ITEM 1: <u>Cover Page</u>

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Firm Brochure

(Part 2A of Form ADV)

This Firm Brochure provides information about the qualifications and business practices of Naples Money Management, LLC (“Naples Money Management”, “we”, “us” or “our”). If you have any questions about the contents of this Firm Brochure, please contact us at (239) 261-4800. The information in this Firm Brochure has not been approved or verified by the United States Security and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Naples Money Management, LLC, is also available on the SEC’s website at www.adviserinfo.sec.gov.

The date of this Firm Brochure is March 31, 2023.

Naples Money Management doing business as the Naples Money Managers is an investment advisor registered under the Investment Advisers Act of 1940, as amended. Registration as an investment adviser, or any reference to the firm being or the use of the term “registered”, “registration” or “registered investment adviser” does not imply a certain level of skill or training.

ITEM 2: Material Changes

This item discusses only specific material changes that are made to the Firm Brochure since the date of the last update on November 21, 2022 and provides clients with a summary of such changes. The firm is owned equally by the Dawn Perniciaro Brown Living Trust and Marcus Bickle.

This section includes only material changes. The Naples Money Managers, LLC encourages all clients to review the entire Firm Brochure.

ITEM 3: Table of Contents

ITEM 4: <u>Advisory Business</u>

Overview

Naples Money Management, LLC, is a Florida limited liability company that was formed in March of 2010. The firm was founded by Dennis David Nelson and Dawn Litchfield Brown. The firm is owned equally by Dawn Perniciaro Brown Living Trust and Marcus Bickel.

Naples Money Management offers discretionary and non-discretionary money management services, financial planning, wealth management, and annuity management.

Money Management: Naples Money Management offers discretionary and/or non-discretionary investment advice based on a client's individual investment objectives and financial situation on an ongoing and continuous basis. As part of our money management service for separately managed accounts we generally create a portfolio that may consist of individual stocks, bonds, exchange traded funds ("ETFs"), options, mutual funds and third-party managers. We also offer four different THE POWER OF MAPATO ™ Portfolios designed to meet various investment objectives and risk tolerances. They are the Mapato Ultra Portfolio, Mapato Classic Portfolio, Mapato Lite Portfolio, and The Van Winkle Portfolio.

The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities or portfolios. Each client's investment portfolio may be designed to meet a particular investment goal. Once the appropriate investments have been determined, we periodically review the investments and if necessary, rebalance the investments based upon the client's individual needs, stated goals, and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in their accounts.

Financial Planning: We provide a variety of financial planning services to individuals, families, and other clients regarding the management of their financial resources based upon an analysis of client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning may encompass implementing the financial plan and monitoring the plan once implemented.

Wealth Management: Our wealth management program evaluates the client through an interactive process of assessing reward requirements and risk tolerance with regard to personal wealth, retirement and estate planning considerations. Through this process we determine the optimal asset allocation for the client. The portfolio is constructed for the client based on that asset allocation, which may consist of a combination of separately managed accounts, individual stocks or bonds, exchange traded funds (“ETFs”), options, mutual funds, Real Estate Investment Trusts (REITs), other public and private securities or investments, and real estate.

Annuity Management: Naples Money Management provides advice on annuity and variable life insurance contracts. We manage the investment of underlying assets in the insurance products and advise on choosing the optimal combination of investments available in a contract. We base our analysis on the assessment of a number of factors such as economic climate, the valuation levels in different markets segments, and the age and risk tolerance of each client. See disclosure in Item 10.

As of December 31, 2022, Naples Money Management had approximately $129,607,000 of assets under discretionary management and approximately $15,871,000 under non-discretionary management.

ITEM 5: Fees and Compensation

Fees: Our compensation differs based upon the services that we provide to a client. Fees for our management services are assessed quarterly in advance. Fees for legacy clients are assessed quarterly in arrears. Fees are based on quarter-ending values. The initial period is prorated over the number of days in the quarter that the agreement was in effect. The fees are generally deducted from the clients’ assets directly by the custodian. Naples Money Management reserves the right to negotiate its fees. Our minimum fee is $250.00 Fee per year for accounts under $50,000.

The following are explanations of our fees for each of our services.

A. **THE POWER OF MAPATO™**

Total Naples Money Management planning and portfolio Management incorporating The Power of Mapato™Portfolios, the following is our annual fee schedule:

	Income With Options	Growth Without Options
• $5,000 to $50,000	Not Available	2.40%

• $50,000 to $149,000	2.30%	1.90%
• $150,000 to $499,000	2.15%	1.80%
• $500,000 to $1,000,000	2.00%	1.65%
• $1,000,001 to $2,000,000	1.90%	1.50%
• $2,000,001 to $5,000,000	1.55%	1.15%
• $5,000,001 to $10,000,000	1.40%	0.95%
• $10,000,000 +	1.15%	.75%

B. **Collaborative Management**, the following is our annual fee schedule:

• Under $50,000 to $149,000	1.55%
• $150,000 to $499,000	1.25%
• Over $500,000	.75%

C. **The Van Winkel Portfolios,** the following is our annual fee schedule:

All Portfolios	.50%

D. Annuity Management Services: Naples Money Management receives a flat fee of approximately $1,000 monthly subject to adjustment that is negotiated with the client, Robert Brown and Annuity Management Services, for managing annuities.

In addition to our management or other fees, clients may pay a variety of additional fees. These could include:

- brokerage transaction charges (please see the section of this Firm Brochure entitled “Item 12, Brokerage Practices” on Page 14 for a discussion of the fees charged by brokers);
- mutual fund management fees to the extent that the clients’ assets are invested in mutual funds, including money market funds;
- administrative charges at the custodian, which may include account closing charges, wire transfer fees and Account maintenance fees as incurred;
- management fees charged by other managers, managing a some of a clients’ assets under out wealth management service
- an “Estate Fee” for additional services required if a client dies

It should be noted that Naples Money Management does not receive any compensation from the firms that have custody of the assets of our clients.

ITEM 6: Performance-Based Fees and Side-by-Side Management

Naples Money Management does not provide services for performance-based fees for its clients.

ITEM 7: Type of Clients

Naples Money Management provides its services to individuals, high net worth individuals and charitable organizations. Our minimum fee is $250.00 per year for accounts under $50,000.

ITEM 8: Methods of Analysis, Investment Strategies and Risk of Loss

Our method of analysis is generally a top-down approach. We begin with the macroeconomic factors at work at present, and those that may dominate in the relatively near future in deciding which sectors and asset classes to emphasize. Once we have decided which sectors look attractive, we then shift to a careful analysis of the individual investments which may include individual stocks, separately managed accounts, mutual funds, Real Estate Investment Trusts (REITs), and/or preferred stocks or bonds.

In many of our Mapato Portfolio Series portfolios, the basis of our program is the purchase of quality common stocks. The sale of call options against a portfolio of stocks may provide a stream of cash flow. The portfolios in the series have different levels of potential return and potential risk. The portfolios are structured by varying the types of stocks and other securities selected, and, in those cases where we sell a covered call, the relationship of the strike price of the option sold to the price of the stock purchased. Some holdings may not be hedged with options immediately at the time of purchase.

- Mapato Ultra Income and Growth: Designed for accounts over $5 million with the ability to purchase higher priced stocks and still own at least 100 shares (even lot) in order to write options, generally over the stocks purchase price, to allow for appreciation as well as income.
- Mapato Classic Income & Growth: Designed for accounts over $500,000 and under $5 million with the objective of income first generated by dividend and option income. Growth second derived from selling the options over the stocks purchase price.
- Mapato Lite Income: Designed for accounts under $500,000 with the same objectives as B but uses Exchange Traded Funds to ensure proper diversification.
- Mapato Growth: Designed for clients that wish to have growth only without options. There are no minimums for this portfolio.
- The Van Winkle Portfolio: Designed for younger investors. The portfolio seeks to purchase stocks of developing companies with a long-term investment horizon.

Risk Considerations

All of the strategies listed above are speculative and have an inherent risk of loss due to investing in marketable securities like stocks and bonds. Investing in securities involves risk of loss that clients should be prepared to bear. No guarantee, assurance or representation is made that any strategy will achieve its investment objective. Price changes can be volatile and market movements are difficult to predict. The value of an individual security or particular type of security can be more volatile than, and can perform differently from, the market as a whole.

Each security is subject to various risk such as market risks, inflation risks, currency risks, liquidity risks, financial risks, and other general economic risks. There are also risks associated with various methods of analysis. The risks client's investments are subject to, include but are not limited to:

Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk:
The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Market disruptions may exacerbate political, social, and economic risks.

Inflation Risk:
When any type of inflation is present, a dollar will be worth more today than a dollar next year, because purchasing power is eroding at the rate of inflation.

Currency Risk:
Overseas investments and companies with overseas business are subject to fluctuations in the value of the dollar against the currency of the originating country. This is also referred to as exchange rate risk.

Reinvestment Risk:
This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.

Business Risk:
These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
Liquidity Risk:
Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, real estate properties are not.

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

Technical Analysis Risk:
Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. Technical analysis posits that at any point in time the market price movements

and patterns represent the collective judgments of likely millions of market participants and are the best source for predicting short to mid-term price movements. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time. The firm uses technical analysis (i.e., the analysis of historical and current market data into its investment decisions) general for only for short term trading.

Exchange Traded Funds Risk (ETFs):
ETFs are typically investment companies that are legally classified as open-end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly traded companies and the market price for a share of an ETF may fluctuate from the value of its underlying securities. Consequently, ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the “spread”, which generally varies based on the ETF’s trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940, some ETFs, in particular those that invest in commodities, are not registered as an investment company.

Leverage Risk:
Leverage increases the potential magnitude of portfolio fluctuations. It magnifies investment risks and can exacerbate liquidity problems in market downturns. Leverage may also complicate a client’s portfolio structure due to obligations to creditors and counterparties, and it can increase the risk to a client’s portfolio due to the actions of these parties. In particular, dependence on leverage creates the risk that the client will be unable to meet its obligations should access to credit become limited due to broader market conditions.

Tax Risks Related to Short Term Trading:
Clients should note that the Firm may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies.

Concentration Risks:
Because of their narrow focus, investments in one or limited sectors tend to be more volatile than investments that diversify across many sectors and companies. Client investments may be or become concentrated in a particular security, sector, limited sectors, industry, market, or country. Should such security, sector, limited sectors, industry, market or country become subject to adverse financial conditions, the Clients’ assets shall not be afforded the protection otherwise available through greater diversification of its investments.

Information Risk:
All investment professionals rely on research in order to draw conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an advisor who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the advisor to reach satisfactory investment conclusions.

Options:
Options allow investors to buy or sell a security at a contracted “strike” price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge or limit losses in an attempt to reduce risk or to speculate on the performance of the underlying securities or to collect premiums for selling options. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the issuer which may be unwilling or unable to perform its contractual obligations. These options are subject to pricing components—including duration, strike price and premiums— to which the underlying stocks are not. We may trade in put and call options, which involve qualitatively different risks than owning or selling short the underlying common stock. Because option premiums paid or received by an investor are small in relation to the market value of the investments underlying the options, trading put and call options is highly leveraged. Selling options generally entails considerably greater risk than purchasing options as the seller may sustain losses well in excess of the fixed premium received. If the market or the underlying interest moves unfavorably, the seller may need to contribute additional margin to maintain the position. Additionally, if the purchaser exercises the option, the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If, however, the position is “covered” by the seller by holding a corresponding position in the underlying interest, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Hedge Funds:
If we invest some of your assets with hedge funds there are additional risks that are governed by and fully described in the private placement memorandum and related subscription materials. These risks include, but are not limited to, all the risk listed herein and: The reliance on fund personnel’s including the fund manager’s ability to identify and properly analyze companies for investment, the lack of diversification resulting in the fund being substantially adversely affected by the unfavorable performance of any single investment, the investment in the fund may be subject to redemption

limitations. And that the funds may use leverage and derivatives which increases the magnitude of both losses and gains. In addition, that there is no assurance of investment returns. Investors should refer to the Fund's Private Placement Memorandum for a more detailed description of the risks associated with the Fund's strategies and rely only thereon.

The discussion of risks above is not meant to be a complete description of all risks that investors may face. Additional risks are disclosed by managers and the funds in their prospectuses. Investors should be prepared to bear the risks of their investments.

ITEM 9: <u>Disciplinary Information</u>

Item 9.A: Criminal or civil action: not applicable.

Item 9.B: Administrative proceedings: not applicable.

Item 9.C. Self-regulatory organization proceeding: not applicable.

ITEM 10: <u>Other Financial Industry Activities and Affiliations</u>

Naples Money Management has an agreement with a representative of Essex Securities, Inc. Robert Brown that is material to our advisory business. Annuity Management Services which is owned by Robert Brown has contracted with Naples Money Management to advise its clients on the selection of investments in their variable annuities and life insurance contracts. The representative compensates Naples Money Management for its services on a flat fee paid basis of $1,000 a month, subject to adjustment, for accounts serviced at no addition cost to the client. Robert Brown is married to Naples Money Management Co Founder and owner Dawn Litchfield Brown.

Where Naples Money Management feels that it is appropriate, it may recommend the use of variable annuities, life insurance or mutual funds to their clients. We may refer those clients to this representative, Robert Brown. This could create a conflict of interest since we are engaged to advise his clients and we may receive additional fees when his clients increase. In addition, Dawn Litchfield Brown is married to Robert Brown which means that she may have access to or benefit from the proceeds of the annuity sales and/or annuity management fees based on the marital relationship. However, our clients are not required to use this representative, Robert Brown, to purchase an annuity or life insurance products and may purchase insurance and annuities elsewhere.

Clients may choose, for a separate fee, to use Personal Service Management LLC, owned by Dawn Litchfield Brown for non-investment advisory services. The firm provides personal services to individuals including planning and managing household tasks as fully described in the firm's agreement. There is no requirement to use these services and clients may chose to purchase these services from any other person or firm.

ITEM 11: <u>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</u>

Naples Money Management's Code of Ethics applies to all supervised persons of the firm and describes our high standard of business conduct and fiduciary duty to our clients. The Code of Ethics includes provisions relating to personal securities trading procedures and a prohibition on insider trading among other things. In addition, the Code of Ethics requires pre-clearance of transactions in limited or private offerings and initial public offerings. All supervised persons at Naples Money Management must acknowledge the terms of the Code of Ethics annually and as amended. A copy of Naples Money Management's Code of Ethics is available upon request by clients and prospective clients.

Naples Money Management's employees or persons associated with Naples Money Management may invest in the same securities as those recommended to clients. This may create potential conflicts of interest because (1) Naples Money Management or its supervised persons may have an incentive not to recommend the sale of those securities to a client in order to protect the value of their personal investment, and (2) Naples Money Management or its supervised persons may have an incentive to place their orders before those of clients in order to obtain a better price. Naples Money Management's Code of Ethics addresses these potential conflicts of interest by instituting a standard of business conduct for all supervised persons, by prohibiting supervised persons from effecting certain securities transactions without obtaining pre - clearance from Naples Money Management's Chief Compliance Officer and by reviewing personal securities transactions reports filed by supervised persons for potential conflicts of interest.

When Naples Money Management provides investment advice to clients regarding retirement plan account(s) or individual retirement account(s), we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/ or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. When clients move retirement assets to Naples Money Management for management, Naples Money Management earns additional income from those assets.

ITEM 12: Brokerage Practices

Broker-dealers may be selected based on several factors including the broker-dealer's expertise in trading exchange-traded products, access to markets, responsiveness, and Naples Money Management's overall prior experience with the broker-dealer with respect to quality of execution, order routing practices, and clearance and settlement practices. Naples Money Management generally also considers the broker-dealer's size, reputation, financial stability, research coverage and the value of any research provided, commission rates, ability to maintain confidentiality of client orders, disciplinary actions, and ability or willingness to commit capital. Recognizing the value of these factors, Naples Money Management's may pay a brokerage commission in excess of that which another broker might charge for effecting the same transaction so long as the client receives the best overall qualitative execution.

Naples Money Management recommends that clients establish brokerage accounts with the Fidelity Institution Wealth Services to maintain custody of clients' assets and to process trades for their accounts. Naples Money Management is independently owned and operated and not affiliated with Fidelity Institution Wealth Services. Fidelity Institution Wealth Services provides Naples Money Management with access to its trading and custody services and provides trade execution, custody, research, and access to mutual funds. Naples Money Management does not share in any commissions from Fidelity Institution Wealth Services or any other securities broker-dealer.

Research and other benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian such as Fidelity Institution Wealth Services, Naples Money Management may receive from that broker-dealer/custodian, or have access to, investment research and other practice support materials. These items may be available to Naples Money Management as a result of Naples Money Management executing client securities transactions through that broker-dealer or Naples Money Management's clients utilizing that company to provide custodial services. These items may be in the form of research reports and other securities analysis products, and various written publications on topics relates to Naples Money Management's practice. Naples Money Management anticipates that any such items will generally be used to service all of Naples Money Management's clients.

The foregoing may be perceived to be a conflict of interest. When Naples Money Management receives a benefit from a broker-dealer or custodian it does not have to produce or pay for that benefit. Naples Money Management may have an incentive to select or recommend a broker-dealer based on Naples Money Management's interest in receiving the benefit(s), rather than on the client's interest in receiving most favorable execution. However, the firm feels that it has addressed this conflict because Naples Money Management's clients do not pay more for investment transactions effected and/or assets maintained at a particular broker-dealer or custodian as result of Naples Money Management's receipt of such benefit(s). There is no corresponding commitment made by Naples Money Management to any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as result of Naples Money Management receiving these benefits. Further, the benefits received are available to any investment manager executing securities transactions through the broker-dealer, regardless of the volume of execution and generally included by all brokers-dealers that Naples Money Management would consider as part of their product offerings and institutional platforms.

Transactions for each client account generally will be effected independently, unless Naples Money Management decides to purchase or sell the same securities, for several clients at approximately the same time. Naples Money Management may (but is not obligated to) combine or "aggregate" such orders to obtain "best execution" or to allocate equitably among Naples Money Management's clients differences in prices, and commissions, or other transaction costs that might have been obtained had such orders been placed independently.

ITEM 13: <u>Review of Accounts</u>

Naples Money Management periodically reviews client accounts or financial plans. The frequency of the review may be as often as quarterly and occurs at least annually. The review may consist of a written report which lists all the client's holdings, both consolidated and in the various individual accounts, and provides information about the return for the reviewing period and for the year to date as of the end of the review period. The reviews are conducted by a member of the investment team.

ITEM 14: <u>Client Referrals and Other Compensation</u>

Naples Money Management may compensate a non-employee for client referrals if they have entered into a formal written agreement with the referrer. This agreement outlines what the referrer is and is not allowed to do in making the referral, the documents that must be furnished to the prospective client, and the compensation that the referrer will receive. The referrer will receive a portion of the fee income generated by the client over a period of time. This arrangement will not result in the client paying any additional compensation to Naples Money Management for the services rendered.

ITEM 15: <u>Custody</u>

We do not have physical custody of client funds or securities, which are held by qualified custodians. However, we are deemed to have custody of client funds and securities where a client has a standing letter of authorization (SLOA) authorizing us to initiate payment(s) to a third party and where we have the authority to deduct advisory fees directly from the clients' accounts. Clients should receive account statements directly from the custodian on at least a quarterly basis. Each client should carefully review those statements. In the event that a client also receives an account statement from Naples Money Management, each client is urged to compare the account statement they receive from the qualified custodian with the account statement they receive from Naples Money Management, and to rely solely on the account statement received from the qualified custodian.

ITEM 16: <u>Investment Discretion</u>

Naples Money Management usually receives discretionary authority from the client at the outset of an advisory relationship to select third party managers, the identity and amount of securities to be bought or sold, the price of the transaction and the time of such transactions. Clients may provide limits on this authority such as certain securities not to be bought or sold. Discretionary authority is granted when the client signs an advisory agreement with us and may also be granted in the new account forms executed with the brokerage firm. We also offer non-discretionary services.

ITEM 17: <u>Voting Client Securities</u>

Naples Money Management has a clause in its customer agreement which states that it does not vote client securities or provide advice or information on litigation. Clients should receive their proxies directly from the custodian; clients may contact us by phone, via e-mail or in person if they have questions regarding a particular solicitation.

ITEM 18: <u>Financial Information</u>

Naples Money Management has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy proceeding.