



## **Alhambra Investment Management, LLC**

06/25/2020

### ***Customer Relationship Summary***

**Alhambra Investment Management (AIM)** is registered with the Securities and Exchange Commission (SEC) as an investment adviser.

Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences.

Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

### ***CONVERSATION STARTERS***

Ask our financial professionals these key questions about our investment services and accounts:

- *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?*
- *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?*
- *How might your conflicts of interest affect me, and how will you address them?*
- *As a financial professional, do you have any disciplinary history? For what type of conduct?*
- *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*

## **Relationships and Services**

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

AIM offers investment advisory services on a discretionary and non-discretionary basis, and financial planning services to retail investors. You can choose an account that allows us to buy and sell investments in your account without asking you in advance (a “discretionary account”) or we may give you advice and you decide what investments to buy and sell (a “non-discretionary account”). This arrangement will last in perpetuity and can be terminated at any time with written confirmation. AIM does not provide financial planning on a standalone basis.

AIM manages portfolios based on the risk tolerance of each client. Risk tolerance is determined through ongoing discussions with the client. Clients may direct AIM to exclude certain types of securities from their portfolio for personal or financial reasons. Examples might include not purchasing the shares of the client’s employer due to concentration concerns or the desire to avoid securities issued by companies or entities the client feels act contrary to their personal moral views. We do not participate in any wrap fee programs.

We will offer you advice on a regular basis. We will discuss your investment goals, design with you a strategy to achieve your investment goals, and regularly monitor your account. We will contact you (by phone or e-mail) at least quarterly to discuss your portfolio.

Our investment advice will cover a limited selection of investments. Other firms could provide advice on a wider range of choices, some of which might have lower costs.

AIM does not have a minimum account size or investment amount in order to open an account.

***For additional information***, please see Form ADV Part 2 on our website under *Firm Brochure* ([www.alhambrainvestments.com/about/](http://www.alhambrainvestments.com/about/)).

## **Fees, Costs, Conflicts, and Standard of Conduct**

### ***“What fees will I pay?”***

All fees are subject to negotiation.

The specific manner in which fees are charged by AIM is established in a client’s written agreement with the firm. AIM will generally bill its fees on a quarterly basis in advance. Clients may elect to be billed directly for fees or to authorize AIM to directly debit fees from client accounts. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

AIM management fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers,

custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to AIM's fee.

#### **Fee Schedule**

- *1.25% for the first \$500,000*
- *Plus 1% for additional assets up to \$3 million*
- *Plus 0.75% for additional assets up to \$5 million*
- *Negotiable for assets managed above \$5 million*

The more assets you have in the advisory account, including cash, the more you will pay us. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our fee quarterly even if you do not buy or sell.

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.

**For additional information**, please see Form ADV Part 2 on our website under *Firm Brochure* ([www.alhambrainvestments.com/about/](http://www.alhambrainvestments.com/about/)).

#### ***“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 are some examples to help you understand what this means:

- As stated before, the more assets you have in the advisory account, including cash, the more you will pay us. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our fee quarterly even if you do not buy or sell.

The only way our firm makes money is through an on-going asset-based fee at the end of each quarter for our services, based on the value of the cash and investments in your advisory account. We DO NOT engage in *Proprietary Products* (investments that are issued, sponsored, or managed by the firm or its affiliates), *Third-Party Payments* (compensation the firm receives from third parties when it recommends or sells certain investments), *Revenue Sharing* (investments for which the manager or sponsor of those investments or another third party shares with the firm revenue it earns on those investments), or *Principal Trading* (investments the firm buys from a retail investor, and/or investments the Firm sells to a retail investor, for or from its own accounts, respectively).

**For additional information**, please see Form ADV Part 2 on our website under *Firm Brochure* ([www.alhambrainvestments.com/about/](http://www.alhambrainvestments.com/about/)).

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

Portfolio managers, research and administrative personnel are paid salaries at the discretion of management. Sales and client service personnel are paid a percentage of the asset fee charged to the accounts they cover. Sales and client service personnel are generally independent contractors and not eligible for benefits. The company pays for health insurance coverage for salaried employees.

Sales and client service personnel have an incentive to maximize the assets we manage on your behalf. No one at AIM is paid a commission by any outside investment product provider.

**Disciplinary History**

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

None of our advisers have legal or disciplinary history. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research you and your financial professionals.

**Additional Information**

***For additional information***, please see Form ADV Part 2 on our website under *Firm Brochure* ([www.alhambrainvestments.com/about/](http://www.alhambrainvestments.com/about/)). If you would like additional, up-to-date information or a copy of this disclosure, please call us at 1-888-777-0970.

