

# Narstar LLC - Form ADV Part 2A

## ITEM 1 – COVER PAGE

**Narstar LLC**

**CRD #:** 337496

**Principal Office & Place of Business (Private Residence):** Sandy, Utah

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**Date of Brochure:** March 17, 2026

This brochure provides information about the qualifications and business practices of Narstar LLC. If you have any questions about the contents of this brochure, please contact us at 801-814-6648 or [pavel@narstar.capital](mailto:pavel@narstar.capital).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Additional information about Narstar LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Registration as an investment adviser does not imply a certain level of skill or training.**

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## ITEM 2 – MATERIAL CHANGES

This summary of material changes covers updates since our initial Firm Brochure dated February 27, 2026. Our fiscal year ends December 31. We will deliver, within 120 days after fiscal year end, a summary of material changes (if any) with a current brochure.

### **Recent changes:**

- Our registration as an investment adviser with the State of Utah became effective January 1, 2026.
  - Income Strategy Model Portfolio fee reduced from 1% to 0.60% per year (02/12/2026).
  - We have discontinued the use of exchange-traded funds (ETFs) in model portfolios. Our investment universe currently consists exclusively of individual equities, cash equivalents, and exchange-listed preferred stocks. We may use ETFs in the future (02/12/2026).
  - We lowered the minimum amount needed to open an account from \$5,000 to \$100 (02/27/2026).
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## ITEM 4 – ADVISORY BUSINESS

**A. Firm Overview:** Narstar LLC (the “Firm”) is a Utah limited liability company formed February 5, 2025. Our principal office is located at Sandy, UT. The Firm filed its initial Form ADV with the Utah Division of Securities on June 30, 2025, and state registration became effective January 1, 2026. Pavel Naruta is the sole owner, President, and Chief Compliance Officer.

**B. Services Offered: Portfolio Management (Discretionary):** We manage client accounts using three internally managed model portfolios. We do not provide pooled vehicle management, pension consulting, or selection of other advisers:

- **Income Strategy Model Portfolio:** Dividend-paying equities and cash equivalents.
- **Growth Strategy Model Portfolio:** U.S. and international equities focused on long-term capital appreciation.
- **Speculative Strategy Model Portfolio:** Higher-volatility exposures (e.g., small-cap, thematic, and certain emerging-markets securities).

**Investment Process:** Our process begins with an initial interview to gather the client's financial information, investment objectives, risk tolerance, and time horizon. Based on this analysis, we

recommend the appropriate Model Portfolio. We then construct the portfolio and provide ongoing monitoring and rebalancing to ensure alignment with the client's goals.

**C. Advice Limitations:** Our advice may cover publicly traded equities, cash equivalents, and exchange-listed preferred stocks. We do not currently use exchange-traded funds (ETFs) in our model portfolios but may use traditional (non-leveraged) ETFs in the future.

**D. Model Portfolios / Third Parties:** We use our own models. We do not currently use third-party model providers or sub-advisers. If that changes, we will update this brochure and expand Item 8 risk disclosures.

**E. Discretionary vs. Non-Discretionary:** Portfolio management is discretionary (see Item 16). We do not offer non-discretionary services.

**F. Client Tailoring and Restrictions:** We provide individualized advice (objectives, risk tolerance, time horizon). Clients may request reasonable restrictions (e.g., no tobacco, no single-name positions) that we can implement without materially altering a model's risk/return profile. If a restriction would materially change a model, we may decline the engagement.

**G. Program Structure / Investment Company Act Safe Harbor:** Our discretionary program is operated in a manner consistent with the non-exclusive safe harbor in Rule 3a-4 under the Investment Company Act of 1940. Specifically: (i) each client's account is maintained separately in the client's name, and the client retains ownership of all securities and cash; (ii) we obtain information from the client at inception regarding objectives, risk tolerance, time horizon, and reasonable restrictions, and we contact the client at least annually to determine whether updates are needed; (iii) clients may impose reasonable restrictions that we can implement without materially altering a strategy; (iv) clients receive account statements at least quarterly from the qualified custodian; and (v) we are available to consult with clients on request and provide individualized advice based on the client's profile.

**H. Wrap Programs:** We do not sponsor a wrap fee program and do not place clients in third-party wraps.

**I. Account Minimum:** \$100 per model-portfolio account. We may waive or reduce minimums at our discretion for related persons or other bona fide reasons, documented in writing.

**J. Custody of Assets:** Client assets are held at an independent qualified custodian (currently Interactive Brokers). We are deemed to have "custody" solely because we are authorized to deduct our advisory fees from client accounts. We do not otherwise have custody (no signatory authority; not trustee/GP/manager; no asset transfers beyond fee deduction).

**K. Assets Under Management (AUM):** As of February 27, 2026, Narstar LLC managed \$0 in regulatory assets under management (\$0 discretionary; \$0 non-discretionary).

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## ITEM 5 – FEES AND COMPENSATION

**A. Advisory Fees (Portfolio Management):** Annual asset-based fees, billed quarterly in arrears:

- **Income Strategy Model Portfolio:** 0.6% per year
- **Growth Strategy Model Portfolio:** 1.20% per year
- **Speculative Strategy Model Portfolio:** 1.60% per year

Fees are not tiered/blended; the annual rate above applies to assets allocated to each strategy. Fees are subject to change upon 30 days' notice.

## **B. Billing and Payment (Automatic Fee Deduction via Custodian)**

- **Method & frequency:** For portfolio-management accounts, the qualified custodian deducts our advisory fees quarterly in arrears under the client's written authorization.
- **Client payment option:** A pay-by-invoice alternative is not offered for portfolio-management fees.
- **Valuation:** Fees are calculated on the average daily balance using custodian-reported values.
- **Proration:** We prorate for inception/termination mid-period and for significant mid-period flows.
- **Invoice & statements:** We provide an itemized invoice (rate, billable period, valuation basis, and fee calculation) at or around the time fees are deducted. The qualified custodian sends account statements directly to clients at least quarterly; clients should compare our invoice to the custodian's statement.
- **No advance billing:** We do not bill in advance; therefore, refunds are not applicable. If services terminate mid-quarter, we bill only through the termination date.

**C. Other Costs:** Clients are responsible for third-party custodial and transaction fees (e.g., commissions, exchange/market-data fees, wire fees, and margin interest). We do not receive any portion of these fees.

**D. Prepayment and Refunds:** We do not bill in advance. Because fees are billed in arrears, refunds are not applicable. If services terminate mid-quarter, we bill only through the termination date.

**E. Negotiability / Discounts:** Account minimums may be waived or reduced at our discretion for related persons or other bona fide reasons, documented in writing. Asset-based fees may be negotiated for large relationships or related household groups and will be applied consistently and documented.

**F. Third-Party Compensation:** We do not accept commissions, 12b-1 fees, referral fees, or other third-party compensation related to client transactions. We do not sell securities or insurance for commissions.

**G. Fee Types Not Used:** We do not charge subscription fees, fixed project fees, or performance-based fees.

**H. Standing Letters of Authorization (SLOAs):** We do not accept SLOAs that authorize us to move funds between client accounts or to third parties. Custody is limited to our authority to deduct advisory fees from client accounts.

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

We do not charge performance-based fees and therefore do not manage performance-fee and non-performance-fee accounts side-by-side.

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## **ITEM 7 – TYPES OF CLIENTS**

We serve individuals, high-net-worth individuals, trusts, and small businesses. The minimum for model-portfolio accounts is \$100. We do not advise pooled investment vehicles or ERISA plans at this time.

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

**Methods of Analysis:** We primarily use **fundamental analysis** (evaluating financial statements, cash flow, valuation, and macro trends) to construct and maintain model portfolios. We rebalance portfolios when allocations drift from targets or our outlook changes.

**Primary Investment Strategies:** We manage client assets using three distinct model portfolios. While each has a core objective, we maintain the flexibility to adapt to changing market conditions.

- **Growth Strategy Model Portfolio:** Seeks long-term capital appreciation by investing in companies with above-average growth potential. We typically seek companies with durable competitive advantages, pricing power, and multi-year growth drivers. We generally avoid companies with permanently impaired business models but may hold positions during temporary slowdowns if the long-term thesis remains intact.
- **Income Strategy Model Portfolio:** Seeks income generation and capital preservation. We generally target securities with sustainable payouts, healthy balance sheets, and resilient business models. While prioritizing dividend sustainability, we may invest in lower-yielding securities if they offer significant dividend growth or total return potential.
- **Speculative Strategy Model Portfolio:** Seeks higher returns through targeted, higher-volatility exposures (e.g., small-cap, thematic, emerging markets). Investments

are selected for asymmetric upside potential and specific catalysts. Given the higher risk, position sizes are generally kept smaller to manage volatility, though we may hold positions through volatility if the thesis remains valid.

**Selling Discipline:** We may sell a position if the original investment thesis no longer applies, fundamentals deteriorate, or a better opportunity arises. We also employ risk management techniques, such as trimming positions that have become outsized due to appreciation, to maintain diversification.

**Material Risks: Investing in securities involves risk of loss that clients should be prepared to bear.**

- **Market/Equity Risk:** Equity markets can decline rapidly and unpredictably.
- **ETF Risk:** Underlying fund expenses, tracking error, liquidity, and premiums/discounts can affect returns.
- **Income Strategy Risks:** Interest-rate risk; dividend cuts; sector concentration (e.g., utilities/financials) may increase volatility.
- **Growth Strategy Risks:** Valuation risk, growth-stock sentiment shifts, and potential sector/market-cap tilts.
- **Speculative Strategy Risks:** Small-cap and emerging-market risks (liquidity, political/currency risks), thematic concentration, and higher drawdowns.
- **Concentration Risk:** Focused exposures can amplify losses relative to diversified benchmarks.
- **Model Risk:** Assumptions may be wrong or become outdated; rebalancing may not achieve intended outcomes.
- **Margin Risk:** Using margin increases losses and interest costs; margin calls can force liquidation.
- **Foreign/Currency Risk:** Non-U.S. exposures can involve currency moves, political/settlement risks, and foreign withholding taxes.
- **Operational/Cyber Risk:** Trading, reporting, or custodial systems may fail or be interrupted; cyber incidents can impair access to accounts or data.

**Products Not Used:** We do not use leveraged or inverse ETFs, options, cryptocurrencies, or private placements in our model portfolios. We may use traditional (non-leveraged) ETFs in the future.

**Third-Party Managers:** Not applicable. We do not use or select third-party managers at this time.

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## ITEM 9 – DISCIPLINARY INFORMATION

Narstar LLC and its management have **no** reportable legal or disciplinary events.

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## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

**Broker-Dealer/Futures/Commodities Status:** Neither the Firm nor our management persons are registered, or have applications pending, as a broker-dealer or registered representative, a futures commission merchant, commodity pool operator, commodity trading adviser, or associated person of the foregoing.

**Other Financial Industry Relationships:** We have no material business relationships or arrangements with broker-dealers, investment companies/pooled vehicles, other investment advisers/financial planners, banks/thrifts, accountants, lawyers, insurers, pension consultants, real estate brokers/dealers, or sponsors/syndicators of limited partnerships that create a conflict of interest.

**Recommendation/Selection of Other Advisers:** Not applicable. We do not recommend or select other investment advisers. If this changes, we will disclose related compensation, conflicts, and how we address them.

**Management Outside Business Activity:** Management persons may engage in outside business activities. See Item 19.B and the management person's Form ADV Part 2B for details on any such activities and how related conflicts of interest are addressed.

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

**Code of Ethics:** We have adopted a Code of Ethics pursuant to Rule 204A-1. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

**Material Interests in Recommended Securities:** We do not have material financial interests (e.g., issuer relationships, proprietary offerings) in securities we recommend.

**Investing in the Same Securities as Clients:** Our personnel may invest in the same securities (or related securities) that we recommend to clients.

**Conflicts of Interest:** This practice creates a potential conflict of interest, as there is an incentive for advisory personnel to trade ahead of clients (front-running) to receive a better price or to benefit from the market impact of client trading.

**Controls:** To address this conflict, we have implemented strict policies and procedures:

- Client trades always have priority over employee trades.
- We require pre-clearance for personal trades.
- We maintain restricted lists and monitor personal trading accounts.
- Same-day personal trading in securities actively traded for clients is restricted or sequenced to ensure clients receive fair execution.

**Timing of Trades:** We may buy/sell the same securities at or about the same time as clients, subject to the controls described above.

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## ITEM 12 – BROKERAGE PRACTICES

**Broker Selection and Best Execution:** We consider total cost, execution quality, financial stability, platform tools, and service. Best execution is not solely the lowest commission.

**Soft Dollars and Research/Other Benefits:** We do not obtain research or other products/services in exchange for client brokerage (“soft dollars”) and do not cause clients to pay higher commissions for such benefits. We may receive non-cash custodial platform benefits (e.g., trading tools or practice-management resources) that are not tied to client brokerage commissions and do not influence our selection of brokers. See also Item 14 (Client Referrals and Other Compensation).

**Broker Referrals:** We do not receive client referrals in exchange for selecting/recommending a broker.

**Directed Brokerage:** Clients may direct brokerage.

- **Limitation:** Directed arrangements may lead to higher costs or less favorable execution and may limit our ability to aggregate orders; best execution may be impaired.

**Aggregation:** Where practicable, we aggregate orders for the same security across accounts and allocate pro rata at an average price.

- **Limitation:** If orders are not aggregated (including under directed brokerage), clients may receive different prices and pay different commissions.

**Trade Errors:** If we cause a trade error, the client is made whole and will not bear losses or costs arising from our error. Corrections are processed promptly in coordination with the custodian; any residual gains are handled consistent with custodian requirements so the firm does not benefit. All errors and corrective actions are documented and reviewed by the CCO.

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## ITEM 13 – REVIEW OF ACCOUNTS

**Periodic Reviews — Frequency, Nature, and Who Conducts Reviews:** Pavel Naruta, President & Chief Compliance Officer, reviews all discretionary portfolio-management accounts

at least quarterly. Reviews focus on objective alignment, asset allocation drift versus targets, cash needs, liquidity, and any model updates or tax considerations. (No third-party managers are utilized.)

**Non-Periodic (Event-Driven) Reviews:** We perform additional reviews upon material deposits/withdrawals, client profile changes (objectives, risk tolerance, time horizon, tax status), significant market or economic events, corporate actions, model changes, or client requests.

**Reports to Clients — Content, Format, and Frequency:** Clients will receive account statements directly from the qualified custodian (e.g., Interactive Brokers) at least quarterly. These statements provide an independent record of all account holdings, transactions, and balances. Clients should review these statements carefully.

The Firm does not prepare or send its own separate performance reports on a regular basis. However, we are available to consult with clients about their accounts at any time, and we will provide a written portfolio summary or performance report upon a client's request.

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## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

**Economic Benefits from Non-Clients:** We may receive non-cash benefits from custodians/platforms (e.g., trading software, research access, practice-management resources, and conference attendance) at no cost or discounted cost.

**Conflict:** Such benefits create an incentive to recommend or retain assets with those custodians.

**Mitigation:** We base selection on clients' best interests, considering total cost, execution quality, and service (see Item 12).

**Compensation for Client Referrals:** We do not pay solicitors or other persons for client referrals. If we engage solicitors in the future, we will comply with applicable rules and update this brochure.

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## ITEM 15 – CUSTODY

We are deemed to have custody solely because we are authorized to deduct advisory fees from client accounts held with a qualified custodian. We do not otherwise maintain custody (we do not hold client funds or securities, have no signatory authority, and are not trustee/GP/manager of client or pooled vehicles). Clients will receive account statements directly from the broker-dealer, bank, or other qualified custodian at least quarterly, and clients should carefully review those statements. When we deduct fees, we send an itemized invoice (rate, billable period, valuation basis, and calculation) at or around the time of deduction and urge clients to compare our invoice to the custodian's statement. We do not accept SLOAs or other

arrangements authorizing us to transfer assets to third parties. Under the SEC Custody Rule, advisers with custody solely due to fee deduction and where a qualified custodian sends statements are not required to undergo an annual surprise examination.

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## ITEM 16 – INVESTMENT DISCRETION

**Authority:** Clients grant us discretionary authority via our Investment Advisory Agreement to determine securities to be bought or sold, amounts, and timing. We typically recommend custody and trading at Interactive Brokers; where clients direct brokerage, we will follow those directions.

**Procedure to obtain/limit discretion:** Discretion takes effect once the agreement is executed and the account is accepted by the custodian. Unless a client directs brokerage, we may select the broker and commissions consistent with best execution. Clients may impose reasonable limits (e.g., exclude industries/issuers, set position limits) in writing before we assume discretion; such limits may affect performance and trading. Directed brokerage may limit our ability to aggregate orders and may result in higher costs or less favorable execution.

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## ITEM 17 – VOTING CLIENT SECURITIES

**We do not vote proxies.** The custodian or transfer agent sends proxy and corporate-action materials directly to clients.

**Questions:** Clients may contact us with questions about a particular solicitation; we are available to discuss implications, but the client makes all voting decisions.

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## ITEM 18 – FINANCIAL INFORMATION

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. We do not require or solicit prepayment of fees of more than \$1,200 per client six months or more in advance. We have no bankruptcy history.

Financial responsibility (Utah). Narstar LLC does not have custody of clients' funds or securities. Our authority is limited solely to the direct deduction of advisory fees from client accounts held at a qualified custodian. Although this limited form of custody does not strictly require the higher bonding limit, we have elected to maintain a \$35,000 surety bond to fully satisfy and exceed the bonding requirements for an adviser with discretionary authority.

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## **ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

**A. Management Persons:** Education and business background for our principal executive officer/management person are provided in Form ADV Part 2B – Brochure Supplement for Pavel Naruta (pp. 1-2), which is delivered with this brochure and available upon request.

**B. Other Business Activities:** Pavel Naruta was engaged in software engineering for Mid-America River & Rail LLC from May 2023 through January 2026. This engagement has concluded. Mr. Naruta currently has no outside business activities that represent a substantial source of his time or income. If any outside business activity becomes substantial in the future, this section will be updated.

**C. Performance-Based Compensation:** None. Neither the Firm nor any supervised person accepts performance-based compensation.

**D. Legal/Disciplinary Events:** None. Neither the Firm nor its management persons have been involved in legal or disciplinary events material to a client's evaluation of our business or the integrity of our management.

**E. Issuer Relationships:** None. Not otherwise disclosed in Item 10.