

Introduction

We are Focused Alpha, LLC, an investment adviser registered with the Securities and Exchange Commission. Investment advisory and brokerage services and fees differ, and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs), which also provides educational materials about broker-dealers, investment advisers, and investing. Our firm and financial professionals' registration information are also publicly available on this website.

Relationships & Services

Q: What investment services and advice can you provide me?

A: We offer asset management, customized investment advisory, and financial planning services to retail investors. We offer advice on a full suite of securities described in Item 8 of our Form ADV Part 2A ("**Disclosure Brochure**," available at [Investor.gov/CRS](https://www.investor.gov/crs)), including equities, fixed income, mutual funds, ETFs, options, and similar investments. Our services are generally provided on a discretionary basis, which means that we have the power to buy and sell securities for your account without your prior consent. This authority is usually unlimited and remains in effect until you revoke it. For financial planning services, we do not exercise discretionary authority or require you to use certain advisors. We may provide non-discretionary investment advice, where we make investment recommendations to you and you decide whether to implement the recommendation.

We do not give advice on any proprietary investment products. We review portfolios with clients at least annually. We monitor accounts on a continuous basis and conduct ad hoc reviews if you change your objectives or risk tolerance, upon significant market and economic events, or if we change our investment strategy. We require a minimum account size of \$250,000, which can be waived.

Q: Given my financial situation, should I choose an investment advisory service? Why or why not?

A: Advisory services are usually appropriate when you have a portfolio of securities for which you require ongoing advice. Investors who maintain few securities holdings and are not inclined to make changes to their portfolio are likely best suited for a traditional brokerage account with a FINRA-registered firm.

Q: How will you choose investments to recommend to me?

A: We recommend investments based upon your individual circumstances, financial situation, expectation of current and future cash needs, investment objective, and risk tolerance. In addition, we attempt to identify those investments in which we expect to yield an acceptable level of return given the amount of risk you're willing to assume, taking into account the level of diversification and how different securities and asset classes may complement one another.

Q: What is your relevant experience, including your licenses, education, and other qualifications?

A: Our financial advisors have been in the financial services industry for several years and maintain the Series 65 exam qualification or a professional designation accepted by the applicable state regulator. You can find information on any professional designations of your financial advisor in the Form ADV Part 2B ("**Brochure Supplement**") we provide you at the onset of the advisory relationship.

Q: What do these qualifications mean?

A: These qualifications assure that our professionals have met specific regulatory exam requirements required to conduct investment activities (e.g., Series 65). In addition, professional certifications such as the CFA® require successful passing of the certification exam as well as rigorous continuing education requirements.

Fees, Costs, Conflicts & Standard of Conduct

Q: What fees will I pay?

A: Our quarterly fees are calculated as a percentage of the assets under our management, so our fees will rise and fall with the value of the assets we manage for you. As a result, we are economically incented to recommend that you place more assets in your account in order to increase the value of your portfolio, because as the value increases, so do our fees. While our fees may reduce the amount of your assets available for investment, we believe they are justified by our services and attention to your needs. In addition, we provide our portfolio management services exclusively on a wrap fee basis, in which transaction costs and our advisory fee are included in the total asset-based wrap fee we charge you. This wrap arrangement creates a potential conflict of interest as there is an economic incentive for us to keep trading costs at a minimum. Please review Appendix I to our Disclosure Brochure for information regarding conflicts of interest. In addition to our fees, you may be charged transaction or asset-based fees by your custodian for its services. These fees vary depending on the custodian. Under a transaction fee arrangement, the more transactions effected in your account, the more fees you will pay, and high activity in your account does not assure positive portfolio performance. For custodians that charge their fees based upon a percentage of your assets, such fees may be more than would be the case if you are charged a transaction-based fee. Please be mindful of the effect of your portfolio size,

the level of activity, and the rate of custodian asset-based pricing. Generally, large portfolios would be disadvantaged by paying an asset-based custodian fee versus a transaction-based fee. Some securities carry additional costs, such as mutual funds and ETFs.

In addition to advisory and transaction fees, there are additional fees such as postage and handling, transfer taxes, SEC fees for sales of securities, and similar fees. These additional fees are not material, but like advisory fees and custodian fees, they do have an adverse impact on the value of your portfolio over time. Financial planning fees will be charged at an hourly or fixed rate as agreed upon by you and the firm. You can find more information about our fees and costs under Item 5 of our Disclosure Brochure.

Q: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

A: We charge asset-based fees, so our fees are calculated as a percentage of the value of your portfolio we manage. For example, a \$10,000 investment at a 1% annual fee results in an annualized deduction of \$100 from your portfolio (meaning only \$9,900 ends up invested). This means that it will take longer for you to realize positive returns than if no fees were charged.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Q: What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

A: When we act as your investment adviser, we have to act in your best interest and not put our interests ahead of yours. At the same time, the way we make money creates some conflicts of interest. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

- We may purchase or sell the same or different securities as are purchased or sold for clients in accordance with our Code of Ethics policies and procedures. Such personal securities transactions may raise conflicts of interest when we trade in a security that is owned by you or considered for purchase or sale for you.
- Certain FA professionals are licensed to sell insurance, which creates conflict of interest regarding compensation.

Q: How might your conflicts of interest affect me, and how will you address them?

A: Conflicts of interest can incentivize us to put our interests ahead of yours. We manage these conflicts through disclosures and employing supervision procedures to ensure our financial advisors are acting in your best interest. If a financial advisor has outside business activities, it will be disclosed in their Brochure Supplement. Conflicts of interest are broadly defined, and you should consult with your financial advisor, as conflicts can impact our advice to you. Please see Items 10, 11, and 14 of our Disclosure Brochure as well as your financial advisor's Brochure Supplement for additional information about conflicts of interest.

Q: How do your financial professionals make money?

A: Our financial advisors are paid through a salary and bonus structure. As a result, we are incentivized to recommend that you add additional assets to your account.

Disciplinary History

Q: Do you or your financial professionals have legal or disciplinary history?

A: No. You can visit Investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals.

Additional Information

Q: Who is my primary contact person?

A: Your Focused Alpha financial advisor will be your primary point of contact. However, administrative requests may be handled by an administrative assistant or client service professional.

Q: Is he or she a representative of an investment adviser or a broker-dealer?

A: All professionals are licensed with Focused Alpha as investment adviser representatives.

Q: Who can I talk to if I have concerns about how this person is treating me?

A: In the event you have issues to be addressed, you may contact Daniel Barotz at 303-529-5100.

You can find additional information about our investment advisory services at Investor.gov/CRS. You may also request a printed copy of this Client Relationship Summary by contacting Daniel Barotz at 303-529-5100 or email info@focusedalpha.com.