



Avondale Investment Management, LLC

Form ADV Part 2A – Disclosure Brochure

Effective: March 21, 2018

This Form ADV 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Avondale Investment Management, LLC (“AIM” or the “Advisor”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (214) 393-8883 or email us at info@avondale-im.com.

AIM is a registered investment advisor located in the State of Texas. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about AIM to assist you in determining whether to retain the Advisor.

Additional information about AIM and its Advisory Persons is available on the SEC’s website at www.adviserinfo.sec.gov by searching with our firm or our CRD# 165455.

Avondale Investment Management, LLC
200 Crescent Court, Suite 60, Dallas, TX 75201
Phone: (214) 393-8883 * Fax: (888) 509-1850
www.avondale-im.com

Item 2 - Material Changes

Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about Advisory Persons of AIM.

AIM believes that communication and transparency are the foundation of its relationship and continually strive to provide its Clients with complete and accurate information at all times. AIM encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

Material Changes

There have been changes to this Disclosure Brochure that we are required to disclose to Clients. These material changes include:

- The Advisor no longer offers financial planning services, retirement plan advisory services or business consulting services.

Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of AIM.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with our firm name or our CRD# 165455. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (214) 393-8883 or email us at info@avondale-im.com.

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Item 4 - Advisory Services

A. Firm Information

Avondale Investment Management, LLC ("AIM" or the "Advisor") is a registered investment advisor located in Dallas, Texas. AIM is organized as a Limited Liability Company ("LLC") under the laws of Texas. AIM was founded in September 2012 and is owned by John W. Spears (Principal). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by AIM.

The Advisor serves as a fiduciary to Clients, as defined under applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. Our fiduciary commitment is further described in our Code of Ethics. For more information regarding our Code of Ethics, please see Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

B. Advisory Services Offered

AIM offers investment advisory services to individuals, high net worth individuals, non-profits, corporations, retirement plans, trusts, and private funds in Texas and other states (each referred to as a "Client").

Initial Consultation - AIM begins a Client engagement with a complimentary initial consultation. During this consultation, Avondale will:

- Introduce the Client to AIM, its services and the AIM team;
- Gather information about the Client's investment objectives, financial condition, and risk tolerance. AIM, in connection with Client input, uses this information in developing an investment approach for each Client;
- Reach an agreement between AIM and the Client as to the scope of services and compensation arrangements.

The consultation must be completed before AIM will make any specific recommendations about the Client's asset allocation or securities to buy or sell. At the conclusion of the initial consultation, the Client will sign AIM's investment advisory agreement, which serves as the contract between the Client and AIM, specifying the precise nature of services to be rendered by Avondale and fees to be paid by the Client.

Investment Management Services - AIM provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing both discretionary and non-discretionary investment management and related advisory services. AIM works with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. AIM may implement a rotational timing and/or a diversified portfolio strategy[ies] for a Client based on their profile.

Diversified Portfolio Strategies - AIM constructs portfolios and will make ongoing recommendations primarily involving: exchange-listed stocks, mutual funds, index funds, exchange-traded funds ("ETFs"), stock options, and bonds. However, in rare instances, AIM may recommend investments in private placement offerings and other types of securities as appropriate to meet Client objectives.

Rotational Timing Strategies - AIM may implement a rotational timing strategy for a Client, which is a momentum-based investment approach. Based on the relative strength of an asset class, those asset classes that are believed to have momentum will have an increased weighting and those with a less favorable outlook will be reduced or eliminated from the current portfolio. AIM utilizes ETFs in this investment strategy. The portfolio turnover in this strategy is likely to be higher than a traditional asset allocation. Please see Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss for additional information.

The Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. AIM will construct, implement and monitor the portfolio to ensure it

meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to the acceptance by the Advisor.

AIM evaluates and selects investments for inclusion in Client portfolios only after applying their internal due diligence process. AIM may recommend, on occasion, redistributing investment allocations to diversify the portfolio. AIM may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. AIM may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client's risk tolerance.

AIM will provide investment management and related services. At no time will AIM accept or maintain custody of a Client's funds or securities. All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the Client investment advisory agreement. For additional information, please see Item 12 - Brokerage Practices and Item 15 - Custody.

Avondale Private Lending LLC

Avondale Private Lending LLC (the "Fund") is an LLC organized in the State of Texas in 2016. The Company's Membership Units are solely offered to "Accredited Investors" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933 (the "Securities Act"). The Membership Units offered are not registered under the Securities Act, the Securities Laws of the State of Texas, or under the securities laws of any other state or jurisdiction in reliance upon the exemptions from registration provided by the Securities Act and Rule 506(c) of Regulation D.

The Fund's primary objective is to invest in the niche asset class of private business purpose loans secured by first lien deeds of trust. These short-term, collateral-based loans seek to provide investors with strong cash flow from borrower interest payments while preserving investors' principal investments.

To accomplish the Fund's objective, the Advisor will make and service business purpose loans to professional real estate investors, residential developers, and renovation companies in the Dallas-Fort Worth area (each a "Borrower"). Borrowers seek these loans for transitional residential real estate property. Transitional properties are those that will require some type of tangible improvement during the term of the Loan. This will involve buying non-homestead residential real estate, to either increase the value of the property to resell for a profit or result in the property becoming eligible for traditional long-term financing from a bank or other lender. The characteristics of such property may vary, but a few common examples include:

- Residential property being renovated for resale (a.k.a. a "fix and flip").
- Residential new construction.
- Rental property undergoing income stabilization in order to qualify for refinancing with a traditional lender.
- Property acquired from foreclosure or short sale.
- Partially completed property from a distressed developer that needs work to complete.

Loans will generate cash flow from loan fees, interest-only payments and a final balloon payment at the end of the Term. The primary source of repayment of the Loans will be the proceeds of the sale of the land and improvements following the completion of renovation or development by the Borrower.

As a collateral-based lender, the Fund will primarily consider the value of the real property collateral and its related cash flow as a primary factor in its loan decisions. As a secondary consideration, the Fund will evaluate non-collateral, borrower related factors. Prior to approving any loan, each loan will be evaluated using a

comprehensive set of criteria, set forth within the Private Placement Memorandum (“PPM”).

An investment in the Fund is speculative and involves substantial risks, including the risks associated with investing in private companies and the risks associated with investing in the investment fund. Investors should not invest in the Fund unless they have the financial ability to withstand the loss of their investment in the Fund. See Article V Principal Risk Factors within the Fund’s PPM.

Clients should refer to the Fund’s PPM for more complete information on the investment objectives and qualifications. There is no assurance that the Fund and its strategies will achieve its investment objectives. Certain Clients of the Advisor may invest in the Fund. In these instances, Clients will pay fees in accordance with the offering documents and will not pay any additional investment advisory fees to the Advisor on assets invested in the Fund. The Fund requires a minimum subscription per investor of \$50,000.

Avondale DFW Properties LLC

Avondale DFW Properties LLC (“DFW Fund”) is a LLC organized in the State of Texas in 2017. The DFW Fund’s principal business office is located at 200 Crescent Court, Suite 60, Dallas, Texas 75201. The Manager of the DFW Fund is Avondale Investment Management LLC (“the Manager”), pursuant to the agreement between the DFW Fund and the Advisor. The Manager has the exclusive right and power to manage the operations of the DFW Fund.

The purpose of the Manager shall be to invest in the DFW Fund, which is a pooled investment vehicle formed for the purpose of owning office buildings, developing, managing and selling single family residential homes and related real estate property assets located in the Dallas Fort Worth area of Texas.

The DFW Fund shall have all powers necessary, suitable or convenient for the accomplishment and purposes of the DFW Fund offering, including without limitation (a) to make and perform all contracts; (b) to borrow or lend money and secure payment thereof; (c) to engage in all activities and transactions; and (d) to have all powers available to a limited liability company under (i) the Texas Business Organizations Code (“TBOC”), (ii) any other laws in the State of Texas, and (iii) the laws of any other jurisdiction where the DFW Fund conducts business.

Investors in the DFW Fund (the “Investor”) understand that (i) an investment in the units is suitable only for an investor who is able to bear the economic consequences of losing his or her entire investment; (ii) an investment in the units is speculative and involves a high degree of risk of loss; and (iii) there are substantial restrictions on the transferability of, and there will be no public market for, the units, and accordingly, the Investor may not be able to liquidate an investment in the units in the case of an emergency.

The Investor has the financial ability (i) to bear the economic risk of an investment in the units; (ii) to hold the units for an indefinite period of time; and (iii) currently to afford a complete loss of an investment in the units without experiencing any undue financial difficulties. In addition, the Investor’s commitments to all speculative investments (including the investment in the units) are reasonable in relation to the Investor’s net worth and annual income.

Clients should refer to the DFW Fund’s Private Placement Memorandum (“PPM”) for more complete information on the investment objectives and qualifications. There is no assurance that the DFW Fund and its investments will achieve its investment objectives. Certain Clients of the Advisor may invest in the DFW Fund. In these instances, Clients will pay fees in accordance with the company agreement and will not pay any additional investment advisory fees to the Advisor on assets invested in the DFW Fund.

C. Client Account Management

Prior to engaging AIM to provide advisory services, each Client is required to enter into a investment management agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client.

These services may include:

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- Establishing an Investment Strategy – AIM, in connection with the Client, will develop a strategy that seeks to achieve the Client’s investment goals and objectives.
- Asset Allocation – AIM will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – AIM will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – AIM will provide investment management and ongoing oversight of the Client’s investment portfolio.

D. Wrap Fee Programs

AIM does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by AIM.

E. Assets Under Management

As of December 31, 2017, AIM manages the following assets:

Discretionary Assets	\$25,574,052
Non-discretionary Assets	1,133,465
Total Assets Under Management	\$26,707,517

Item 5 – Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into a written agreement with the Advisor that details the responsibilities of the parties.

A. Fees for Advisory Services

Investment Management Services

Investment advisory fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of the prior calendar quarter. Investment advisory fees are based on the following schedule:

Assets Under Management	Annual Rate
Up to \$500,000	1.50%
Next \$1,000,000	1.25%
Next \$3,500,000	1.00%
Next \$5,000,000	0.65%
Above \$10,000,000	0.30%

Investment advisory fees in the first quarter of service are prorated to the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client’s fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by AIM will be independently valued by the designated Custodian. AIM will not have the authority or responsibility to value portfolio securities.

The Client may make additions to and withdrawals from their account[s] at any time, subject to AIM's right to terminate an account. Additions may be in cash or securities provided that AIM reserves the right to liquidate any transferred securities or decline to accept particular securities into a Client's account[s]. Clients may withdraw account assets on notice to AIM, subject to the usual and customary securities settlement procedures. However, AIM designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client's investment objectives. AIM may consult with its Clients about the options and ramifications of transferring securities. However, Clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications. Additionally, fees with respect to certain Client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), may be offered a fee rate that differs from the range set forth above.

The Private Equity Fund Offerings

Clients should refer to each Fund's PPM for more information regarding the Fund's fees and related disclosures.

B. Fee Billing

Investment Management Services

Investment advisory fees are calculated by the Advisor and deducted from the Client's account[s] at the Custodian. The Advisor shall instruct the Custodian as to the amount of the fees to be deducted from the Client's account[s] at the respective quarter-end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with AIM at the end of the prior quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. In addition, the Advisor will provide the Client a report itemizing the fee, including the calculation period covered by the fee, the account value and the methodology used to calculate the fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting AIM to be paid directly from their accounts held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

The Private Equity Fund Offerings

Clients should refer to each Fund's PPM for more information regarding the Fund's fees and related disclosures.

C. Other Fees and Expenses

Clients may incur certain fees or charges imposed by third parties, other than AIM, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian. The investment advisory fee charged by AIM is separate and distinct from these custody and execution fees.

In addition, all fees paid to AIM for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of AIM, but would not receive the services provided by AIM which are designed, among other things, to assist the Client in determining which products or services are most appropriate to each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by AIM to fully understand the total fees to be paid.

D. Advance Payment of Fees and Termination

Investment Management Services

AIM is compensated for its investment management services in advance of the quarter in which investment advisory services are rendered. Either party may request to terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. The Client shall be responsible for investment advisory fees up to and including the effective date of termination. In addition, the Client may terminate the

agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Advisor will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. The Client's investment advisory agreement with the Advisor is non-transferable without Client's prior consent.

The Private Equity Fund Offerings

Clients should refer to each Fund's PPM for more information regarding the Fund's' fees and related disclosures.

E. Compensation for Sales of Securities

AIM does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

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

AIM does not charge performance-based fees for its investment advisory services. The fees charged by AIM are as described in Item 5 - Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

Item 7 - Types of Clients

AIM provides investment advisory services to individuals, high net worth individuals, non-profits, corporations, retirement plans, trusts and private funds. The amount of each type of Client is available on the Advisor's Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor. AIM generally requires a minimum of \$100,000 under management as a condition for maintaining an advisory relationship. This account minimum may be waived or reduced at the sole discretion of the Advisor. The Fund requires a minimum subscription of \$50,000 to invest in the fund.

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

A. Methods of Analysis

AIM employs fundamental and technical analysis and a rotational timing strategy in developing investment strategies for its Clients. Research and analysis from AIM is derived from numerous sources, including financial media companies, third-party research materials, internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

As noted above, AIM generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. AIM will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, AIM may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

Fundamental Analysis - Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 - Review of Accounts.

Technical Analysis - Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends, which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that AIM will be able to accurately predict such a reoccurrence.

Rotational Timing Strategies - Rotational Timing Strategy involves the rotation of a portfolio's asset allocation over time. The rotation is based on a momentum investing technique called relative strength. Relative strength is used to determine which asset classes are the strongest and weakest performers over a given time period. Using this technique, positions are sold as performance shows weakness, and positions are purchased as performance becomes stronger. It is important to note that this strategy is different from traditional strategic asset allocation, which targets and remains invested in a diversified mix of assets (i.e. 50/50, 60/40). Rotational strategies can result in a portfolio being concentrated in a small number of asset classes, or even a single asset class, if the strategies rotate to one, two or three asset classes during a time period. Please see B. Risk of Loss below

B. Risk of Loss

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. AIM will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

In its fundamental analysis, AIM seeks to determine the intrinsic value of equities based on a thorough analysis of the fundamental business factors of the given stock(s) at issue. This includes: analysis of financial statements, earnings, dividends, management structure, competitive advantages, product offerings, competitors and markets. In essence, this method of analysis evaluates the overall condition of the company (or companies in a mutual fund or ETF) to determine whether it is a sound investment. Despite the fundamental analysis performed by Avondale, any investment in securities carries market risk and investors may lose their principal investment.

In its technical analysis, AIM seeks to determine the future direction of prices through the study of past market data, primarily price and volume. This is done by charting the movement of investments to identify trends and patterns used in the selection of securities to purchase and price points to buy and sell. AIM uses a number of stock screeners and other software to chart and analyze the movement of various investments. Despite the technical analysis performed by AIM, any investment in securities carries market risk and investors may lose their principal investment.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. **Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

Options Contracts

Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

Active Trading and Concentrated Portfolios

Investments in an active strategy can result in higher transaction costs. In addition, the timing of implementation of investment decisions could adversely affect the portfolio.

Inverse and Leveraged ETFs

Inverse or leverage Exchange Traded Funds (“ETFs”) are complex investment products that carry risks that are generally not suited for conservative investing. Inverse ETFs are designed to track the inverse of its benchmark through the use of derivatives and leveraged instruments over the course of a single day. Leveraged ETFs employ financial derivatives to attempt to achieve a multiple (i.e. 2 or 3 times) of the return (or inverse return) of a stated index over the course of a single day.

Alternative Investments (Limited Partnerships and Private Placements)

The performance of alternative investments (limited partnerships and private placements) can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. Client should only have a portion of their assets in these investments.

ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

Item 9 – Disciplinary Information

There are no legal, regulatory or disciplinary events involving AIM or any of its Supervised Persons. AIM and its Advisory Persons value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider in which you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with our firm name or our CRD# 165455. You may also research the background of John W. Spears by searching with his name or individual CRD# 4168025.

Item 10 – Other Financial Industry Activities and Affiliations

AIM is not active as or associated with a commodity pool operator, commodity-trading advisor or futures commission merchant.

Avondale Street, LLC

Mr. Spears is also the owner of Avondale Street, LLC, a special purpose entity formed to invest in residential and commercial real estate. At no time will Mr. Spears or the Advisor recommend the services of Avondale Street LLC to its Clients. Additionally, no clients are associated with Avondale Street, LLC or invested through Avondale Street, LLC. Mr. Spears dedicated less than 5% of business hours to this business activity.

Cenergistic

Avondale Investment Management, LLC
200 Crescent Court, Suite 60, Dallas, TX 75201
Phone: (214) 393-8883 * Fax: (888) 509-1850
www.avondale-im.com

Mr. Spears is also a Board Member of Cenergistic, an energy conservation company, and client of AIM. At no time will Mr. Spears or the Advisor offer the services of Cenergistic to its Clients. Mr. Spears dedicates less than 5% of business hours to this business activity.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

AIM has implemented a Code of Ethics (the "Code") that defines our fiduciary commitment to each Client. The Code applies to all persons associated with AIM (our "Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. AIM and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of AIM Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that may address employee ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us at (214) 393-8883 or email us at info@avondale-im.com.

B. Personal Trading with Material Interest

AIM allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. AIM does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advice an investment company. AIM does not have a material interest in any securities traded in Client accounts.

C. Personal Trading in Same Securities as Clients

AIM allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities, we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. When trading for personal accounts, employees of AIM may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by AIM requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer ("CCO") or delegate. We have also adopted written policies and procedures to detect the misuse of material, non-public information. We may have an interest or position in certain securities, which may also be recommended to you.

D. Personal Trading at Same Time as Client

While AIM allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. **At no time, will AIM or any Supervised Person of AIM, transact in any security to the detriment of any Client.**

Item 12 - Brokerage Practices

A. Recommendation of Custodian[s]

AIM does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize AIM to direct trades to the Custodian as agreed in the investment advisory agreement. Further, AIM does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where AIM does not exercise discretion over the selection of the Custodian, it may recommend the Custodian to Clients for custody and execution services. AIM may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, its reputation, and/or the location of the Custodian's offices. Clients are not obligated to use the recommended Custodian and will not incur any extra fee or cost associated with using a Custodian not recommended by AIM. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not utilized. AIM does not receive research services, other products, or compensation as a result of recommending a particular custodian that may result in the Client paying higher commissions than those obtainable through other custodians. AIM will generally recommend that Clients establish their account[s] at Fidelity Clearing & Custody Solutions, a division of Fidelity Brokerage Services, LLC ("Fidelity"), a FINRA-registered broker-dealer and member SIPC. Fidelity will serve as the Client's "qualified custodian". AIM maintains an institutional relationship with Fidelity, whereby the Advisor receives economic benefits from Fidelity (Please see Item 14 below.)

The following are additional details regarding the brokerage practices of the Advisor:

1. **Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with the broker-dealer/custodian in exchange for research and other services. AIM does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor receives certain economic benefits from the Custodian. Please see Item 14 below.

2. **Brokerage Referrals** - AIM does not receive any compensation from any third party in connection with the recommendation for establishing an account.

3. **Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where AIM will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s] at the Custodian. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). AIM will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

B. Aggregating and Allocating Trades

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. AIM will execute its transactions through the Custodian as directed by the Client. AIM may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

Item 13 - Review of Accounts

A. Frequency of Reviews

Securities in Client accounts are monitored on a regular and continuous basis by Mr. Spears, Principal of AIM. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client.

B. Causes for Reviews

In addition to the investment monitoring noted in Item 13.A. above, each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify AIM if changes occur in his/her personal financial situation that might adversely affect his/her investment plan. Additional reviews may be triggered by material market, economic or political events.

C. Review Reports

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

Item 14 - Client Referrals and Other Compensation

A. Compensation Received by AIM

AIM does not receive commissions or other compensation from product sponsors, broker dealers or any un-related third party. AIM may refer Clients to various third-parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, AIM may receive referrals of new Clients from a third-party.

Participation in Institutional Advisor Platform

The Advisor has established an institutional relationship with Fidelity to assist the Advisor in managing Client account[s]. Access to the Fidelity Institutional platform is provided at no charge to the Advisor. The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Fidelity. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

Additionally, the Advisor may receive the following benefits from Fidelity: receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and access to an electronic communication network for Client order entry and account information.

B. Client Referrals from Solicitors

AIM does not engage paid solicitors for Client referrals.

Item 15 - Custody

All Clients must place their assets with a "qualified custodian". Clients are required to engage the Custodian to retain their funds and securities and direct AIM to utilize the Custodian for the Client's security transactions. AIM encourages Clients to review statements provided by the Custodian. For more information about custodians and brokerage practices, see Item 12 - Brokerage Practices.

The Advisor does have custody of the assets and securities of the Fund and the DFW Fund as a result of its role as Manager. The Manager complies with Rule 206(4)-2(b) through the distribution of audited financial statements,

prepared in accordance with generally accepted accounting principles, to investors of the Fund and the DFW Fund within 120 days of the end of the fiscal year of the Fund and the DFW Fund.

Item 16 – Investment Discretion

AIM generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by AIM. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by AIM will be in accordance with each Client's investment objectives and goals.

Item 17 – Voting Client Securities

AIM does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

Item 18 – Financial Information

Neither AIM, nor its management has any adverse financial situations that would reasonably impair the ability of AIM to meet all obligations to its Clients. Neither AIM, nor any of its Advisory Persons, has been subject to a bankruptcy or financial compromise. AIM is not required to deliver a balance sheet along with this Disclosure Brochure as the firm does not collect fees of \$500 or more for services to be performed six months or more in advance.

Item 19 – Requirements for State Registered Advisors

A. Educational Background and Business Experience of Principal Officer

The Principal of AIM is John W. Spears. Information regarding the formal education and background of Mr. Spears is included in Item 2 of his Form ADV Part 2B below.

B. Other Business Activities of Principal Officer

Avondale Street, LLC

Mr. Spears is also the owner of Avondale Street, LLC, a special purpose entity formed to invest in residential and commercial real estate. At no time will Mr. Spears or the Advisor recommend the services of Avondale Street LLC to its Clients. Additionally, no clients are associated with Avondale Street, LLC or invested through Avondale Street, LLC. Mr. Spears dedicated less than 5% of business hours to this business activity.

Cenergistic

Mr. Spears is also a Board Member of Cenergistic, an energy conservation company, and client of AIM. At no time will Mr. Spears or the Advisor offer the services of Cenergistic to its Clients. Mr. Spears dedicates less than 5% of business hours to this business activity.

C. Performance Fee Calculations

AIM does not charge performance-based fees for its investment advisory services. The fees charged by AIM are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

D. Disciplinary Information

There are no legal, civil or disciplinary events to disclose regarding AIM or Mr. Spears. Neither AIM nor Mr. Spears has ever been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against AIM or Mr. Spears. Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. *As previously noted, there are no legal, civil or disciplinary events to disclose regarding AIM or Mr. Spears.*

E. Material Relationships with Issuers of Securities

Neither AIM nor Mr. Spears has any relationships or arrangements with issuers of securities.



Form ADV Part 2B – Brochure Supplement

for

John W. Spears, CIMA®
Principal and Chief Compliance Officer

Effective: March 21, 2018

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of John W. Spears, CIMA® (CRD# **4168025**) in addition to the information contained in the Avondale Investment Management, LLC (“AIM” or the “Advisor” - CRD #165455) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the AIM Disclosure Brochure or this Brochure Supplement, please contact us at (214) 393-8883 or email us at info@avondale-im.com.

Additional information about Mr. Spears is available on the SEC’s Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with his full name or Individual CRD# 4168025.

Avondale Investment Management, LLC
200 Crescent Court, Suite 60, Dallas, TX 75201
Phone: (214) 393-8883 * Fax: (888) 509-1850
www.avondale-im.com

Item 2 – Educational Background and Business Experience

John W. Spears, CIMA® born in 1976, is dedicated to advising Clients of AIM as the Principal. Mr. Spears earned a Bachelor of Business Administration in Finance from Texas Christian University in 1999. Additional information regarding Mr. Spears’s employment history is included below.

Employment History:

Principal, Avondale Investment Management, LLC	09/2012 to Present
Avondale Street LLC	10/2008 to Present
Principal, Avondale Wealth Management, LLC	2010 to 2012
Purshe Kaplan Sterling Investments, Inc.	2010 to 2011
Energy Education Inc.	2003 to 2008
Arthur Anderson LLP	2001 to 2003

Certified Investment Management AnalystSM (CIMA®)

The CIMA certification signifies that an individual has met initial and on-going experience, ethical, education, and examination requirements for investment management consulting, including advanced investment management theory and application. Prerequisites for the CIMA certification are three years of financial services experience and an acceptable regulatory history. To obtain the CIMA certification, candidates must pass an online Qualification Examination, successfully complete a one-week classroom education program provided by a Registered Education Provider at an AACSB accredited university business school, pass an online Certification Examination, and have an acceptable regulatory history as evidenced by FINRA Form U-4 or other regulatory requirements. CIMA designees are required to adhere to IMCA’s Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks. CIMA designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the certification. The designation is administered through Investment Management Consultants Association (IMCA).

The CIMA certification has earned ANSI® (American National Standards Institute) accreditation under the personnel certification program. The American National Standards Institute, or ANSI, is a private non-profit organization that facilitates standardization and conformity assessment activities in the United States. CIMA is the first financial services credential to meet this international standard for personnel certification.

Item 3 – Disciplinary Information

There are no legal, civil or disciplinary events to disclose regarding Mr. Spears. Mr. Spears has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Spears.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. *As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Spears.* However, we do encourage you to independently view the background of Mr. Spears on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with his full name or Individual CRD# 4168025.

Item 4 – Other Business Activities

Avondale Street, LLC

Mr. Spears is also the owner of Avondale Street, LLC, a special purpose entity formed to invest in residential and commercial real estate. At no time will Mr. Spears or the Advisor recommend the services of Avondale Street

LLC to its Clients. Additionally, no clients are associated with Avondale Street, LLC or invested through Avondale Street, LLC. Mr. Spears dedicated less than 5% of business hours to this business activity.

Cenergistic

Mr. Spears is also a Board Member of Cenergistic, an energy conservation company, and client of AIM. At no time will Mr. Spears or the Advisor offer the services of Cenergistic to its Clients. Mr. Spears dedicates less than 5% of business hours to this business activity.

Item 5 - Additional Compensation

Mr. Spears receives additional compensation as described in Item 4 above.

Item 6 - Supervision

Mr. Spears serves as the Principal of AIM and is supervised by Dominique Orbon, the Chief Compliance Officer. Ms. Orbon can be reached at (214) 393-8883.

AIM has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of AIM. Further, AIM is subject to regulatory oversight by various agencies. These agencies require registration by AIM and its Supervised Persons. As a registered entity, AIM is subject to examinations by regulators, which may be announced or unannounced. AIM is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

Item 7 - Requirements for State Registered Advisors

Mr. Spears does not have any additional information to disclose.

Privacy Policy

Effective: March 21, 2018

Our Commitment to You

Avondale Investment Management, LLC ("AIM" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. AIM (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

AIM does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

What information do we collect from you?

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
Servicing our Clients We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
Marketing Purposes AIM does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where AIM or the client has a formal agreement with the financial institution. We will only share information for purposes of servicing your accounts, not for marketing purposes.	No	Not Shared
Authorized Users Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
Information About Former Clients AIM does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (214) 393-8883 or via email at info@avondale-im.com.