



Form ADV Part 3  
May 2023

## **Introduction**

Our firm, Alpha Principle, LLC (“Alpha” or “we”), is registered with the SEC as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for a retail investor to understand the differences. Free and simple tools are available to research firms and financial professionals at the SEC’s investor education website, [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## **What investment services and advice can you provide me?**

We offer investment advisory services to retail investors, including discretionary and non-discretionary investment management services and financial planning for high-net-worth clients. We will monitor your account on a periodic basis and re-balance the securities in your portfolio to ensure that your holdings remain aligned with your asset allocation objectives. Such monitoring is part of our standard services.

Your contract with us gives us discretionary authority when managing your account, which, while you maintain your account with us, allows us to buy and sell investments in your account without asking you in advance.

We generally use a broad range of investment types to build client portfolios, including, but not limited to, exchange-traded funds (“ETFs”), open-end mutual funds, private investment funds, money market funds, stocks, bonds, and options. While we do not impose minimum account size or net worth requirements for these services, our typical discretionary management or financial planning client has a net worth of \$5 million or more.

**For additional information**, please see our Form [ADV Part 2A brochure](#), specifically Items 4 and 7, for more detailed information about the services we offer.

## ***Conversation Starters. Follow-up questions to ask your financial professional-***

- ***Given my financial situation, should I choose an investment advisory service? Why or why not?***
- ***How will you choose investments to recommend to me?***
- ***What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?***

## **What fees will I pay?**

Fees and costs affect the value of your account over time. For our discretionary investment management services, you will pay either a maximum annual fee of 1.0% of the value of your account or a flat fee, depending on our arrangement with you. We determine our asset-based fee for a given quarter based on the market value of your account on the last day of the preceding quarter. We reserve the right to negotiate fees. Some clients pay more or less than others depending on certain factors, including the type and size of the account, our fee schedule in effect at the time the client engaged us, the range of additional services provided to the client, anticipated future additional assets, and the total amount of assets managed for a group of related clients. If you pay an asset-based fee, the more assets you have in the advisory account, including cash, the more you will pay us. We therefore have an incentive to encourage you to invest more with us.

For our financial planning services, we generally charge on an hourly basis (not to exceed \$1,000 an hour), but depending on the work entailed, we may elect to charge a flat fee. Our fee will be specified in our agreement with you, and that fee will be payable on such terms and with such frequency as we mutually agree.

If you have mutual funds or ETFs in your portfolio, you will incur fees in addition to our fees. For example, you may incur a commission or transaction fee when the mutual fund or ETF is purchased, and you will incur an annual management fee payable to the manager of the fund, neither of which is shared with us. If a fund also imposes sales charges, you may pay an initial or deferred charge. These fees and expenses are described in each fund’s prospectus. When considering an investment in a mutual fund or ETF, we use a no-load ETF or open-end fund when appropriate. We evaluate the relative annual costs as a part of our decision process.

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

**For additional information**, please see Item 5 of our Form [ADV, Part 2A](#).

***Conversation Starter. Ask your financial professional-***

***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?***

**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?**

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

Here is an example to help you understand what this means. We serve as investment manager to certain privately-offered pooled investment vehicles (“Funds”) that pay us or an affiliate performance-based fees. Potentially, we and our affiliates can receive more (or less) compensation from accounts that charge a performance-based fee than we receive from accounts that pay only an asset-based fee. Thus, we could have an incentive to direct the best investment ideas to, or to allocate or sequence trades in favor of, the Funds. To mitigate that risk, we monitor all of our accounts regularly to ensure consistency with the objectives of those accounts and to ensure all of our clients are treated fairly.

**For additional information**, please see Items 5 and 6 of our Form [ADV, Part 2A](#).

***Conversation Starter. Ask your financial professional-***

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

**How do your financial professionals make money?**

Our sole owner is compensated through an equity stake in Alpha, and our employed financial professionals are compensated through a regular salary and are eligible for incentive compensation based on individual performance. Other than as described herein, these payments to our financial professionals do not create any additional conflicts of interest.

**Do you or your financial professionals have legal or disciplinary history?**

No. You can visit [Investor.gov](#) for a free and simple search tool to research our firm and our financial professionals.

***Conversation Starter. Ask your financial professional-***

***As a financial professional, do you have a disciplinary history? For what type of conduct?***

**Additional Information**

We encourage you to seek out additional information.

For additional information on our advisory services, see our Form [ADV brochure](#) on IAPD, on [investor.gov](#). To request up-to-date information or a copy of the relationship summary please call us at **800.303.1553**.

***Conversation Starter. Ask your financial professional-***

- ***Who is my primary contact person? Is he or she a representative of an investment adviser? Who can I talk to if I have concerns about how this person is treating me?***