

FORM ADV PART 2A

# Firm Brochure

Effective May 11, 2026

## SUNSTATE WEALTH MANAGEMENT, LLC

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This brochure provides information about the qualifications and business practices of Sunstate Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (305) 567-5524 or via email to Fabricio Macastropa at [FMacastropa@sunstatefl.com](mailto:FMacastropa@sunstatefl.com).

*The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training.*

Additional information about Sunstate Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2 | MATERIAL CHANGES

This Brochure is written in plain English.

This Firm Brochure is our disclosure document prepared in accordance with the rules and requirements of the U.S. Securities and Exchange Commission. Consistent with those requirements, we will provide clients with a summary of any material changes to this Brochure within 120 days of the close of our fiscal year. We will also provide interim disclosures regarding material changes as they occur.

Since our last annual update filed in **March 2026**, the following material changes have occurred:

- **Billing in Arrears.** The Firm has updated this Brochure to clarify that asset-based advisory fees and wrap fees are billed **quarterly in arrears** on a pro-rata basis. The prior Brochure indicated that fees were billed in advance; the Firm bills only after services have been provided for the applicable billing period. See Item 5 (Fees and Compensation) for additional information.
- **Sub-Adviser Name Change (May 2026).** Effective May 2026, BCP Advisors LLC (formerly d/b/a Vestiva), the unaffiliated discretionary sub-adviser referenced throughout this Brochure, was renamed Xendia Wealth LLC. The sub-advisory relationship, custodial and execution arrangements at Interactive Brokers LLC, fee economics, investment process, and key personnel are unchanged. Clients have been provided with Xendia Wealth LLC's updated Form ADV Part 2A.

Clients are encouraged to review this Brochure, the Wrap Fee Brochure, and the Firm's Customer Relationship Summary (Form CRS) for additional information regarding these changes and to contact the Firm with any questions.

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## ITEM 4 | ADVISORY BUSINESS

### **Sunstate Wealth Management, LLC**

Sunstate Wealth Management, LLC (“Sunstate” or the “Firm”) is an investment adviser registered with the United States Securities and Exchange Commission. Sunstate is principally owned by Sunstate BancShares, Inc. The Firm’s principal place of business is located in the State of Florida.

Sunstate provides investment advisory services to individuals, high net worth individuals, trusts, estates, corporations, and other entities. Advisory services are provided directly by Sunstate and, for certain accounts and strategies, through one or more unaffiliated third-party investment advisers engaged as sub-advisers.

Sunstate acts as the primary client-facing investment adviser and retains fiduciary responsibility for client suitability determinations, advisory program selection, and oversight of all third-party service providers.

### **Overview of Advisory Services**

Sunstate offers the following investment advisory services:

- Asset Management
- Comprehensive Portfolio Management
- Financial Planning and Consulting
- Wrap Fee Program Services
- Sub-Advisory Portfolio Management Services

The scope, investment authority, and custodial arrangements applicable to each client are governed by the client’s advisory agreement and related disclosures.

### **Asset Management and Comprehensive Portfolio Management**

For accounts managed directly by Sunstate, the Firm provides ongoing investment advice based on the client’s financial circumstances, investment objectives, time horizon, and risk tolerance. Portfolios may include individual securities, exchange-traded funds, mutual funds, fixed income instruments, and other investments deemed appropriate.

Accounts may be managed on a discretionary or non-discretionary basis, as agreed with the client in writing.

### **Sub-Advisory Portfolio Management Services**

For certain accounts and strategies, Sunstate engages Xendia Wealth LLC (formerly BCP Advisors LLC) (“Xendia”), an unaffiliated investment adviser registered with the United States Securities and Exchange Commission, to act as a discretionary sub-adviser pursuant to a written sub-advisory agreement.

Under this arrangement:

- Xendia provides discretionary portfolio management services using a technology-driven, algorithmic investment platform and model portfolios.
- Client accounts managed by Xendia are custodied and executed at Interactive Brokers LLC, a FINRA-registered broker-dealer.
- Xendia exercises discretionary authority over portfolio construction, security selection, and rebalancing.

- Portfolio decisions are based on client profile information collected through Xendia's digital questionnaire and platform.

Sunstate does not own, operate, or control Xendia's investment platform, algorithms, or portfolio models. Sunstate does not design or modify Xendia's proprietary investment methodologies.

Sunstate remains the primary investment adviser of record, retains fiduciary responsibility for client suitability and advisory program selection, and conducts ongoing oversight of Xendia's services.

Clients do not enter into a separate advisory agreement with Xendia.

## **Custody and Execution Framework**

Client custody and trade execution depend on the advisory service and strategy selected:

- Certain advisory and Wrap Fee Program accounts are custodied and executed at Sunstate Bank, an affiliated bank.
- Certain accounts that utilize Xendia as sub-adviser are custodied and executed at Interactive Brokers LLC, an unaffiliated broker-dealer.

Sunstate Bank does not have a business, ownership, referral, or operational relationship with Interactive Brokers or Xendia.

Interactive Brokers and Xendia are not affiliates of Sunstate or Sunstate Bank.

Sunstate does not control Interactive Brokers' execution practices, margin policies, or liquidation procedures.

## **Wrap Fee Program Services**

Sunstate sponsors a Wrap Fee Program that bundles investment advisory services, custody, execution, and certain administrative services for a single asset-based fee.

The Wrap Fee Program operates under a dual-custodian structure:

- Some Wrap Fee Program accounts are custodied and executed at Sunstate Bank.
- Certain Wrap Fee Program accounts that utilize Xendia as sub-adviser are custodied and executed at Interactive Brokers.

For Wrap Fee Program accounts managed by Xendia:

- Portfolio management is provided by Xendia on a discretionary basis.
- Execution and settlement are handled by Interactive Brokers.
- Margin may be available unless a client affirmatively restricts its use.
- Transaction costs, margin interest, and operational practices may differ from accounts custodied at Sunstate Bank.

Sunstate evaluates whether participation in the Wrap Fee Program is appropriate for each client, considering trading activity, custodial arrangements, costs, and investment strategy.

Additional details are provided in Sunstate's Wrap Fee Brochure (Form ADV Part 2A, Appendix 1).

## Investment Authority and Client Restrictions

Investment authority varies by account:

- Accounts managed directly by Sunstate may be discretionary or non-discretionary.
- Accounts managed by Xendia are discretionary, subject to the client's stated objectives and written restrictions.

Clients may impose reasonable restrictions in writing, including restrictions on margin usage or specific securities. Certain restrictions may affect portfolio construction and performance.

## Material Risks and Supervisory Oversight

Investing in securities involves risk of loss, including loss of principal. Accounts managed through sub-advisers and custodians such as Interactive Brokers involve additional risks, including:

- Reliance on technology-driven investment models
- Custodian-specific execution and margin practices
- Margin availability and potential forced liquidation
- Differences in transaction costs and operational practices between custodians

Sunstate maintains written supervisory policies and procedures designed to oversee advisory services, custodial arrangements, and third-party service providers in accordance with applicable regulatory requirements.

## Regulatory Assets Under Management

As of December 31, 2025, Sunstate manages **\$209,762,419.01** in regulatory assets under management. Sunstate's advisory relationships with clients are generally non-discretionary; however, discretionary portfolio management authority may be exercised by designated sub-advisers engaged by Sunstate pursuant to sub-advisory agreements.

## ITEM 5 | FEES AND COMPENSATION

### Compensation for Advisory Services

Sunstate Wealth Management, LLC (“Sunstate”) receives compensation for investment advisory services through asset-based advisory fees, wrap fees, flat fees, or hourly fees, depending on the services selected by the client. All fees are disclosed in the applicable advisory agreement and are negotiable.

Clients should review their advisory agreement carefully to understand the specific fees applicable to their accounts.

### Asset Management

For Asset Management services, the maximum annual advisory fee charged will not exceed **2.00%** of assets under management. Fees are outlined in each client’s advisory agreement and are typically **billed quarterly in arrears** on a pro-rata basis, based on account value as of the last day of the applicable quarter.

Fees are generally deducted directly from client accounts with written authorization. In limited circumstances, Sunstate may invoice clients directly.

- Custodians provide quarterly statements reflecting holdings, transactions, and advisory fees.
- Clients are encouraged to compare any advisory invoices with custodial statements.

### Comprehensive Portfolio Management

For Comprehensive Portfolio Management services, the maximum annual advisory fee will not exceed **2.00%** of assets under management. Fees are **billed quarterly in arrears** based on the account value at the end of the applicable quarter. Billing, authorization, and disclosure practices are consistent with those described above for Asset Management services.

### Financial Planning and Consulting

Financial planning and consulting services are billed on an hourly or flat-fee basis depending on the scope and complexity of the engagement. Hourly fees will not exceed **\$350**, and flat fees generally range from **\$1,500 to \$10,000**.

A retainer may be required at the start of the engagement, with the balance due upon delivery of services. Refunds for uncompleted services are handled as described below.

### Wrap Fee Program

Clients participating in Sunstate’s Wrap Fee Program pay a single, asset-based fee that covers investment advisory services and certain custodial and transaction-related services. The maximum annual wrap fee will not exceed **2.00%** of account value and is **billed quarterly in arrears** based on the applicable quarter’s ending balance.

The Wrap Fee generally eliminates separate trading commissions for transactions executed within the Program but may not include certain charges, such as wire transfers, specialized services, margin interest, or investments held outside the Program. Fees are negotiable and disclosed in each client’s Wrap Fee Advisory Agreement.

Additional details regarding Wrap Fee Program fees, services, conflicts of interest, and best-execution considerations are provided in Sunstate’s Wrap Fee Brochure (Form ADV Part 2A, Appendix 1).

#### **Billing in Arrears.**

Asset-based advisory fees and wrap fees are billed **after** services have been provided for the applicable billing period. The Firm does not collect asset-based advisory fees or wrap fees in advance of services rendered.

#### **Important Disclosure Regarding Margin Accounts**

For accounts custodied at Interactive Brokers where margin is permitted, advisory fees are calculated based on the gross value of assets, including any borrowed funds. This will result in higher advisory fees than if fees were calculated on net equity. Clients using margin will therefore pay higher fees.

### **Sub-Advisory Fees**

For certain accounts and strategies, Sunstate engages unaffiliated third-party investment advisers to act as sub-advisers and provide discretionary portfolio management services pursuant to written sub-advisory agreements. Sub-advisers are compensated by Sunstate, not by clients.

Sunstate has entered into a sub-advisory agreement with Xendia Wealth LLC (formerly BCP Advisors LLC) ("Xendia"). Under this agreement, Sunstate pays Xendia a negotiated, tiered asset-based sub-advisory fee and a one-time implementation fee.

These sub-advisory fees represent an internal expense of Sunstate's advisory business and are paid from Sunstate's advisory compensation. They do not increase the advisory fees paid by clients, and clients do not pay Xendia directly. Xendia's retail or publicly disclosed fee schedules do not apply to Sunstate clients.

For Wrap Fee Program accounts that utilize a sub-adviser, sub-advisory compensation is paid by Sunstate from the Wrap Fee and does not result in an additional fee to the client.

### **Referrals to Third-Party Money Managers**

For certain accounts, Sunstate may refer clients to independent third-party money managers. In these arrangements, the total advisory fee will not exceed **2.00%** annually. Sunstate may receive a portion of the advisory fee as disclosed in the client's advisory agreement.

Clients receive all required disclosure documents, including the third-party manager's Form ADV Part 2A and any applicable solicitation disclosures.

### **Termination of Agreements and Refunds**

Either party may terminate an advisory agreement at any time upon written notice. Because asset-based advisory fees and wrap fees are billed in arrears, fees due through the termination date will be calculated on a pro-rata basis and billed following termination. For financial planning and consulting engagements, refunds of any retainer paid in advance are based on the time and effort expended through the termination date.

### **Portfolio Valuation for Fee Calculation**

Advisory fees are calculated based on independent pricing and/or valuations provided by the account custodian. Sunstate generally uses the most recent quarter-end valuation of assets under management for fee calculation purposes.

For accounts custodied at Interactive Brokers that permit margin, advisory fees may be calculated based on the gross market value of securities in the account, without regard to outstanding margin balances, which may result in higher advisory fees than if calculated on net equity. If you use margin, you may pay higher fees because fees may be charged on borrowed money.

## **Mutual Fund and ETF Fees and Expenses**

Advisory fees are separate from the internal fees and expenses associated with mutual funds, exchange-traded funds ("ETFs"), or other investment products. These internal fees are disclosed in the applicable prospectus or offering documents and reduce investment returns. Sunstate and its representatives do not typically receive 12b-1 fees directly. However, Sunstate Bank, an affiliated custodian, may receive such fees and share them with Sunstate, which creates a potential conflict of interest. Sunstate seeks to mitigate this conflict by encouraging the selection of lower-cost share classes when available.

## **Additional Fees and Expenses**

Clients may be responsible for custodial brokerage, margin interest, or account-related fees not covered under advisory or wrap fee arrangements, including transaction charges, wire fees, and account service fees. Additional information is provided in Item 12 (Brokerage Practices).

## **Advisory Fees in General**

Comparable advisory services may be available from other investment advisers for similar or lower fees.

## **Commissionable Securities**

Sunstate's advisory representatives are not registered representatives of a broker-dealer and do not receive commissions or transaction-based compensation from securities transactions. Although Sunstate's Chief Compliance Officer is associated with a broker-dealer, he does not receive compensation from securities or investment product sales.

## **Conflicts Created by Fee Structure**

Because Sunstate earns asset-based advisory fees, the Firm has an incentive to encourage clients to maintain or increase assets under management, including through participation in advisory programs that generate ongoing fees.

Participation in the Wrap Fee Program presents additional conflicts of interest, as Sunstate may receive greater overall compensation under the Wrap Fee structure than it would if advisory, custodial, and execution services were charged separately. As a result, Sunstate has an incentive to recommend the Wrap Fee Program over other advisory arrangements.

Sunstate's engagement of sub-advisers creates additional conflicts of interest. Sunstate compensates sub-advisers, including Xendia, from the advisory or wrap fees it receives, which may create an incentive to select, retain, or allocate client accounts to sub-advisory arrangements.

For accounts managed by Xendia and custodied at Interactive Brokers, margin may be available unless affirmatively restricted by the client. Margin use may increase both investment risk and advisory fees, as fees may be calculated on gross market value rather than net equity. Sunstate does not set, control, or modify Interactive Brokers' margin interest rates, margin maintenance requirements, or liquidation practices, which are governed solely by the client's agreements with Interactive Brokers.

The Wrap Fee Program operates under a dual-custodian structure, and custodial, execution, and margin practices differ between Sunstate Bank and Interactive Brokers. As a result, clients may experience different overall costs, risks, and execution outcomes depending on the custodian used, even when the same wrap fee percentage applies.

Sunstate addresses these conflicts through full disclosure, supervisory oversight, written policies and procedures, periodic review of advisory arrangements, and its fiduciary obligation to act in the best interests of clients.

**ITEM 6 | PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Sunstate Wealth Management, LLC does not charge performance-based fees (i.e., fees based on a share of capital gains or capital appreciation of client assets). All advisory compensation charged by Sunstate is asset-based, flat, or hourly, as described in Item 5 of this Brochure.

Certain third-party investment managers, sub-advisers, or pooled investment vehicles that may be utilized in connection with the Wrap Fee Program or other advisory arrangements may charge performance-based fees or incentive allocations. Sunstate does not receive, share in, or otherwise participate in any portion of such performance-based fees.

Sunstate does not engage in side-by-side management of accounts that pay performance-based fees and accounts that do not. Accounts managed directly by Sunstate and accounts managed by sub-advisers under Sunstate's supervision are subject to consistent supervisory oversight and are not managed differently based on the presence or absence of performance-based compensation.

## ITEM 7 | TYPES OF CLIENTS

Sunstate Wealth Management, LLC provides investment advisory services to the following types of clients:

- Individuals (including both U.S. persons and non-U.S. persons)
- High net worth individuals (including both U.S. persons and non-U.S. persons)
- Corporations and other business entities (including U.S. and non-U.S. entities)

Sunstate generally requires a minimum account size of **\$100,000** to provide ongoing investment advisory services. The Firm may, in its discretion, waive this minimum based on factors such as the client's financial circumstances, scope of services requested, or the nature of the advisory relationship.

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

## **Methods of Analysis and Investment Strategies**

The investment adviser representative you work with has discretion to take the approach he or she believes is most appropriate when analyzing investment products and strategies for clients. Each investment adviser representative selects research methods, investment style, and management philosophy believed to be appropriate for the client. No methodology or investment strategy is guaranteed to be successful or profitable.

When developing recommendations, Sunstate Wealth Management, LLC ("Sunstate") and its investment adviser representatives compare a client's financial goals with the client's risk tolerance, time horizon, and the risk and potential return characteristics of specific investments. Investment adviser representatives have broad latitude in designing investment strategies consistent with a client's objectives.

Sunstate provides advisory services either directly or, for certain accounts and strategies, through one or more designated sub-advisers engaged pursuant to written agreements. When a sub-adviser is utilized, Sunstate remains responsible for determining the appropriateness of the advisory program, overseeing the sub-adviser's services, and ensuring consistency with the client's stated objectives and applicable regulatory requirements.

Investing in securities involves risk of loss. Clients should be prepared to bear investment risk, including the potential loss of principal. No investment strategy can guarantee profits or prevent losses.

The following approaches may be used by Sunstate or, where applicable, by sub-advisers engaged by Sunstate in providing advisory services:

### **Asset Allocation**

Asset allocation is an investment strategy designed to balance risk and reward by allocating assets among various asset classes. At a high level, these asset classes include equities (stocks), fixed income (bonds), and cash or cash equivalents, each of which carries different risks and return characteristics.

Asset classes may be further diversified by geography (domestic and foreign), market capitalization (small-, mid-, and large-capitalization equities), duration, and credit quality. Diversification seeks to reduce—but does not eliminate—overall portfolio risk by avoiding over-exposure to any single asset class or market cycle.

Strategic and tactical asset allocation (or a combination of both) may be utilized using mutual funds, exchange-traded funds ("ETFs"), individual stocks, or bonds as core holdings. Global mutual funds, sector-specific funds, or specialty ETFs may be used as satellite positions. Portfolios are generally diversified across asset classes and market segments to manage risk.

Each client executes an Investment Policy Statement or equivalent documentation that reflects the client's specific objectives and desired investment strategy. Clients may update objectives at any time.

### **Fundamental Analysis**

Fundamental analysis evaluates a company's financial statements, assets, liabilities, earnings, management, competitive position, and broader economic and industry conditions. This analysis uses historical and current data to assess intrinsic value and growth potential.

Risks associated with fundamental analysis include the possibility that markets may not correctly price securities in the short term and that external factors may impact securities in ways not reflected in company fundamentals.

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## Technical Analysis

Technical analysis involves forecasting price movements by studying past market data, including price and volume trends. Technical analysis seeks to identify patterns and trends in market behavior.

The principal risk of technical analysis is that interpretations may be subjective and that historical price patterns may not accurately predict future price movements.

## Cyclical Analysis

Cyclical analysis evaluates recurring price patterns and economic or market cycles with the objective of anticipating potential buying or selling opportunities. The risk of cyclical or market-timing strategies is that anticipated cycles may not occur or may behave unpredictably.

## Third-Party Money Manager and Sub-Adviser Analysis

Sunstate may recommend or utilize independent third-party investment managers or sub-advisers. Analysis of third-party managers includes a review of experience, investment philosophy, historical performance, portfolio construction, risk controls, concentrations, and operational and compliance infrastructure.

Sunstate conducts both initial and ongoing due diligence on third-party managers and sub-advisers; however, past performance does not guarantee future results, and Sunstate does not control the day-to-day trading decisions of unaffiliated managers.

For accounts participating in Sunstate's Wrap Fee Program or utilizing a sub-adviser, portfolio management and investment selection may be performed on a continuous basis using model portfolios, mutual funds, ETFs, and other securities appropriate for the client's objectives and risk tolerance.

When Xendia Wealth LLC (formerly BCP Advisors LLC) ("Xendia") is engaged as a sub-adviser, Xendia employs a technology-driven, algorithmic investment process and model portfolios based on client profile information collected through its digital platform. Sunstate oversees Xendia's services but does not control the design or operation of Xendia's proprietary algorithms, models, or execution systems.

## Risks

Regardless of the investment strategy or method of analysis used, all investments involve risk of loss, including the potential loss of principal. Some risks may be mitigated through diversification or other portfolio construction techniques, while others are unavoidable.

Common risks include, but are not limited to, the following:

- **Interest Rate Risk:** Changes in interest rates may cause the value of fixed income investments to fluctuate.
- **Market Risk:** Securities prices may decline due to political, economic, regulatory, or social events.
- **Inflation Risk:** Inflation may reduce purchasing power and real investment returns.
- **Portfolio Turnover Risk:** Frequent trading may increase transaction costs and result in higher taxes.
- **Currency Risk:** Foreign investments may be affected by changes in exchange rates.
- **Reinvestment Risk:** Income or proceeds may need to be reinvested at lower rates.
- **Business Risk:** Company-specific or industry-specific events may adversely affect performance.
- **Financial Risk:** Excessive borrowing or leverage increases volatility and potential losses.
- **Liquidity Risk:** Illiquid investments may be difficult to sell or may require selling at unfavorable prices.
- **Fixed Income Risk:** Bonds are subject to interest-rate, credit, and market risks.
- **High-Yield Fixed Income Risk:** Lower-rated bonds involve a higher risk of default.

- **Foreign and Emerging Markets Risk:** Political instability, reduced transparency, and limited liquidity may increase volatility.
- **Structured Products Risk:** Structured investments may be complex, illiquid, and involve derivative exposure.
- **Derivatives and Options Risk:** Derivative strategies may be speculative and involve loss of principal.
- **Small- and Mid-Capitalization Risk:** Smaller companies may experience greater volatility and liquidity constraints.
- **Non-Diversification Risk:** Concentrated investments may increase volatility.
- **American Depositary Receipts (ADR) Risk:** ADRs may involve foreign currency, accounting, and regulatory risks.

### **Model, Algorithmic, and Technology Risk**

For accounts utilizing model portfolios or automated investment processes, portfolio allocations may not respond as quickly or effectively to market conditions as discretionary, non-model-based strategies. Errors or limitations in models, assumptions, data inputs, or client-provided information may adversely affect investment results.

### **Custodian and Margin Risk (Interactive Brokers)**

For accounts custodied at Interactive Brokers LLC, investment advisory services are subject to the custodian's execution, margin, and liquidation practices. Margin may be available unless affirmatively restricted by the client. The use of margin increases leverage and investment risk and may result in forced liquidation of securities if margin maintenance requirements are not met.

For margin-enabled accounts, advisory fees may be calculated on the gross market value of securities rather than net equity, which may increase advisory fees. Margin interest rates, margin maintenance requirements, and liquidation practices are determined solely by Interactive Brokers pursuant to the client's agreements with the custodian and are outside of Sunstate's control.

### **Affiliated Bank Custody Risk**

Investments held in accounts custodied with Sunstate's affiliated bank are subject to market risk. Such investments are not bank deposits, are not insured by the Federal Deposit Insurance Corporation, and may lose value.

The risks described above are not intended to be exhaustive. Clients are encouraged to consult their financial advisor, legal counsel, and tax professional when evaluating investment strategies. Due to changing market conditions, additional risks may arise that are not described herein.

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**ITEM 9 | DISCIPLINARY INFORMATION**

Sunstate Wealth Management, LLC, and its management persons and supervised persons, have not been involved in any legal or disciplinary events that are material to a client's evaluation of the Firm or the integrity of its management or advisory personnel.

**ITEM 10 | OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

**A. Broker-Dealer or Representative Registration**

Kevin A. Rowe, the Firm's Chief Compliance Officer, serves as an outsourced compliance officer. This relationship does not create a conflict of interest with Sunstate Wealth Management, LLC ("Sunstate") because Mr. Rowe is neither a control person of the Firm nor involved in providing investment advice or managing client portfolios. Mr. Rowe is the President and Chief Executive Officer of LibScor Associates, Inc., which provides regulatory compliance, anti-money laundering, and financial operations consulting services to financial institutions.

No other representatives of the Firm are currently registered as representatives of a FINRA member broker-dealer. If any representative becomes registered with a broker-dealer in the future, such representative may receive commissions or other transaction-based compensation in connection with securities transactions. This may create a conflict of interest by incentivizing the recommendation of securities or investment products based on compensation rather than client needs. Any such conflicts will be disclosed and managed in accordance with the Firm's compliance policies and procedures.

**B. Futures or Commodity Registration**

Neither Sunstate nor any of its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator, or commodity trading adviser, and no application to register in any such capacity is pending.

**C. Material Relationships and Conflicts of Interest**

Sunstate Wealth Management, LLC is principally owned by Sunstate BancShares, Inc., the parent company of Sunstate Bank. Sunstate Bank serves as custodian for certain Sunstate client accounts and provides custodial and related services for which it receives compensation. In addition, Sunstate Bank may receive and share trailer fees from certain funds traded and cleared through All Funds with Sunstate. These arrangements create potential conflicts of interest because the Firm and its affiliates have a financial incentive to recommend or maintain client assets with an affiliated custodian or in fee-generating products. Sunstate addresses these conflicts through disclosure, supervisory oversight, and by allowing clients the option to select an unaffiliated custodian.

The affiliated bank may also offer certain banking or credit products, including borrowing or reverse repurchase arrangements, which may generate interest income for the bank. Recommending affiliated banking products could present a conflict of interest. Clients are under no obligation to utilize any affiliated banking products or services.

Sunstate has entered into a sub-advisory agreement with Xendia Wealth LLC (formerly BCP Advisors LLC) ("Xendia"), an unaffiliated investment adviser registered with the United States Securities and Exchange Commission. Under this arrangement, Xendia provides discretionary portfolio management services for certain Sunstate client accounts using model portfolios and an automated, questionnaire-driven investment platform. Client accounts managed by Xendia are custodied and executed at Interactive Brokers LLC, an unaffiliated broker-dealer.

Neither Sunstate nor Sunstate Bank has an ownership, referral, or operational relationship with Xendia or Interactive Brokers. Xendia and Interactive Brokers are not affiliates of Sunstate or Sunstate Bank.

This sub-advisory relationship creates a conflict of interest because Sunstate compensates Xendia from the advisory fees it receives from clients, which may create an incentive to select or retain Xendia as a sub-adviser. Sunstate mitigates this conflict through disclosure, initial and ongoing due diligence, periodic review of Xendia's services, and

by evaluating the suitability of sub-advisory strategies for each client. Clients do not enter into a separate advisory agreement with Xendia, and Sunstate remains the primary, client-facing investment adviser with fiduciary responsibility for the advisory relationship.

Sunstate's Chief Compliance Officer responsibilities are outsourced to an unaffiliated compliance consulting firm. While outsourcing compliance functions could be perceived as a potential conflict of interest if the consultant has other clients or business relationships, Sunstate has evaluated this arrangement and determined that it does not present a material conflict of interest because the outsourced compliance officer does not provide investment advice, does not manage client assets, and is contractually obligated to act in Sunstate's best interests.

Clients are under no obligation to implement any investment recommendation made by Sunstate, to engage any sub-adviser, or to utilize any affiliated or unaffiliated custodian or service provider.

#### **D. Referral and Solicitor Arrangements**

Sunstate compensates certain promoters and solicitors for referring clients to the Firm. This creates a conflict of interest because promoters and solicitors have a financial incentive to recommend Sunstate in order to receive compensation. Sunstate provides all required disclosures to referred clients in accordance with the United States Securities and Exchange Commission's Marketing Rule, including disclosure of the nature and terms of the compensation arrangement.

In addition, Sunstate may maintain referral or professional relationships with third-party service providers, such as accounting firms, banking institutions, or other professionals, for the purpose of servicing clients. Any referral arrangements that involve compensation or other material benefits are disclosed to clients when applicable.

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

**A. Code of Ethics**

As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each client at all times. Our fiduciary duty is the underlying principle of our firm's Code of Ethics, which includes procedures for personal securities transactions and the prevention of insider trading.

Our firm requires all supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment and at least annually thereafter, all supervised persons acknowledge receipt, understanding, and compliance with the Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid any circumstance that might compromise or appear to compromise our duty of complete loyalty to all clients. A copy of the full Code of Ethics is available to any client or prospective client upon request.

Our firm recognizes that the personal investment transactions of our supervised persons demand strict oversight and must be conducted in a way that does not endanger the interests of any client. At the same time, we believe that if investment goals are similar, it may be appropriate for employees and clients to hold some of the same securities.

To prevent conflicts of interest, our firm has established procedures governing personal transactions effected by representatives for their own accounts. Compliance with this policy is monitored through a quarterly personal securities transaction reporting system and supervisory review.

Neither our firm nor any related person recommends, buys, or sells securities for client accounts in which the firm or a related person has a material financial interest without prior disclosure to the client.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. To minimize conflicts, related persons must place client interests ahead of their own and adhere to our Code of Ethics. If a related person trades the same security as a client, transactions are reviewed to ensure clients receive at least as favorable terms as employees. Personal transactions that present potential conflicts are pre-cleared when required.

Our related persons refrain from buying or selling the same securities prior to trades made for clients on the same day, unless the trades are part of an aggregated block transaction executed for all participants on an equitable basis.

In addition, certain employees may maintain accounts at the affiliated bank that serves as custodian for many client accounts. All such accounts are subject to the same Code of Ethics standards and oversight procedures as other personal accounts.

## ITEM 12 | BROKERAGE PRACTICES

Client assets must be maintained by a qualified custodian. Sunstate Wealth Management, LLC (“Sunstate”) is deemed to have constructive custody of client assets when assets are maintained at Sunstate Bank, as described in Item 15 of this Brochure. For accounts custodied at unaffiliated custodians, including Interactive Brokers LLC, Sunstate does not have physical custody of client funds or securities.

In certain cases, the Firm’s ability to influence execution practices may be limited where portfolio management is delegated to a sub-adviser or where custodians are selected as part of a specific advisory program.

Sunstate seeks to recommend custodians and broker-dealers that will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. In evaluating custodians and broker-dealers, Sunstate considers a number of factors, including, but not limited to:

- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Execution capability and access to market venues
- Custody and recordkeeping services
- Frequency and correction of trading errors
- Ability to support the applicable investment strategy
- Expertise as it relates to specific securities or asset classes
- Financial condition and business reputation
- Quality, reliability, and responsiveness of services

### Custodial and Execution Arrangements

Sunstate utilizes more than one custodian and execution environment depending on the advisory program and investment strategy selected by the client.

- **Sunstate Bank.** Sunstate generally recommends Sunstate Bank, an affiliated bank regulated by the Federal Deposit Insurance Corporation, as custodian for certain client accounts, including certain Wrap Fee Program accounts. Sunstate Bank provides custody, trade execution, clearance, and settlement services. Client accounts may be charged custodial fees, transaction fees, commissions, or other account-related charges. Transaction fees are negotiated and are generally discounted from customary retail commission rates.
- **Interactive Brokers LLC.** For accounts managed by Xendia Wealth LLC (formerly BCP Advisors LLC) as sub-adviser, client assets are custodied and trades are executed at Interactive Brokers LLC, an unaffiliated FINRA-registered broker-dealer. Interactive Brokers provides custody, execution, clearing, settlement, and margin services pursuant to its custodial agreements with clients.

Sunstate Bank does not have an ownership, referral, or operational relationship with Interactive Brokers, and Interactive Brokers is not an affiliate of Sunstate or Sunstate Bank.

### Sub-Adviser Execution

For accounts or strategies that utilize a third-party sub-adviser, including Xendia Wealth LLC (formerly BCP Advisors LLC), portfolio management decisions—such as security selection, allocation, and rebalancing—are determined by the sub-adviser pursuant to a written sub-advisory agreement.

Execution of trades for such accounts occurs through the client's selected custodian, including Interactive Brokers, in accordance with the custodian's execution practices and the client's custodial agreements. Sunstate does not control the execution systems, margin policies, or liquidation practices of unaffiliated custodians, but retains oversight responsibility for evaluating brokerage arrangements in light of its best-execution obligations.

### **Best Execution**

Sunstate's duty to seek best execution requires that it seek to execute transactions so that total consideration to clients is the most favorable under the circumstances. This determination is not based solely on the lowest possible commission cost, but on whether the transaction represents the best qualitative execution, taking into account the full range of a custodian's services.

Because custodial and execution practices differ between Sunstate Bank and Interactive Brokers, execution quality, transaction costs, and operational practices may differ depending on the custodian used. Sunstate periodically reviews custodial and brokerage arrangements to evaluate execution quality and reasonableness of costs.

### **Soft Dollars**

Sunstate does not receive soft-dollar benefits in excess of what is permitted under Section 28(e) of the Securities Exchange Act of 1934. Any research or brokerage services obtained within the Section 28(e) safe harbor are generally used to service clients but not necessarily all clients at any one particular time.

Sunstate does not direct brokerage transactions in exchange for client referrals or other compensation.

### **Client Brokerage Commissions**

The custodian does not make client brokerage commissions generated by client transactions available for Sunstate's use. Sunstate does not receive brokerage commissions or transaction-based compensation in connection with client trades.

### **Directed Brokerage and Client-Directed Brokerage**

In certain instances, clients may limit or restrict Sunstate's discretionary authority regarding broker selection or commission rates. Any such direction must be provided in writing and may result in less favorable execution or higher transaction costs.

Sunstate permits clients to direct brokerage to a custodian or broker-dealer other than its recommendation. Client-directed brokerage may prevent aggregation of transactions or negotiation of favorable execution terms and may increase overall costs.

### **Aggregation of Purchase or Sale**

Sunstate provides investment management services to multiple clients and may execute concurrent transactions in the same security for more than one account. Transactions are aggregated only when Sunstate believes such aggregation is in the best interests of affected clients. Orders are allocated in a fair and equitable manner using price averaging, proration, and consistently applied, non-arbitrary allocation methods that consider client objectives, asset allocation, and available funds.

## ITEM 13 | REVIEW OF ACCOUNTS

Sunstate Wealth Management, LLC (“Sunstate”) conducts reviews of client accounts at least annually for Asset Management, Comprehensive Portfolio Management, Wrap Fee Program, and Third-Party Money Management clients. The purpose of these reviews is to determine whether client accounts remain aligned with stated investment objectives, are appropriately positioned based on market conditions, and comply with any applicable investment policies, guidelines, or restrictions.

For accounts managed directly by Sunstate, reviews generally include an evaluation of asset allocation, investment performance, risk exposure, trading activity, and consistency with the client’s objectives and risk tolerance.

For accounts or strategies that utilize a third-party investment manager or sub-adviser, including accounts managed by Xendia Wealth LLC (formerly BCP Advisors LLC) under Sunstate’s supervision, Sunstate conducts reviews designed to oversee the services provided by the third party. These reviews may include evaluation of portfolio allocations, performance information, adherence to stated investment strategies, use of leverage or margin where applicable, and consistency with the client’s objectives and restrictions. Sunstate also conducts demonstrated oversight of the sub-adviser’s activities through ongoing monitoring, reporting, and periodic supervisory review.

Wrap Fee Program accounts are reviewed on a regular basis as part of ongoing portfolio monitoring. Reviews may occur more frequently than annually depending on market conditions, changes in client circumstances, the use of margin or leverage, or the nature of the investment strategy employed. For accounts custodied at Interactive Brokers, Sunstate reviews available custodial reporting, performance data, and sub-adviser information as part of its oversight responsibilities.

Sunstate does not routinely provide written performance or account review reports unless specifically requested by the client. Verbal reviews or consultations occur at least annually and may occur more frequently based on client needs, significant market events, economic developments, or material changes in a client’s financial circumstances. Additional reviews may also be conducted at the request of the client.

Clients receiving Financial Planning and Consulting services do not receive periodic reviews of their written financial plans unless they separately engage Sunstate for follow-up or ongoing advisory services. Sunstate will meet with Financial Planning clients upon request to discuss updates, plan revisions, or other material changes. Written or verbal updates are provided only when the client engages the Firm for additional services beyond the initial planning engagement.

## ITEM 14 | CLIENT REFERRALS AND OTHER COMPENSATION

Sunstate Wealth Management, LLC (“Sunstate” or the “Firm”) engages third-party promoters to refer prospective clients to the Firm. Promoters are independent contractors and are not employees, agents, or representatives of Sunstate.

Promoters are compensated pursuant to written agreements in accordance with Rule 206(4)-1 under the Investment Advisers Act of 1940 (the “Marketing Rule”). Compensation generally consists of an ongoing share of the advisory fee paid by the client, typically calculated as a percentage of the advisory fee for so long as the client relationship remains in effect. This compensation is paid by Sunstate and does not increase the advisory fee paid by the client.

Promoters are not authorized to provide investment advice, interpret regulatory disclosures, or bind the Firm in any manner.

Sunstate conducts due diligence on promoters prior to engagement, which may include background reviews and qualification assessments. Promoters are subject to ongoing oversight, including required training and periodic review, to confirm compliance with applicable regulatory requirements and Firm policies.

Sunstate requires that all prospective clients referred by a promoter receive required disclosure documents, including the promoter disclosure statement, Form ADV Part 2A Brochure, and Form CRS, in accordance with Rule 206(4)-1 under the Investment Advisers Act of 1940 (the “Marketing Rule”).

Promoters are not responsible for delivering regulatory disclosure documents and are not authorized to interpret or explain such materials. All required disclosures are delivered directly by Sunstate as part of its client onboarding process.

Sunstate maintains procedures designed to ensure that all required disclosures are provided to prospective clients at or prior to entering into an advisory agreement and maintains records evidencing such delivery.

If you were referred to Sunstate by a promoter and did not receive the required disclosure documents, including the promoter disclosure statement, Form ADV Part 2A Brochure, and Form CRS, please contact Sunstate at **(305) 567-0600** or via email at [atendimento@sunstatefl.com](mailto:atendimento@sunstatefl.com).

### **Affiliated Bank Arrangements**

Sunstate maintains a custodial relationship with its affiliated entity, Sunstate Bank. The affiliated bank provides custody, brokerage, and related services for certain client accounts.

Sunstate Bank may receive compensation for services provided to client accounts, including custody, execution, and administrative services. In addition, Sunstate Bank may receive servicing fees or trailer fees from certain investment products. A portion of these fees may be shared with Sunstate.

These arrangements create a conflict of interest because Sunstate and its affiliate have a financial incentive to recommend or maintain client assets with the affiliated bank or in investment products that generate additional compensation. Sunstate addresses these conflicts through disclosure, supervisory oversight, and its fiduciary obligation to act in the best interests of clients.

Sunstate does not receive direct referral compensation from Sunstate Bank for client referrals. The affiliated bank may refer clients to Sunstate on an informal basis as a convenience to clients. No cash or non-cash compensation is paid or received in exchange for such referrals.

Sunstate does not receive referral fees, placement fees, or other economic benefits from Xendia Wealth LLC (formerly BCP Advisors LLC) or Interactive Brokers LLC in connection with the recommendation or use of their services. Xendia Wealth LLC and Interactive Brokers LLC are unaffiliated third parties.

Sunstate compensates Xendia Wealth LLC (formerly BCP Advisors LLC) for sub-advisory services from the advisory or wrap fees paid by clients, as described in Item 5 of this Brochure. Clients do not pay separate fees directly to Xendia Wealth LLC.

Sunstate Bank may provide certain support services to the Firm, which may include research (including mutual fund research, third-party research, and proprietary analyses), brokerage and custody services, and access to investment products. The bank may also provide technology and administrative support, including access to account data, trading systems, pricing information, performance reporting tools, and back-office services.

In addition, Sunstate Bank may provide practice management, consulting, or technology support, or may facilitate access to third-party service providers, including regulatory compliance resources. These services are intended to support the Firm's operations and are not contingent upon the level of client assets maintained or transactions executed through the affiliated bank.

**ITEM 15 | CUSTODY**

Sunstate Wealth Management, LLC (“Sunstate”) is deemed to have constructive custody of client funds and securities when client assets are maintained at Sunstate Bank, an affiliated custodian under common control with Sunstate. This constructive custody is limited to Sunstate’s authority to deduct advisory fees from client accounts, as authorized in each client’s investment advisory agreement.

Sunstate does not otherwise hold or maintain physical possession of client funds or securities. Client assets are held by a qualified custodian, which may include Sunstate Bank or an unaffiliated custodian selected in connection with a particular advisory program or investment strategy, such as Interactive Brokers LLC.

Clients receive account statements directly from their custodian, at least quarterly, detailing all holdings and transactions in the account. Clients are encouraged to review these statements carefully and to compare them with any account information or reports provided by Sunstate.

Because Sunstate and Sunstate Bank are under common control, Sunstate is subject to an annual surprise examination of client funds and securities maintained at Sunstate Bank by an independent public accounting firm, as required under Rule 206(4)-2 of the Investment Advisers Act of 1940. These examinations are unannounced.

For client accounts custodied at Interactive Brokers LLC, Sunstate does not have custody beyond the limited authority to deduct advisory fees where authorized. Interactive Brokers is an unaffiliated qualified custodian that provides clients with account statements and confirmations directly. Sunstate does not have possession of client funds or securities held at Interactive Brokers and does not control the custodian’s internal controls, margin practices, or custody procedures.

Sunstate also obtains, no less than annually, from Sunstate Bank, a report of internal controls relating to the custody of client assets maintained at the affiliated bank, prepared by an independent public accountant, in accordance with applicable regulatory requirements.

**ITEM 16 | INVESTMENT DISCRETION**

Clients may grant Sunstate Wealth Management LLC (“Sunstate”) discretionary authority to manage investments in their accounts pursuant to an executed investment advisory agreement. When discretionary authority is granted to Sunstate, the Firm is authorized to determine the securities to be bought or sold, the amount of securities to be transacted, and the timing of such transactions without obtaining the client’s prior consent, subject to any investment guidelines or restrictions provided by the client in writing.

Most client accounts, including certain accounts participating in the Wrap Fee Program, are managed on a non-discretionary basis. In non-discretionary accounts, Sunstate provides investment recommendations and obtains the client’s consent prior to executing any transaction.

For certain accounts and strategies, including accounts managed through Sunstate’s Wrap Fee Program, Sunstate engages an unaffiliated third-party investment adviser as a sub-adviser to provide discretionary portfolio management services pursuant to a written sub-advisory agreement. In these cases, discretionary authority is exercised by the sub-adviser on Sunstate’s behalf in accordance with the client’s stated investment objectives, risk tolerance, and any applicable written restrictions.

For accounts managed by Xendia Wealth LLC (formerly BCP Advisors LLC) as sub-adviser, client accounts are custodied at Interactive Brokers LLC, and discretionary trading authority is exercised by Xendia pursuant to the sub-advisory agreement and the client’s custodial agreements. Clients do not enter into a separate advisory agreement with the sub-adviser, and Sunstate remains the primary, client-facing investment adviser with fiduciary responsibility for the advisory relationship and ongoing oversight of the sub-adviser.

Sunstate does not have authority to withdraw client funds or securities except for the limited authority to deduct advisory fees, where authorized, as set forth in the client’s advisory agreement and applicable custodial authorizations.

Clients may impose reasonable limitations on discretionary authority by providing written instructions to the Firm. Such limitations may include restrictions on the purchase or sale of particular securities, the use of margin, or the types of securities permitted. Any restrictions will be acknowledged and maintained by Sunstate and, where applicable, communicated to any engaged sub-adviser.

**ITEM 17 | VOTING CLIENT SECURITIES**

Sunstate Wealth Management LLC (“Sunstate”) does not vote proxies for any client accounts. Clients receive proxy statements, voting materials, and other shareholder communications directly from the account custodian or the issuer’s transfer agent.

If proxy materials are inadvertently sent to Sunstate, the Firm will promptly forward such materials to the appropriate client and request that the sender deliver future proxy materials directly to the client.

Sunstate does not provide recommendations or advice regarding proxy voting and does not participate in proxy solicitation or corporate action decisions. Clients who have questions regarding proxy voting or other shareholder solicitations may contact Sunstate by telephone, in writing, or by electronic mail for general assistance.

For accounts custodied at Sunstate Bank, Interactive Brokers LLC, or any other qualified custodian, all proxy materials are distributed directly to clients by the custodian or issuer. Sunstate assumes no responsibility for voting proxies or monitoring proxy-related communications on behalf of clients.

**ITEM 18 | FINANCIAL INFORMATION**

Sunstate Wealth Management LLC does not solicit or accept prepayment of advisory fees in excess of **\$500** per client, six months or more in advance of services rendered.

Sunstate has not been the subject of a bankruptcy proceeding within the past ten years and reasonably believes that it is able to meet all of its contractual and financial commitments to clients.

**QUESTIONS? CONTACT US.**

**SUNSTATE WEALTH MANAGEMENT, LLC**

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