

**AVAARI FINANCIAL**  
43501 Ellsworth Street Unit A  
Fremont, CA 94539  
510-366-0306

Form ADV Part 2A  
The Brochure

January 2, 2018

This brochure provides information about the qualifications and business practices of AVAARI FINANCIAL. If you have any questions about the contents of this brochure, please contact us at 510-366-0306.

AVAARI FINANCIAL is a registered investment adviser with the State of California. Registration of an investment adviser does not imply any level of skill or training.

[You need to review this information and acknowledge receipt of this brochure where indicated.]

[If obtaining this brochure electronically, please print a copy and retain it for your future reference.]

## **ITEM 2 – MATERIAL CHANGES**

On July 28, 2010, the SEC published “Amendments to Form ADV,” which amends the disclosure document (the “brochure”) that we are required to provide to our clients. This brochure, dated January 2, 2018, is a new document prepared in accordance with the SEC’s new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this item will summarize the material changes to the brochure since our last annual update.

In the past, we have offered or delivered information about our qualifications and business practices to our clients on at least an annual basis. Under the new SEC rules, we will provide clients with a summary of any material changes to this and subsequent brochures within 120 days of the end of our fiscal year. We will also provide ongoing disclosure about material changes, as necessary.

Clients and prospective clients may obtain a copy of this brochure, free of charge, by contacting Jitesh Shah, Owner and Compliance Officer, at 510-366-0306 or at <http://onceusave.com>.

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## **ITEM 4 – ADVISORY BUSINESS**

AVAARI FINANCIAL is a registered investment advisory firm based in Fremont, CA founded in 2010.

The firm is wholly owned by Shah, Jitesh A., owner of AVAARI FINANCIAL.

AVAARI FINANCIAL provides comprehensive financial planning and advisory services including needs analysis, financial goals definition and assessment, cash flow analysis, tax planning, investment management (asset allocation, investment selection, rebalancing, performance reporting), retirement planning, education planning, risk management and others.

Services provided are comprehensive, covering all aspects of a client's financial planning needs and is based on a thorough review and analysis of the client's overall financial situation. Our portfolio management emphasizes long-lasting relationships with clients and we provide advice tailoring to each client's individual needs. Clients may impose cash restrictions and asset allocation restrictions.

AVAARI FINANCIAL does not participate in WRAP fee programs.

As of 12/31/2017, AVAARI FINANCIAL had (i) discretionary assets under management in the amount of \$8,200,000 and (ii) nondiscretionary assets under management in the amount of less than \$500,000.

## **ITEM 5 – FEES AND COMPENSATION**

AVAARI FINANCIAL works on a fee-only basis receiving all its compensation from client fees. AVAARI FINANCIAL does not sell any products nor receive commission from any product sales.

AVAARI FINANCIAL provides its advisory services on an annual retainer fee basis. The annual retainer fee includes annual financial plan preparation, review and update. It also includes investment management services such as asset allocation, portfolio selection & implementation, portfolio monitoring and rebalancing, performance reporting, investment policy statement review and other services. AVAARI FINANCIAL values long-term relationships with its clients and believes its accumulated experience with a client's needs, goals and lifestyle increases the value of its advice over time.

Quarterly retainer fees are calculated based on a percentage of the market value of the client's portfolio assets. All services described above are included for this amount. Quarterly retainer fees are calculated in arrears and billed quarterly towards the end of each quarter according to the following schedule:

Market Value of Investments	Max. Annual Percentage of Assets Charged
Less than \$250,000	1.25%
\$250,000 to \$500,000	1.20%

\$500,000 to \$1,000,000	1.15%
\$1,000,000 to \$3,000,000	0.85%
\$3,000,000+	0.60%

The annual percentage is divided into 4 parts and calculated based on the asset value at the end of each quarter. Payment is due to the Advisor within 10 days after receipt of billing by Client.

In addition to the quarterly retainer fee, AVAARI FINANCIAL may charge a fee for financial plan preparation which could vary based on the complexity of each client's unique situation. The financial plan preparation fee can range from \$1,000 to \$3,000 per plan. Financial plans are available on a project fee basis. Clients are provided with a written quotation for the cost of a financial plan. Clients are required to make a payment equal to 50% of the fee to initiate work on the project. A final payment of 50% is due upon preparation of the completed financial plan.

From time to time, clients may negotiate fee arrangements based on hourly charges. AVAARI FINANCIAL may provide select financial planning and advisory services on an hourly basis including preparation of all or portions of a financial plan, tax planning, research of particular client issues and offering financial advice and guidance which may include investment advice. A typical billing rate is about \$250 per hour.

AVAARI FINANCIAL fees might be higher than what is offered in the marketplace for financial planning and/or investment advisory services. Lower fees for same or similar services might be available to the client from other sources. This is to comply with CCR Section 260.238(j).

Clients may bear other fees and expenses including custodian fees and brokerage costs in addition to the fees noted above.

Advisory agreements may be terminated at any time by either party upon written notice to the other party without any payment penalty. If this Agreement starts or ends at a date other than the beginning of a calendar year, the fee for that partial year shall be prorated accordingly. There will be no refunds granted for advisory fees. Client will be responsible for the amount of time advisory services are retained.

Full refund will be granted on financial planning fee if the client terminates the agreement within 5 business days in writing. After 5 business days, the refund amount will be prorated. The termination agreement applies to both financial plan preparation on a project basis or on an hourly basis.

## **ITEM 6 – PERFORMANCE BASED FEES AND SIDE BY SIDE MANAGEMENT**

AVAARI FINANCIAL does not charge its clients performance based fees. (i.e., fees based on a share of capital gains or capital appreciation of the assets of a client).

Side by Side Management – Not Applicable.

## **ITEM 7 – TYPES OF CLIENTS**

Our clients typically include medium to high net-worth individuals and institutions.

Generally, AVAARI FINANCIAL requires a minimum account size of \$50,000. However, AVAARI FINANCIAL reserves the right to waive the minimum amount or to impose a higher minimum.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

AVAARI FINANCIAL employs a very lethargic and a laid-back approach to the process of investing – an approach that has been refined and perfected over many years worth of research and analysis. Once a portfolio structure is in place for whatever goals a client is investing for (and that is where most of the effort is spent), we leave that portfolio alone barring occasional rebalancing and tax minimization tweaks. We consider dashing in and out of investments based on short-term economic and market events a loser’s game and a waste of our time and your money. Our own money is invested for decades long time-frames in portfolios similar to our clients to make sure that we eat our own cooking. Our client portfolios will of course evolve as they accumulate more wealth but there are and will be no radical shifts in how their money is invested. We are not a hedge-fund and don’t believe in short-term investing so if you are looking for quick dashing in and out of investments, we are not your guys and this is not the right firm for you to invest with. But if you are looking for a firm that approaches investing with a systematic, disciplined approach that is academically-proven and a firm that follows the time-tested principles of extensive diversification, prudent asset-allocation, occasional re-balancing and a long-term historical perspective then we are the right firm for you.

AVAARI FINANCIAL conducts fundamental analysis on securities purchased, sold or considered for client accounts. AVAARI FINANCIAL typically includes the securities selected in one or more investment objective models and refers to this model in its investing approach. Analysis varies depending on the security, model or client in question.

Investments are evaluated independently, as well as in the context of clients’ portfolios, as a component of a model, strategy or an asset class.

Past performance may not be indicative of future results. Different types of investments involve varying degrees of risk.

Therefore, it should not be assumed that future performance of a particular investment or investment strategy will be profitable or achieve its objective. If there are any changes to client's personal and/or financial situation or investment objectives, it is the client's responsibility to notify AVAARI FINANCIAL, preferably in writing, so that any adjustments to the investment process for that client can be implemented. All investing involves a risk of loss.

### **ITEM 9 – DISCIPLINARY INFORMATION**

There is no disciplinary information to report.

### **ITEM 10 – OTHER FINANCIAL ACTIVITIES AND AFFILIATIONS**

AVAARI FINANCIAL and its employees do not have any affiliation or ownership relationship with other financial services companies that pose material conflict of interest to our clients. AVAARI FINANCIAL does not have referral or consulting agreements with other firms.

### **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

AVAARI FINANCIAL maintains a strict code of ethics which requires that all personnel act with integrity, competence, dignity and in ethical manner when dealing with the clients, public, prospective clients, employers and employees. The code of ethics places upon AVAARI FINANCIAL the duty to exercise its authority and responsibility for the benefit of its clients, to place the interests of its clients first and to refrain from having outside interests which conflicts with the interests of its clients. AVAARI FINANCIAL will not disclose any non-public personal information about a client to any non-affiliated third party without the client's express permission to do so. AVAARI FINANCIAL is also obligated under its code of ethics to maintain the security of client information, including information stored on computers. The code of ethics provides specific guidance in the areas of disclosure of conflicts of interest, acceptance of gifts, personal securities transactions, prohibited transactions, non-payment of referral fees, prohibition on insider trading and others. AVAARI FINANCIAL will provide a copy of its complete code of ethics to any client or prospective client upon request.

AVAARI FINANCIAL's owner may purchase and sell securities for their own personal portfolios. These securities may or may not be the same securities that AVAARI FINANCIAL recommends, purchases or sells with respect to client accounts, for a number of reasons including the fact that the owner's personal financial goals and circumstances may differ from

those of AVAARI FINANCIAL's clients. This personal investment approach may result in a conflict of interest. In addition, AVAARI FINANCIAL's owner may take action with respect to their own assets that may differ from the advice given. If the owner of AVAARI FINANCIAL is executing a trade in the same security on the same day on behalf of his or her own personal portfolio and on behalf of client accounts, orders for client accounts will be executed prior to the owner's personal orders in order to address potential conflicts of interest that may arise from simultaneous execution of orders for clients accounts and orders for the owner's account.

## **ITEM 12 – BROKERAGE PRACTICES**

AVAARI FINANCIAL has the authority to determine the broker-dealer used and the commission rates paid in effecting transactions for client accounts. AVAARI FINANCIAL strives to achieve best execution (*i.e.* best overall qualitative execution and not necessarily the lowest commission cost considered in isolation) for client accounts in selecting broker-dealers and determining the reasonableness of their compensation. AVAARI FINANCIAL periodically evaluates broker-dealers with whom it executes transactions based on a variety of factors, including, without limitation, the value of research provided, commission rates, the ability to negotiate commissions or volume discounts, execution capability, the financial condition of the broker-dealer and the responsiveness of the broker-dealer.

AVAARI FINANCIAL maintains the authority to buy or sell the amount and the type of securities on behalf of his clients based on each client's situation and their financial plan.

For discretionary clients, all investment management activity is subject to a written investment policy statement agreed to by a client prior to implementing an investment strategy. That investment policy statement could take the form of a financial plan update that is regularly sent and discussed with clients at least once each year. AVAARI FINANCIAL has complete authority without obtaining specific client consent, as to the selection of securities to be bought and sold, the amount of securities to be bought and sold and the broker dealer to be used in executing transactions.

In selecting brokers for recommendation to clients, AVAARI FINANCIAL takes into account several factors including broker pricing (commissions, fees), service provided (correct and timely order execution, comprehensive and flexible report packages, experiences and helpful administrative staff, etc.) and an excellent history of past performance.

AVAARI FINANCIAL does not engage in any soft dollar agreements with any brokerage or research services.

### **ITEM 13 – REVIEW OF ACCOUNTS**

The owner of AVAARI FINANCIAL, Shah, Jitesh Ashokkumar, will review each account no less frequently than quarterly. Accounts reviews are also oriented around a monthly, quarterly or semi-annual meeting schedule, with each meeting covering some or all aspects of the clients financial needs. AVAARI FINANCIAL will review accounts more frequently than quarterly if there is any unusual activity in the securities held by such account.

All clients receive regular statements from the brokers and/or mutual fund companies with custody of their investment accounts. Clients also receive quarterly performance reports in addition to the regular statements.

### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

AVAARI FINANCIAL does not provide nor receive any compensation for client referrals.

### **ITEM 15 – CUSTODY**

All clients' accounts are held in custody by unaffiliated broker/dealers or banks, but advisory fees are debited from client accounts by the third-party custodian on behalf of AVAARI FINANCIAL.

Account custodians send statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by AVAARI FINANCIAL. We strongly encourage our clients to compare the account statements sent to them from their custodian with the statement provided by AVAARI FINANCIAL. Certain minor discrepancies may be present due to differences in pricing services used to price all the securities held, pending transactions, timing and recognition of interest payments, among other reasons.

## **ITEM 16 – DISCRETION**

AVAARI FINANCIAL has investment discretion over clients' accounts. Clients grant AVAARI FINANCIAL trading discretion to implement their financial plans. AVAARI FINANCIAL's investment discretion gives AVAARI FINANCIAL authority to determine securities to be bought or sold, amount of the securities to be bought or sold, the broker-dealer to be used, and the commission rates paid.

Clients can place reasonable restrictions on AVAARI FINANCIAL's investment discretion if they choose to. For example, some clients might request AVAARI FINANCIAL not to buy securities issued by companies in certain industries, or not to sell certain securities where the client has a particularly low tax basis.

## **ITEM 17 – VOTING CLIENT SECURITIES**

As a matter of general policy AVAARI FINANCIAL does not vote proxies for its clients. Clients will receive their proxies and other solicitations directly from the issuer or a third party assigned by the issuer as instructed by the custodian that holds the security.

### Policy – for exception when Voting Proxies

In the event AVAARI FINANCIAL votes proxies, it shall vote client proxies in the interest of maximizing Shareholder Value. To that end, AVAARI FINANCIAL will vote in a way that it believes is consistent with its fiduciary duty and will cause the value of the issue to increase the most or decline the least. Consideration will be given to both the short and long term implications of the proposal to be voted on when considering the optimal vote.

## **ITEM 18 – FINANCIAL INFORMATION**

AVAARI FINANCIAL has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

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Form ADV Part 2B  
The Brochure Supplement

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**Shah, Jitesh Ashokkumar, born 1975**  
**Owner, AVAARI FINANCIAL**

Education Background and Business Experience

Education:

Santa Clara University, MBA, 2017.

SUNY Binghamton, M.S. in System Science & Industrial Engineering, 1999.

University of Pune, India, B.E. in Electrical Engineering, 1997.

Business background: 7 years running a very client-centric investment advisory and financial planning firm. Passion for investing and helping others succeed in their personal financial goals. Other experience includes operations engineer with a technology company.

Disciplinary Information

Mr. Shah has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Shah or of AVAARI FINANCIAL.

Other Activities

Mr. Shah, Owner of AVAARI FINANCIAL is also an operations engineer with a technology that consumes about 50% of his time.

Additional Compensation

Mr. Shah does not receive economic benefits from any person or entity other than AVAARI FINANCIAL in connection with the investment management of AVAARI FINANCIAL clients.

Supervision

As an 100% owner of AVAARI FINANCIAL , Mr. Shah maintains ultimate responsibility for the firm's operations. All decisions with respect to investments, operations and compliance are made by Mr. Shah.