba Wealth Management with notice. Paraiba Wealth Management may terminate the services by providing you with written notice effective 30 days after you receive the written notice. Any prepaid, unearned fees will be promptly refunded by Paraiba Wealth Management to you. Fee refunds will be determined on a pro rata basis using the number of days services are actually provided during the final period.

Fees charged are negotiable based on the type of client, the complexity of the client's situation, the potential for additional account deposits, and the total amount of assets under management for the client. Fees for certain accounts may be under different fee schedules based on the type of specific investment strategy used for those accounts.

The investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account.

- You must authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to Paraiba Wealth Management.
- Our firm will send you a billing statement prior to the time that fee deduction instruction is sent to the qualified custodian(s) of your account.
- The billing statement will detail the formula used to calculate the fee, the assets under management and the time period covered.
- You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

Brokerage expenses and/or transaction fees charged by the qualified custodian are billed directly to you by the qualified custodian. Paraiba Wealth Management does not receive any portion of such commissions or fees from you or the qualified custodian. In addition, you will incur certain charges imposed by third parties other than Paraiba Wealth Management in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account. Management fees charged by Paraiba Wealth Management are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are

available in each investment company security's prospectus. We do not receive any portion of such fees and expenses.

Financial Planning Services

If you are an Asset Management Services program client, we do not charge additional fees for your financial planning as all financial planning services are included in the annual fee charged to manage your Account(s).

For all other clients, fees charged for our financial planning services are negotiable based upon the type of client, the services requested, the investment adviser representative providing advice, the complexity of the client's situation, other advisory services provided and the relationship of the client and the investment adviser representative.

The following are the fee arrangements available for financial planning services offered by Paraiba Wealth Management.

One-Time Financial Planning Services

Fixed fees for one-time financial planning services range between \$1,000 to \$4,000. The amount of the fixed fee for your engagement is specified in your financial planning agreement with Paraiba Wealth Management.

It is our policy to require 50% of the fixed fee to be paid in advance at the time you execute an agreement with Paraiba Wealth Management; however, Paraiba Wealth Management does not require payment of more than \$500 in fees and more than six months in advance. Upon completion and delivery of the financial plan, the fixed fee is considered earned by Paraiba Wealth Management and any unpaid amount is immediately due.

One-time financial planning services terminate thirty (30) days following the delivery of the written financial plan or either you or Paraiba Wealth Management providing the other party with written notice.

You may terminate the financial planning services within five (5) business days of entering into an agreement with Paraiba Wealth Management without penalty or fees due. If you terminate the financial planning services after five (5) business days of entering into an agreement, you will be responsible for immediate payment of any financial planning services performed by Paraiba Wealth Management prior to the receipt by Paraiba Wealth Management of your notice. In the event that there is a remaining balance of any fees paid in advance after the deduction of fees from the final invoice, those remaining proceeds will be refunded by Paraiba Wealth Management to you.

On-Going Financial Planning Services

Paraiba Wealth Management also provides On-Going Financial Planning under a fixed fee arrangement. The amount of the fixed fees charged by Paraiba Wealth Management for consulting services ranges from \$2,500 to \$30,000. The amount of the fixed fee for your engagement is specified in your consulting agreement with Paraiba Wealth Management.

The annual fee is divided and paid, in advance, on a monthly, quarterly or semi-annual basis. Paraiba Wealth Management does not require you to pay fees more than \$500 and more than six months in advance.

You may terminate On-Going Financial Planning upon providing Paraiba Wealth Management. Paraiba Wealth Management may terminate On-Going Financial Planning and Consulting Services upon providing you with written notice effective upon 30 days after you receive the written notice.

You may terminate the consulting services within five (5) business days of entering into an agreement with Paraiba Wealth Management without penalty or fees due. If you terminate the consulting services after five (5) business days of entering into an agreement with Paraiba Wealth Management, you will be responsible for immediate payment of any work performed by Paraiba Wealth Management prior to the receipt by Paraiba Wealth Management of your notice. You will pay Paraiba Wealth Management a pro-rated fixed fee equivalent to the percentage of work completed by Paraiba Wealth Management as determined by Paraiba Wealth Management. In the event that there is a remaining balance of any fees paid in advance after the deduction of fees from the final invoice, those remaining proceeds will be refunded by Paraiba Wealth Management to you.

Additional Terms and Conditions

You may pay fees owed for financial planning services by submitting payment directly (for example, by check) or having the fee deducted from an investment account.

If you elect to pay by automatic deduction from an existing investment account, you will need to provide written authorization to Paraiba Wealth Management for such charge. See *Item 15 – Custody* for more information.

You should notify Paraiba Wealth Management within ten (10) days of receipt of an invoice if you have questions about or dispute any billing entry.

All fees paid to Paraiba Wealth Management for financial planning services are separate and distinct from the commissions charged by a broker-dealer or asset management fees charged by an investment adviser to implement such recommendations.

Courtesy Account Services

Paraiba Wealth Management does not currently charge a fee to accounts included under our Courtesy Account Services. However, clients will be required to enter into a written agreement with Paraiba Wealth Management, and they will be provided a copy of this disclosure brochure prior to establishing a courtesy account.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. *Item 6* is not applicable to this Disclosure Brochure because we do not charge or accept performance-based fees.

Item 7 – Types of Clients

Paraiba Wealth Management generally provides investment advice to natural-person clients (both Non-High Net-Worth and High-Net Worth Individuals) including their persona and family trusts and estates.

You are required to execute a written agreement with Paraiba Wealth Management specifying the particular advisory services in order to establish a client arrangement with Paraiba Wealth Management.

Minimum Investment Amounts Required

There are no minimum investment amounts or conditions required for establishing an account managed by Paraiba Wealth Management. However, all clients are required to execute an agreement for services in order to establish a client arrangement with Paraiba Wealth Management.

The minimum fixed fee generally charged for financial planning and consulting services on a fixed fee basis is \$1,000.

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

Methods of Analysis

Paraiba Wealth Management uses the following methods of analysis in formulating investment advice:

Charting - This is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

Cyclical – This method analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors.

Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

Technical – This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

Investment Strategies

Paraiba Wealth Management may use the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

Frequent trading. This strategy refers to the practice of selling investments within 30 days of purchase.

Value Investing. This strategy can be described as a strategy of selecting stocks that trade for less than their intrinsic values. Value investors typically seek stocks of companies that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated. Often, value investors select stocks with lower-than-average price-to-book or price-to-earnings ratios and/or high dividend yields. The risks associated with value-investing include incorrectly analyzing and overestimating the intrinsic value of a business, concentration risk, under performance relative to major benchmarks, macro-economic risks, investing in value traps i.e., businesses that remain perpetually undervalued, and lost purchasing power on cash holdings in the case of inflation.

Option writing including covered options, uncovered options or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

Tactical asset allocation. Allows for a range of percentages in each asset class (such as Stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

Strategic asset allocation. Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a "buy and hold" strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client's goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

Tax Considerations. Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers may begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Primarily Recommend One Type of Security

We do not primarily recommend one type of security to clients. Instead, we recommend any investment that may be suitable for each client relative to that client's specific circumstances and needs.

Risk of Loss

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- **Market Risk** – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- **Equity (stock) market risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- **Small Capitalization Equity Securities** - Investing in smaller companies may pose additional risks as it is often more difficult to dispose of small company stocks, more difficult to obtain information about smaller companies, and the prices of their stocks may be more volatile than stocks of larger, more established companies. Clients should have a long-term perspective and, for example, be able to tolerate potentially sharp declines in value.
- **Company Risk** – When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. 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. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- **Fixed Income Risk**. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put, and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Inverse and Leveraged ETFs – An inverse/leveraged ETF is a type of exchange traded investment. Like traditional ETFs, it can be designed to track a stock index such as the S&P 500. Unlike a traditional ETF, an inverse/leveraged ETF can be designed to produce a certain type of return in relation to a specified traditional ETF. For example, an inverse/leveraged ETF might be designed to produce the opposite return (or twice the return) of a certain, specified traditional ETF. As a result, inverse/leveraged ETFs can be a useful tool for sophisticated, active investors, especially those seeking to hedge against downward trends in the market. However, because the trading strategy of an inverse/leveraged ETF is re-evaluated on a daily basis based on the performance of the underlying ETF, the performance of an inverse/leveraged ETF over time can diverge greatly from that of the underlying ETF. Consequently, inverse/leveraged ETFs should rarely be held by an investor for more than a single trading day. Leveraged ETFs seek to deliver multiples of the performance of the index or benchmark they track. Some leveraged ETFs are "inverse" or "short" funds, meaning that they seek to deliver the opposite of the performance of the index or benchmark they track. Some funds are both short and leveraged, meaning that they seek to achieve a return that is a multiple of the inverse performance of the underlying index. Most leveraged and inverse ETFs "reset" daily, meaning that they are designed to achieve their stated objectives on a daily basis. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period of time. This effect is magnified by the use of leverage. Therefore, inverse and leveraged ETFs that are reset daily typically are unsuitable for retail investors who plan to hold them for longer than one trading session, particularly in volatile markets. We can make use of leveraged inverse ETFs as a hedge for clients with significant exposure to a particular asset class, such as equities, and may hold these securities for longer than a few days at a time. We may choose a leveraged inverse ETF rather than an unleveraged inverse ETF because it allows us to allocate less capital to the hedge. There is uncertainty about the effectiveness of using a leveraged inverse ETF as a hedge over a long holding period.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Real Estate Investment Trusts (REIT) – Securities issued by real estate investment trusts (REITs) primarily invest in real estate or real estate-related loans. Equity REITs own real estate properties, while mortgage REITs hold construction, development and/or long-term mortgage loans. Changes in the value of the underlying property of the trusts, the creditworthiness of the issuer, property taxes, interest rates, tax laws, and regulatory requirements, such as those relating to the environment all can affect the values and liquidity of REITs. Both types of REITs are dependent upon management skill, the cash flows generated by their holdings, the real estate market in general, and the possibility of

failing to qualify for any applicable pass-through tax treatment or failing to maintain any applicable exemptive status afforded under relevant laws.

- Investing Outside the U.S. – Although we limit foreign investments to ADRs, mutual funds and ETFs that hold foreign securities, the risks of foreign investing still apply to the underlying portfolios of funds. Investing outside the United States may involve additional risks of foreign investing. These risks may include currency controls and fluctuating currency values, and different accounting, auditing, financial reporting, disclosure, and regulatory and legal standards and practices. Additional factors may include changing local, regional, and global economic, political, and social conditions. Further, expropriation, changes in tax policy, greater market volatility, different securities market structures, and higher transaction costs can be contributors to greater risk. Finally, various administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends can also lead to additional risk.

Investments in developing countries can further heighten the risks described above. A developing country may be in the earlier stages of its industrialization cycle with a low per capita gross domestic product ("GDP") and a low market capitalization to GDP ratio relative to those in the United States and the European Union. Historically, the markets of developing countries have been more volatile than the markets of developed countries. Paraiba Wealth Management may invest client accounts in securities of issuers in developing countries only to a limited extent.

Developing countries may have less developed legal and accounting systems. The governments of these countries may be more unstable and more likely to impose capital controls, nationalize a company or industry, place restrictions on foreign ownership and on withdrawing sale proceeds of securities from the country, and/or impose punitive taxes that could adversely affect security prices. In addition, the economies of these countries may be dependent on relatively few industries that are more susceptible to local and global changes. Securities markets in these countries are also relatively small and have substantially lower trading volumes. As a result, securities issued in these countries may be more volatile and less liquid than securities issued in countries with more developed economies or markets.

An account's investment activities outside the United States could lead to additional costs. Brokerage commissions may be higher outside the United States, and the account will bear certain expenses in connection with its currency transactions. Furthermore, increased custodian costs may be associated with maintaining assets in certain jurisdictions.

In determining the domicile of an issuer, Paraiba Wealth Management will consider the domicile determination of a leading provider of global indexes, such as Morgan Stanley Capital International, and may take into account such factors as where the company lists its securities, where the company is legally organized, and where it maintains principal corporate offices, and/or conducts its principal operations. The account may purchase and sell currencies to facilitate securities transactions.

- American Depository Receipts (ADR) - An ADR is a security that trades on U.S. exchanges but represents a specified number of shares in a foreign corporation. Investors buy and sell ADRs on American markets just like regular stocks. Some banks and brokerage firms issue/sponsor ADRs. ADRs are subject to additional risks of investing in foreign securities, including, but not limited to, less complete financial information available about foreign issuers, less market liquidity, more market volatility,

and political instability. In addition, currency exchange-rate fluctuations affect the U.S. dollar- value of foreign holdings.

Some ADRs and ordinary shares of foreign securities pay dividends, and many foreign countries impose dividend withholding taxes up to 30%. Depending on a custodian's ability to reclaim any withheld foreign taxes on dividends, taxable accounts may be able to recoup a portion of these taxes by use of the foreign tax credit. However, tax-exempt accounts, to the extent they pay any foreign withholding taxes, may not be able to utilize the foreign tax credit. Therefore, investors may be unable to recover any foreign taxes withheld on dividends of foreign securities or ADRs.

- Global Depositary Receipt (GDR) - A GDR is a certificate that represents an ownership interest in the ordinary shares of the stock of a company, but marketed outside of the company's home country to increase its visibility in the world market and to access a greater amount of investment capital in other countries. Depositary receipts are structured to resemble typical stocks on the exchanges that they trade so that foreigners can buy an interest in the company without worrying about differences in currency, accounting practices, or language barriers, or be concerned about the other risks in investing in foreign stock directly.

Item 9 – Disciplinary Information

Item 9 is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

Item 10 – Other Financial Industry Activities and Affiliations

Paraiba Wealth Management is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an 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), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent investment registered adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Brochure.

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

Code of Ethics Summary

An investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Paraiba Wealth Management has established a Code of Ethics to comply with the requirements of the securities laws and regulations that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. Paraiba Wealth Management 's Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and

investment adviser representatives are classified as supervised persons. Paraiba Wealth Management requires its supervised persons to consistently act in your best interest in all advisory activities. Paraiba Wealth Management imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Paraiba Wealth Management. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

Affiliate and Employee Personal Securities Transactions Disclosure

Paraiba Wealth Management or supervised persons of the firm buy and sell for their personal accounts, investment products identical to those recommended to clients. This creates a conflict of interest. It is the express policy of Paraiba Wealth Management that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. As is required by our internal procedures manual, Paraiba Wealth Management and its supervised persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To mitigate conflicts of interest that can occur when access persons manage their personal accounts at the same time Paraiba Wealth Management manages client accounts, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members.

Anyone not observing our policies is subject to sanctions up to and including termination.

Item 12 – Brokerage Practices

If Paraiba Wealth Management assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back-office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back-office services, technology and pricing of services offered.

Brokerage Recommendations

Paraiba Wealth Management may recommend/require that clients establish brokerage accounts with the Custodian is Schwab Advisor Services™, a division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer, Member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although Paraiba Wealth Management may recommend, and in some cases require, clients to establish accounts at Schwab, it is the client's ultimate decision to custody assets with Schwab and clients must execute all required Schwab paperwork and forms to open an Account. Paraiba Wealth Management may recommend additional unaffiliated broker-dealers to affect fixed income transactions that are settled in Schwab accounts.

Paraiba Wealth Management is independently owned and operated and not affiliated with Schwab.

Schwab provides Paraiba Wealth Management with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained at Schwab Institutional. These services are not contingent upon Paraiba Wealth Management committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require significantly higher minimum initial investment.

Schwab Institutional also makes available to Paraiba Wealth Management other products and services that benefit Paraiba Wealth Management but may not directly benefit clients' accounts. Many of these products and services may be used to service all or some substantial number of Paraiba Wealth Management' accounts, including accounts not maintained Schwab.

Schwab's products and services that assist Paraiba Wealth Management in managing and administering clients' accounts include software and other technology that (i) provides access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of Paraiba Wealth Management 's fees from some of its accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help Paraiba Wealth Management manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or part of the fees of a third-party providing these services to Paraiba Wealth Management. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of Paraiba Wealth Management personnel. While as a fiduciary, Paraiba Wealth Management endeavors to act in its clients' best interests, Paraiba Wealth Management 's recommendation that clients maintain their assets in accounts at Schwab may take into account availability of some of the foregoing products and services and other arrangements not solely on the

nature of cost or quality of custody and brokerage services provided by Schwab, which may create a conflict of interest.

Directed Brokerage

Although we primarily recommend Charles Schwab, clients are allowed to select the broker-dealer that will be used for their accounts. Clients directing the use of a particular broker/dealer or other custodian must understand that we may not be able to obtain the best prices and execution for the transaction. Under a client-directed brokerage arrangement, clients may receive less favorable prices than would otherwise be the case if the client had not designated a particular broker/dealer or custodian. Directed brokerage account trades are generally placed by Paraiba Wealth Management after effecting trades for other clients of Paraiba Wealth Management. In the event that a client directs Paraiba Wealth Management to use a particular broker or dealer, Paraiba Wealth Management may not be authorized to negotiate commissions and may be unable to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct Paraiba Wealth Management to use a particular broker or dealer versus clients who do not direct the use of a particular broker or dealer.

Block Trading Policy

Our standard trading policy is to implement client orders on an individual basis. However, we can elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when Paraiba Wealth Management believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Paraiba Wealth Management uses the average price allocation method for transaction allocation.

Under this procedure Paraiba Wealth Management will calculate the average price and transaction charges for each transaction included in a block order and assign the average price and transaction charge to each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which Paraiba Wealth Management or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation as a result of block trades.

Item 13 – Review of Accounts

Account Reviews and Reviewers

For Asset Management Services, client accounts are reviewed at least quarterly to determine whether each client's investment portfolio remains suitable in light of the client's current investment objectives. A more frequent or immediate review which could result in a change in one or more of clients' investments-- can be triggered by any one of the following events:

- a. Changes in a client's situation or investment objectives made known to the Firm;

- b. Changes involving an investment held by a significant number of Firm clients (such as significant changes in an investment's performance or risk level relative to other investments or changes in the management of a mutual fund);
- c. Changes in the Firm's economic or investment outlook or in its decisions concerning clients' portfolio compositions, and results from analysis of financial planning projections or modeling; or
- d. Economic and market conditions, data, movements, and other information that may indicate the appropriateness of increasing or decreasing clients' investments in certain types of securities. In this regard, the Firm intends to use market valuation data and other market information in order to evaluate whether to increase, decrease or otherwise modify clients' investments in certain types of securities (such as equity mutual funds). Clients may choose to receive reviews in person, by telephone, or in writing.

For One-Time Financial Planning, there is only one level of review and that is the total review conducted to create the initial financial plan. Because One-Time Financial Planning services terminate upon presentment of the plan, no other reviews or updates are provided to your original financial plan unless you execute a new agreement for such services or sign up for our On-Going Financial Planning Services.

For On-Going Financial Planning, we will typically hold one or two client meetings with you throughout the year, as needed and agreed to with you and our firm. We also offer "as-needed" consultations, which are limited to consultations in response to a particular investment or financial planning issue raised or request made by you. The calendar is the main triggering factor for meetings. However, reviews could also be triggered by material market, economic or political events, or by changes in your financial situations (such as retirement, termination of employment, physical move, or inheritance). Although financial plans are always performed in accordance with your investment goals and objectives, do not include automatic monitoring of the investments held in your account(s), and therefore, automatic reviews of your account(s) are not provided under such services.

Managed account reviews and financial planning services are conducted by Allan Yam, Managing Member, Investment Adviser Representative & CCO, and Alvin Yam, Managing Member and Investment Adviser Representative.

Statements and Reports

Clients receive a written brokerage account statement from the custodian that includes an accounting of all holdings and transactions in the account for the reporting period. In addition, we provide quarterly written reports, which typically include the following information: portfolio value at the beginning and end of the quarter, contributions, withdrawals, realized capital gains and losses, interest, dividends, management fees, and time-weighted rates of return for the quarter and year to date

You are encouraged to always compare any reports or statements provided by us against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

Item 14 – Client Referrals and Other Compensation

Paraiba Wealth Management does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services is the fees charged for providing investment advisory services as described in *Item 5* of this Disclosure Brochure. Paraiba Wealth Management receives no other forms of compensation in connection with providing investment advice.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisers whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 – Brokerage Practices*). The availability of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Item 15 – Custody

Custody, as it applies to investment advisers, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

Paraiba Wealth Management is deemed to have custody of client funds and securities whenever Paraiba Wealth Management is given the authority to have fees deducted directly from client accounts.

Upon authorization from clients, Paraiba Wealth Management can affect asset/fund transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization ("SLOA"). An adviser with authority to conduct such third party asset/fund transfers has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

Based on an SEC no-action letter, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. The client provides a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. The client authorizes us, in writing, to direct transfers to the third party either on a specified schedule or from time to time;
3. The client's qualified custodian verifies the authorization (e.g., signature review) and provides a transfer of funds notice to client promptly after each transfer;
4. The client can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. The client's qualified custodian sends client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Paraiba Wealth Management is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct,

in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Paraiba Wealth Management. When clients have questions about their account statements, they should contact Paraiba Wealth Management or the qualified custodian preparing the statement.

When fees are deducted from an account, Paraiba Wealth Management is responsible for calculating the fee and delivering instructions to the custodian. At the same time Paraiba Wealth Management instructs the custodian to deduct fees from your account; Paraiba Wealth Management will send you an invoice itemizing the fee. Itemization will include the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

Item 16 – Investment Discretion

When providing asset management services, Paraiba Wealth Management maintains trading authorization over your Account and can provide management services on a **discretionary** basis. When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations, and we may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted to Paraiba Wealth Management so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Item 17 – Voting Client Securities

Paraiba Wealth Management generally does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting

documents and make a determination based on the information provided. Although we do not generally vote client proxies, if you have a question about a particular proxy feel free to contact us. However, you will have the ultimate responsibility for making all proxy-voting decisions.

Item 18 – Financial Information

This *Item 18* is not applicable to this brochure. Paraiba Wealth Management does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Paraiba Wealth Management has not been the subject of a bankruptcy petition at any time.

Item 19 – Requirements for State-Registered Advisers

Executive Officer and Management Personnel

Alvin Yam, Managing Member, Investment Adviser Representative & Chief Compliance Officer

Educational Background:

- University of California, San Diego, Bachelor of Arts, Political Science: 1993
- Fudan University, Chinese Language Certificate Program: 2002
- Loyola Marymount University, Master of Business Administration: 2008
- University of California, Los Angeles, Personal Financial Planning Program: 2012
- Certified Financial Planner (CFP®) certification: 2012

Business Experience:

- Paraiba Wealth Management, Managing Member, Chief Investment Officer & Investment Adviser Representative, 06/2022 to Present.
- HSBC, Director, 05/2018 to 09/2022.
- Business Development Director, Asia Broadcast Satellite, 01/2016 to 03/2017.
- Executive Director, EXS Capital, 08/2014 to 09/2015.
- Independent Certified Financial Planner (CFP®) Professional, 10/2013 to Present.
- Westmount Asset Management, Senior Wealth Advisor (Investment Adviser Representative), 06/2007 to 09/2013.
- Charles Schwab & Company, Inc., Vice President, 02/2004 to 06/2006.
- Far East National Bank, First Vice President, 01/2003 to 11/2003.
- Charles Schwab & Company, Inc., Manager & Investment Consultant, 01/1994 to 01/2002.

Allan Yam, Managing Member, Investment Adviser Representative

Educational Background:

- University of California, Berkeley, Bachelor of Arts, Legal Studies: 1992

Business Experience:

- Paraiba Wealth Management, Managing Member & Investment Adviser Representative, 06/2022 to Present.
- Self-Employed. From 12/2008 through the Present, Allan Yam has spent his time focused on managing his personal, individual and family investment portfolios and opportunities. This includes management of investment rental properties and equities trading strategies.

- Redwoods Global Asset Management, Portfolio Manager, 03/2005 to 11/2008.
- Marcuard Family Office, Analyst, 11/2004 to 02/2005.
- Charles Schwab Investment Management, Associate Portfolio Manager, 09/1998 to 10/2004.

Other Business Activities

See *Item 10 – Other Financial Industry Activities and Affiliations*.

No Performance Based Fees

As previously disclosed in *Item 6*, Paraiba Wealth Management does not charge or accept performance-based fees.

No Arbitrations

Paraiba Wealth Management or any of its associated persons have not been the subject of any client arbitrations or similar legal disputes.

No Arrangement with Issuer of Securities

Paraiba Wealth Management and its management do not have any relationship or arrangement with any issuer of securities.

Conflicts of Interest

Per the requirements of CCR Section 260.238(k), we have fully disclosed all material conflicts of interest regarding Paraiba Wealth Management, our investment adviser representatives and our employees that could reasonably be expected to impair the rendering of unbiased and objective advice.

Privacy Policy Notice

Paraiba Wealth Management LLC has adopted this privacy policy with recognition that protecting the privacy and security of the personal information we collect from you is an important responsibility. To provide services to you in an accurate and efficient manner, we must collect and maintain certain personal information about you. We want you to know what information we collect and how we use and safeguard that information.

Information We Collect: We collect certain nonpublic information about you ("Customer Information"). The essential purpose for collecting Customer Information is to allow us to provide advisory services to you. Customer Information we collect may include:

- Information that you provide on applications or other forms. This Customer Information may include personal and household information such as income, spending habits, investment objectives, financial goals, statements of account, and other records concerning your financial condition and assets, together with information concerning employee benefits and retirement plan interests, wills, trusts, mortgages and tax returns.
- Identifying information such as your name, age, address, social security number, etc.
- Information about your transactions with us, or others (e.g. broker/dealers, clearing firms, or other chosen investment sponsors).
- Information we receive from consumer reporting agencies (e.g. credit bureaus), as well as other various materials we may use to provide an appropriate recommendation or to fill a service request.

Data Security: We restrict access to Customer Information to those representatives and employees who need the information to perform their job responsibilities within our Firm. We maintain agreements, as well as physical, electronic, and procedural securities measures that comply with federal regulations to safeguard Customer Information about you.

Information We Disclose: As a rule, we do not disclose your nonpublic personal information we collect to others. However, because we rely on certain unaffiliated third parties for services that enable us to provide our advisory services to you, such as our attorneys, other consultants, brokers, and custodians who, in the ordinary course of providing their services to us, may require access to your information, it may be necessary to share non-public personal information with certain third parties.

Former Clients: If you decide to close your account(s) or become an inactive customer, we will adhere to our privacy policies, which may be amended from time to time.

Changes to Our Privacy Policy

Except as required or permitted by law, we do not share confidential information about you with nonaffiliated third parties. In the unlikely event there were to be a change in this fundamental policy that would permit or require additional disclosures of your confidential information, we will provide written notice to you, and you will be given an opportunity to direct us as to whether such disclosure is acceptable.

Confidentiality and Security

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

If you prefer that we not disclose nonpublic personal information about you to nonaffiliated third parties, you may opt out of those disclosures, that is, you may direct us not to make those disclosures (other than disclosures permitted by law). If you wish to opt out of disclosures to nonaffiliated third parties, you may contact us at contact@paraibawealth.com.

A copy of the Privacy Policy Notice will be delivered to all clients in writing by at least one of the following methods:

- By emailing a copy to the client
- If business is conducted electronically, a notice may be posted on an electronic site as long as the client acknowledges receipt of the Privacy Policy Notice prior to the client obtaining any services or products from Paraiba Wealth Management LLC

A copy of the Privacy Policy Notice will be provided to the client no later than the time a client establishes a relationship with Paraiba Wealth Management LLC, unless this situation would cause a delay in the client obtaining services and the client agrees to accept the notice at a later date. When this situation applies, a copy of the Privacy Policy Statement will be delivered to the client within a reasonable time period following the transaction.

Any time a change is made to the Privacy Policy, the statement to clients will be revised. The revised statement will be given to all affected clients prior to any disclosure of information. In addition, Paraiba Wealth Management LLC will provide a copy of its Privacy Policy Statement to all current and existing clients at least annually.

Questions: If you have questions about this privacy notice or have a question about the privacy of your customer information please email Paraiba Wealth Management LLC at contact@paraibawealth.com.