

## Firm Brochure - Form ADV Part 2A

This Brochure provides information about the qualifications and business practices of Cabildo Capital LLC. If you have any questions about the contents of this Brochure, please contact us at +1 (202) 841-1972 or by email at: [cabildocapital@gmail.com](mailto:cabildocapital@gmail.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. Additional information about Cabildo Capital LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Cabildo Capital's CRD Number is: 297330.

Registration does not imply a certain level of skill or training.

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**Item 2: Material Changes**

Cabildo Capital LLC is required to report material changes to Cabildo Capital LLC's policies or practices.

In the future, this Item will discuss only specific material changes that are made to the Brochure. Each time we will reference the date of our last annual update of the Brochure for Cabildo Capital LLC.

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#### **Item 4: Advisory Business**

Cabildo Capital LLC (“Cabildo Capital”) is a Limited Liability Company organized in the District of Columbia. Cabildo Capital was formed in May 2018. Its principal owner and control person is Raul A. Sonza Jr. Cabildo Capital became registered as an Investment Advisor in Washington, D.C. on June 8, 2018.

Cabildo Capital offers portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Cabildo Capital requires discretionary authority from clients to select securities and execute transactions without permission from the client prior to each transaction. Nevertheless, clients may impose restrictions on investing in certain securities or types of securities. For example, clients may impose restrictions on investing in banking, energy, tobacco, alcohol or gambling stocks. However, such restrictions may cause returns to differ from client portfolios currently invested in these securities or industries.

Cabildo Capital seeks to provide that investment decisions are made in accordance with its fiduciary obligations owed to its clients and without consideration of Cabildo Capital’s economic, investment or other financial interests. To meet its fiduciary obligations, Cabildo Capital attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage any client portfolios. It is Cabildo Capital’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among all its clients on a fair and equitable basis over time.

Prior to engaging Cabildo Capital to provide investment advisory services, each client is required to enter into an Investment Advisor Contract (“IAC”) with Cabildo Capital that defines the terms, conditions, authority and responsibilities of Cabildo Capital and the Client. Clients may terminate the IAC at any time and immediately, upon written notice to Cabildo Capital. These services include the following:

- Asset Allocation: Cabildo Capital will develop a strategic asset allocation that is targeted to meet the client’s investment objectives, time horizon, financial situation and risk tolerance.
- Portfolio Construction: Cabildo Capital will construct a portfolio for the client that is intended to meet the stated goals and objectives of the client.
- Investment Management and Supervision: Cabildo Capital will provide investment management and ongoing oversight of the client’s investment portfolio.

Cabildo Capital is required to disclose the assets under management. As of July 13, 2018, Cabildo Capital has approximately fifteen million dollars (\$15,000,000) in discretionary assets under management.

## **Item 5: Fees and Compensation**

Cabildo Capital receives a management fee (“Management Fee”) from each Client. The Management Fee for Managed Accounts is taken in arrears and is equal to 2.0% (1/4 of 2.0% calculated and payable quarterly on March 31, June 30, September 30 and December 31). Cabildo Capital uses the value of the account as of the last business day of the billing period, after considering deposits and withdrawals, for purposes of determining the market value of the assets upon which the Management Fee is based. The Management Fee is assessed pro rata in the event that it is executed at any time other than the first day of a calendar quarter and with respect to any amounts permitted to be invested at any time other than the first day of a calendar quarter.

The Management Fee is automatically deducted from the Client’s account by the custodian as soon as practicable following the end of each applicable period. Should a Client open an account during a quarter, Cabildo Capital’s Management Fee will be prorated based on the number of days the account was open during the quarter. The Custodian delivers an account statement to the Client at least quarterly, showing all disbursements, including advisory fees, deducted from the account. The Client is encouraged to review all account statements for accuracy. It is the responsibility of the Client, not the Custodian, to ensure the fees are calculated correctly. Please see Item 12 of this Brochure for more information regarding brokerage.

Clients may terminate the agreement without penalty, for a full refund of Cabildo Capital’s fees within five (5) business days of signing the Contract. Thereafter, Clients may terminate the Contract immediately upon written notice. Management Fees are negotiable and arrangements with any Client may differ from those described above. Cabildo Capital may amend its standard fee schedule at any time by giving thirty (30) days advanced written notice to Clients. Although Cabildo Capital LLC believes its fees are competitive, Cabildo Capital is required to disclose that Clients should be aware that lower fees for comparable services may be available from other sources.

Clients are responsible for the payment of all trading account fees (i.e. custodian fees, brokerage fees, transaction fees, etc.). Those fees are separate and distinct from the fees charged by Cabildo Capital. Cabildo Capital is required to disclose that lower fees for comparable services may be available from other sources. Please see Item 15 of this brochure for more information regarding the deduction of the Management Fee from client accounts.

## **Item 6: Performance-Based Fee**

Cabildo Capital does not charge a performance-based incentive fee.

## **Item 7: Types of Clients**

Cabildo Capital generally provides advisory services to the following types of clients:

- High-Net-Worth Individuals
- Individuals

The minimum account size that shall be accepted by Cabildo Capital is one hundred thousand U.S. dollars (\$100,000). The client may add to or withdraw funds from its investment account in any increment at any time, with no minimum subsequent investment amount. Cabildo Capital can waive the minimum account size in its sole discretion.

## **Item 8: Method of Analysis, Investment Strategies, and Risk of Loss**

Cabildo Capital will rely on both fundamental and technical strategies developed by its Managing Partner and Chief Compliance Officer, Mr. Raul A. Sonza Jr. Mr. Sonza has developed methodical and data-driven strategies which he believes fair better than comparable benchmarks, on both an absolute and risk-adjusted basis. Cabildo Capital's strategy includes fundamental analysis and technical analysis to identify potential price inefficiencies in the market. Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. Technical analysis involves the analysis of past market data, primarily price and volume.

On balance, there are risks and shortcomings to the investment strategies of fundamental analysis and technical analysis. First, fundamental analysis is vulnerable to wrong data, given its reliance on facts, information, and even assumptions. For example, a company may incorrectly or unintentionally report data such as its future growth rate or profits. Second, fundamental analysis relies heavily on a company's past performance and information, which can easily and quickly change. However, past performance and information are not indicative of future results.

Technical analysis also faces several risks and shortcomings. First, technical analysis assumes that the price of a security reflects all available information and therefore represents the true fair value of the security. Further, technical analysis supports the idea that price patterns repeat themselves and hence future movements can be predicted. However, technical analysis fails to include important metrics such as profitability, sales growth, debt positions, all of which may or may not be reflected in the price of a security. Another risk is that historical price patterns may repeat but are unlikely to be sustained, given changes in market, economic or industry conditions.

Cabildo Capital seeks out, aggregates, and analyzes information from a multitude of sources. Cabildo Capital also goes to various lengths to verify information that it has reviewed and believes

to be material in the investment decision process. These sources include common sources such as Bloomberg, CNBC, The Wall Street Journal, Morningstar, Seeking Alpha, SEC filings, and annual reports. Cabildo Capital also develops and performs its own proprietary research, including monitoring sales of a company's product on major websites, academic journals, and going "hands-on" to create first-hand knowledge of a company. Mr. Sonza also attends meetings with fund and portfolio managers, conference calls and industry conferences.

As a rule, Cabildo Capital employs strategic asset allocation strategies for portfolio management. Cabildo Capital may sometimes use passive-managed index and exchange-traded funds when appropriate. Cabildo Capital minimizes market risk by maintaining a certain level of liquidity. Cabildo Capital also diversifies portfolios to control the risk associated with traditional markets.

Cabildo Capital has a specific investment and trading strategy, and Cabildo Capital selects clients whose investment objectives, risk profile and time horizons are a fit for that investment strategy. The client may change these objectives at any time. The client's goals and objectives are recorded during meetings and via correspondence with the client. Each client portfolio is constructed solely for that client. We do not use model portfolios, and we do not utilize composites to illustrate results.

Accuracy of Public Information Risk: Cabildo Capital selects investments, in part, based on information and data filed by issuers with various government regulators or made publicly available by the issuers or through sources other than the issuers. Although Cabildo Capital evaluates this information and data and ordinarily seeks independent corroboration as appropriate and reasonably available, Cabildo Capital is not in a position to confirm the completeness, genuineness or accuracy of such information and data. In some cases, complete and accurate information is not available.

Short Sales: Cabildo Capital may, from time to time, sell short investments believed to be overvalued. This technique involves the sale of securities not owned by a Client in the expectation of being able to repurchase the same securities at a lower price at a later date. To make delivery, the Client must borrow securities. All rights of ownership remain with the lender, and the Client is responsible to the lender for dividends or other distributions during the time the securities are borrowed. Cash is realized by the selling broker as a result of the short sale. In some instances the Client may receive a negotiated portion of the interest on these funds. The Client will incur a loss on such a position if the price of the securities involved increases between the date of the short sale and the date on which Cabildo Capital "covers" a Client's position by purchasing the securities to replace those borrowed. The Client will realize a gain if the securities decline in price between those dates.

Uninvested Assets: Assets not invested in securities, or deposited as margin, or paid as premiums, generally will be invested in money market instruments, including, without limitation, Treasury notes and bills, certificates of deposit, commercial paper, broker balances, bankers' acceptances,

repurchase agreements or mutual funds that invest in such securities. For temporary defensive purposes, a Client's account may consist of cash or other money market instruments.

Portfolio Turnover: Cabildo Capital will actively manage Client accounts. Cabildo Capital may adjust the Client's portfolio if it believes market conditions or research opinions affecting the market or individual issues warrant such action, or as a result of changes in Cabildo Capital's risk tolerance, or to take advantage of short-term trading opportunities. Accordingly, a Client's account may turn over frequently during the year. In such circumstances, the Client may have a higher portfolio turnover rate and pay greater brokerage commissions than portfolios with a lower portfolio turnover rate.

Risks Associated with Investments: Any investment carries certain market risks. Investments may decline in value for any number of reasons over which Cabildo Capital may have no control, including changes in the overall market for equity and/or debt securities, factors pertaining to portfolio securities, such as management, the market for the issuer's products or services, sources of supply, technological changes within the issuer's industry, the availability of additional capital and labor, and other similar conditions. The value of a Client's portfolio will fluctuate, and there is no assurance of capital growth. The profit (or loss) derived from investment transactions consists of the price differential between the price of the securities purchased and the value ultimately realized from their disposition, plus any dividends or interest received during the period that the securities are held, less transaction costs (consisting mainly of brokerage commissions). If investment held long (held short) do not increase (decrease) in value as anticipated, Cabildo Capital may sell them without a gain or at a loss.

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 any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Cabildo Capital) will be profitable. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

#### **Item 9: Disciplinary Information**

There are no criminal, civil, administrative actions or proceedings to report.

#### **Item 10: Other Financial Industry Activities and Affiliations**

Neither Cabildo Capital nor Mr. Sonza is registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer. Moreover, neither is registered as or has pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.



## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Cabildo Capital has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Cabildo Capital's Code of Ethics is available free upon request to any client or prospective client.

Cabildo Capital does not recommend that clients buy or sell any security in which a related person to Cabildo Capital or Mr. Sonza has a material financial interest. From time to time, representatives of Cabildo Capital may make trades and investments for their own accounts. In these accounts, they may use trading and investment methods that are similar to, or substantially different from, the methods used by them to direct client accounts. The records of these personal accounts will not be made available to clients.

Furthermore, from time to time, representatives (i.e., Mr. Sonza) of Cabildo Capital may invest in the same securities that representatives of Cabildo Capital recommend to clients. This may provide an opportunity for representatives of Cabildo Capital to buy or sell securities before or after recommending securities to clients, resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Cabildo Capital will never engage in trading that operates to the client's disadvantage if representatives of Cabildo Capital invests in the same securities that representatives of Cabildo Capital recommend to clients.

Moreover, from time to time, representatives (i.e., Mr. Sonza) of Cabildo Capital may recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that representatives of Cabildo Capital buys or sells the same securities for his own account. This may also provide an opportunity for representatives of Cabildo Capital to buy or sell securities before or after recommending securities to clients, or buy or sell securities for client accounts before or after buying or selling securities for the representatives' own account, resulting in representatives profiting off the recommendations they provide to clients, and/or the buy or sell transactions done for clients. Such actions may create a conflict of interest; however, Cabildo Capital will never engage in trading that operates to the client's disadvantage if representatives of Cabildo Capital recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that representatives of Cabildo Capital buys or sells the same securities for his own account.

## **Item 12: Brokerage Practices**

Cabildo Capital has the incentive to recommend that clients open accounts at Charles Schwab & Co., Inc. based on Cabildo Capital's interest in receiving the research or other products or services of Charles Schwab, rather than our clients' interest in receiving the most favorable execution.

Cabildo Capital's objective in selecting custodians such as Charles Schwab & Co., Inc. to effect portfolio transactions is to seek the best combination of price and execution for clients. The best net price, giving effect to sales commissions charged by the custodian, spreads and other costs, is normally an important factor in this decision, but several other judgmental factors are considered. In applying these factors, Cabildo Capital recognizes that different custodians may have different execution capabilities with respect to different types of securities. In determining whether a custodian is likely to provide best execution, Cabildo Capital considers all factors that it deems relevant to the custodian's execution capability. Every three to five years, Cabildo Capital is required to survey custodians to ensure that Charles Schwab & Co., Inc. is the best custodian available to its clients. Cabildo Capital benefits from custodians such as Charles Schwab & Co. because Cabildo Capital does not have to produce or pay for the custodian's research, products or services.

While Cabildo Capital has no formal soft dollars' program in which soft dollars are used to pay for services, Cabildo Capital receives at no charge research, products, and/or other services from custodians (such as Charles Schwab & Co., Inc.) "soft dollar benefits" in connection with client securities transactions. Such soft-dollar arrangements are consistent with and not outside of the scope of the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any client will benefit from soft dollar benefits, and Cabildo Capital does not seek to allocate any benefits to client accounts in proportion to any soft dollar benefits generated by client accounts. Cabildo Capital benefits by not having to produce or pay for the research, products or services (whether Cabildo Capital uses the soft dollars' benefits or not). Cabildo Capital may have an incentive to select or recommend a custodian such as Charles Schwab & Co., Inc. based on Cabildo Capital's interest in research, or other products or services. Clients should be aware that Cabildo Capital's deemed acceptance of soft dollar benefits could result in higher commissions charged to the client by the custodian. The availability of soft dollar benefits creates a conflict of interest for Cabildo Capital.

Cabildo Capital receives no referrals from Charles Schwab & Co., Inc. in exchange for referring its clients to Charles Schwab & Co., Inc.

Cabildo Capital permits clients to select a custodian, although not all advisers require their clients to direct brokerage. Nevertheless, Cabildo Capital encourages its clients to select Charles Schwab & Co., Inc. Cabildo Capital's policy and practice of requesting its clients to execute transactions through Charles Schwab & Co. consist of explaining to clients that Charles Schwab & Co. offers

the best Registered Investment Advisor platform, among the major custodians, specifically technology, trading platform, and portfolio reporting. Accordingly, Cabildo Capital directs and assists clients with either the online or paper account application for new accounts.

If a client selects a different custodian, the client will be required to acknowledge in writing that the client's choice with respect to the use of a custodian other than Charles Schwab & Co., Inc. supersedes any authority granted to Cabildo Capital to select the custodian and this decision may result in higher commissions for the client. This may also result in a disparity between client accounts. Trades for the client will be executed after trades taken in client accounts maintained at Charles Schwab & Co., Inc. In this case, the most favorable trade execution may not be achieved, which may cost the client more. By directing clients to Charles Schwab & Co., Inc., Cabildo Capital will be able to aggregate or bunch the securities to be purchased or sold for multiple clients. At the same time, it is possible that by directing brokerage of our clients to Charles Schwab & Co., Cabildo Capital may be unable to achieve the most favorable execution of client transactions, and this practice may cost clients more money.

For client accounts, Cabildo Capital aggregates all purchases or sales of securities for various client accounts. The aggregation of all orders occurs across all client accounts via the Charles Schwab & Co. Advisor Trading Center, which Cabildo Capital uses to allocate client orders via percentage of client assets.

### **Item 13: Review of Accounts**

All client accounts are reviewed at least monthly by Mr. Sonza of Cabildo Capital. Other reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance). At a minimum, clients receive a quarterly account statement from the custodian detailing the client's account, including assets held, asset value, and fees deducted. Cabildo Capital does not provide additional written quarterly account statements. All account statements will be sent by the custodian. Clients should carefully review those account statements for accuracy.

### **Item 14: Client Referrals and Other Compensation**

Cabildo Capital does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to Cabildo Capital's clients. Cabildo Capital does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts by the custodian, Cabildo Capital is deemed to have constructive custody of client's funds and securities. As a result of this type of custody, Cabildo Capital is required to have written authorization from the client to deduct applicable fees. Further, pursuant to several states' Code of Regulations (if the investment adviser or investment adviser representative has custody, due solely by having fees directly deducted from the client accounts), Cabildo Capital is required to comply with and meet the following safeguard requirements:

- a. Written Authorization: The investment adviser must have written authorization from the client to deduct fees from the account held with the qualified custodian;
- b. Notice of Fee Deduction: Each time a fee is directly deducted from a client account, the investment adviser must concurrently:
  - i. Send the custodian an invoice specifying the amount of the fee to be deducted from the client's account; and
  - ii. Send the client an invoice specifying and itemizing the fee. Itemization includes the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee
- c. Client Statements: The custodian sends statements to the clients showing all disbursements for the custodian account, including the amount of the advisory fee. Statements should coincide with the investment adviser or investment adviser representative billing period. Cabildo Capital urges its clients to compare the account statements they receive from the qualified custodian against the fee invoices they receive from Cabildo Capital. Clients should carefully review statements received from the custodian.

The investment adviser notifies the Commissioner in writing that the investment adviser intends to use the safeguards provided above. Such notification is required to be given on Form ADV.

### **Item 16: Investment Discretion**

Cabildo Capital only provides discretionary investment advisory services to clients. The Investment Advisor Contract established with each client sets forth the discretionary authority for trading. Cabildo Capital manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the

account, the total amount of the securities to be bought/sold, what securities to buy or sell. Client will execute a limited power of attorney to evidence discretionary authority.

#### Limitations on Discretionary Authority

Clients may impose reasonable restrictions, limitations or other requirements with respect to their individual accounts. Any limitations on Cabildo Capital LLC's discretionary authority to manage securities accounts on behalf of a Clients would be initiated and imposed by the Client.

#### Examples of common guideline restrictions include:

Limitations prohibiting the purchase of certain securities or industry groups; Limitations on the purchase or sale of a security (taxable/tax-exempt); Limitations on the purchase or sale of securities within a sector; Limitations with respect to the weighted average maturity or duration for a portfolio; and Limitations with respect to asset allocation for balanced portfolios.

Specific client investment restrictions may limit Cabildo Capital LLC's ability to manage those assets like other similarly managed portfolios. This may impact the performance of the account relative to other accounts. Clients should be aware that restrictions may impact performance.

#### **Item 17: Voting Client Securities (Proxy Voting)**

Cabildo Capital will neither ask for nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

#### **Item 18: Financial Information**

Cabildo Capital neither requires nor solicits prepayment of fees from clients. Neither Cabildo Capital nor Mr. Sonza has any financial condition that is likely to reasonably impair Cabildo Capital's ability to meet contractual commitments to clients. Cabildo Capital has not been the subject of a bankruptcy petition in the last ten years.

#### **Item 19: Requirements for State Registered Advisers**

Cabildo Capital currently has only one principal, Mr. Raul A. Sonza Jr. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement. Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement. Cabildo Capital is required to disclose the pertinent facts regarding any legal or

disciplinary events material to a client's evaluation of Mr. Sonza. There are no civil, administrative, self-regulatory organization or arbitration proceedings to report. Neither Cabildo Capital nor Mr. Sonza of Cabildo Capital has any relationship or arrangement with issuers of securities. See Item 10 and 11 for further information.