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FORM ADV

Uniform Application for Investment Adviser Registration

Part II – Page 1

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|---|---------------------|----------------------|-----------|--------------|------------------------------|
| Name of Investment Adviser: Focused Investors LLC | | | | | |
| Address: | (Number and Street) | (City) | (State) | (Zip Code) | Area Code: Telephone Number: |
| 9777 Wilshire Blvd., Suite 910 | | Beverly Hills | CA | 90212 | (310) 734-1200 |

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part 1A of this Form, for the use of regulatory bodies, and are not distributed to clients.)

**Potential persons who are to respond to the collection of information contained in this form
are not required to respond unless the form displays a currently valid OMB control number.**

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| FORM ADV Part II – Page 2 | Applicant: Focused Investors LLC | SEC File Number: 801-66523 | Date: February 09, 2010 |
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- 1. A. Advisory Services and Fees.** (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- ☒ (1) Provides investment supervisory services 100 %
- ☐ (2) Manages investment advisory accounts not involving investment supervisory services ____ %
- ☐ (3) Furnishes investment advice through consultations not included in either service described above .. ____ %
- ☐ (4) Issues periodicals about securities by subscription ____ %
- ☐ (5) Issues special reports about securities not included in any service described above ____ %
- ☐ (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities ____ %
- ☐ (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities ... ____ %
- ☐ (8) Provides a timing service ____ %
- ☐ (9) Furnishes advice about securities in any manner not described above ____ %

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- B.** Does applicant call any of the services it checked above financial planning or some similar term? ☐ Yes ☒ No

C. Applicant offers investment advisory services for: (check all that apply)

- ☒ (1) A percentage of assets under management ☐ (4) Subscription fees
- ☐ (2) Hourly charges ☐ (5) Commissions
- ☐ (3) Fixed fees (not including subscription fees) ☐ (6) Other

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of clients — Applicant generally provides investment advice to: (check those that apply)

- ☒ A. Individuals ☒ E. Trusts, estates, or charitable organizations
- ☐ B. Banks or thrift institutions ☐ F. Corporations or business entities other than those listed above
- ☐ C. Investment companies ☒ G. Other (describe on Schedule F)
- ☒ D. Pension and profit sharing plans

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> A. Equity securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (3) foreign issuers | <input type="checkbox"/> (1) securities |
| | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | |
| | <input type="checkbox"/> J. Futures contracts on: |
| <input type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| | <input type="checkbox"/> (2) intangibles |
| <input type="checkbox"/> D. Commercial paper | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> (1) real estate |
| <input type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (2) oil and gas interests |
| | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> G. Investment company securities: | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input type="checkbox"/> (1) variable life insurance | |
| <input type="checkbox"/> (2) variable annuities | |
| <input type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases (securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases (securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options, uncovered options, or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

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| FORM ADV Part II – Page 4 | Applicant: Focused Investors LLC | SEC File Number: 801-66523 | Date: February 09, 2010 |
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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ☒ Yes ☐ No
(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? ☒ Yes ☐ No

(If yes, describe on Schedule F the partnerships and what they invest in.)

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| FORM ADV Part II – Page 5 | Applicant: Focused Investors LLC | SEC File Number: 801-66523 | Date: February 09, 2010 |
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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? ☒ Yes ☐ No
(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Staff of Focused Investors LLC ("FI"), including FI's portfolio managers, chief operating officer, and operations manager, review client accounts on a regular basis, as activity occurs, and at least once a month. If a significant event occurs such as a contribution, withdrawal, or change in investment restriction, the account is immediately reviewed and any necessary changes are made on a timely basis. FI staff share responsibility for all client accounts. In addition, for the Focused Investors Fund LP (the "Fund") only, FI has contracted with BNY Mellon Asset Servicing ("BNY Mellon") to provide certain back-office services, which include, among other things, portfolio accounting, daily cash reconciliation, trade administration, and performance measurement. In connection with such services, dedicated staff of BNY Mellon review and reconcile the Fund on a daily basis and provide FI with daily account status reports as well as month-end "audited" account statements and asset reconciliations.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

The following types of reports are available to each of FI's separate account clients, in most cases monthly, and in all cases at least quarterly, as requested by each client:

Portfolio Appraisal; Realized and Unrealized Capital Gains & Losses; Brokerage Commissions; Transaction Statement; Quarterly Letter; Performance Summary; and such other reports as may be requested by clients from time to time.

Limited Partners in Focused Investors Fund LP (the "Fund") receive the following reports:

Unaudited monthly account statements; unaudited quarterly performance reports; audited annual financial statements; and information for the preparation of each Limited Partner's tax returns.

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | Yes | No |
|--|-------------------------------------|--------------------------|
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- | | Yes | No |
|---|--------------------------|-------------------------------------|
| B. Does applicant or a related person suggest brokers to clients? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|---------------------------------|---|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

| | Yes | No |
|--|--------------------------|-------------------------------------|
| Has applicant provided a Schedule G balance sheet? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

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| Schedule F of FORM ADV Continuation Sheet for Form ADV Part II | Applicant: Focused Investors LLC | SEC File Number: 801-66523 | Date: February 09, 2010 |
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

| 1. Full name of applicant exactly as stated in Item 1A of Form ADV: Focused Investors LLC | | IRS Empl. Ident. No.: 27-0138622 |
|---|---|--|
| Item of Form (identify) | Answer | |
| Privacy Notice | <p>Focused Investors LLC ("FI") collects and maintains nonpublic personal information in the course of providing investment management services to its clients. FI believes that all of our clients value their privacy. Therefore, we will not disclose a client's nonpublic personal information to anyone unless it is permitted or required by law, at the client's direction, or is necessary to provide clients with our services. The types and categories of information we collect and maintain include:</p> <ul style="list-style-type: none"> • Information we receive from clients to establish an account and provide clients with investment advice (such as address, telephone number, social security/tax identification number, and financial information, such as assets, income, and investment activity); • Information that we generate to service client accounts (such as trade tickets and account statements); and • Information that we may receive from third parties with respect to client accounts (such as trade confirmations from brokerage firms and account statements from custodians). <p>In order for us to provide investment management services to our clients, we may disclose certain nonpublic personal information in very limited instances, which include:</p> <ul style="list-style-type: none"> • Disclosure to companies (subject to confidentiality agreements) that perform services on our behalf (such as our technology consultants who assist us in maintaining our computer systems); • Disclosure to companies as permitted by law, including those necessary to service client accounts (such as providing account information to brokers and custodians); and • Disclosure at a client's request (for example, by sending duplicate account statements to someone designated by a client). <p>To fulfill our privacy commitment, we have instituted firm-wide practices to safeguard information that we maintain about our clients. These include:</p> <ul style="list-style-type: none"> • Adopting policies and procedures that put into place physical, electronic, and other safeguards to keep clients' personal information safe; • Limiting access to personal information to those employees who need it to perform their job duties; and • Requiring third parties that perform services for us to agree by contract to keep client information strictly confidential. <p>In the event a client decides to close an account, we will adhere to the privacy policies and practices described in this notice and protect client information to the same extent as our current clients.</p> | |

Complete amended pages in full, circle amended items and file with execution page (page 1).

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| Schedule F of FORM ADV Continuation Sheet for Form ADV Part II | Applicant: Focused Investors LLC | SEC File Number: 801-66523 | Date: June 10, 2010 |
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

| | | |
|---|---|--|
| 1. Full name of applicant exactly as stated in Item 1A of Form ADV: Focused Investors LLC | | IRS Empl. Ident. No.: 27-0138622 |
| Item of Form (identify) | Answer | |
| Proxy Voting Policies | <p>Focused Investors LLC ("FI") has adopted proxy voting policies and procedures reasonably designed to ensure that we vote proxies in the best interest of our clients. Unless a client specifically reserves the right to vote its own proxies, FI generally votes proxies pursuant to the following guidelines, although we may vote in a different manner when deemed appropriate.</p> <p>FI generally votes in favor of proposals introduced by company management with respect to the following types of issues:</p> <ul style="list-style-type: none"> • Election of directors (unless an alternative slate of directors has been proposed, in which case FI determines how to vote on a case by case basis); • Approval of independent registered public accountants; • Executive compensation plans; • Corporate structure; and • Limiting directors' liability. <p>FI generally votes against management proposals that we believe are designed to entrench management or to unreasonably deter an acquisition of the company at a fair price to shareholders such as the following:</p> <ul style="list-style-type: none"> • Proposals to stagger board members' terms; • Proposals to limit the ability of shareholders to call special meetings; • Proposals to require supermajority votes; • Proposals requesting excessive increases in authorized common or preferred shares where management provides no explanation for the use or need of these additional shares; and <p>With respect to all other matters, FI votes on a case-by-case basis based on an evaluation of what is in the best long-term economic interest of its clients.</p> <p>FI has developed procedures to address situations in which FI's interests may be in conflict with the interests of our clients. Such conflicts may arise, for example, if a company that is soliciting a proxy is a client of FI or is a major vendor for FI. FI may also have a conflict if FI personnel have a significant business or personal relationship with participants in proxy contests, corporate directors or director candidates. Proxy proposals that are "routine," such as uncontested elections of directors, meeting formalities, and approvals of annual reports/financial statements are presumed not to involve material conflicts of interest. For non-routine proposals, if FI's Chief Compliance Officer believes that a conflict of interest may exist, he may consult with FI's outside counsel to determine whether such proposals involve a material conflict of interest.</p> <p>If a proposal is determined to involve a material conflict of interest, FI may, but is not required to, obtain instructions from the client on how to vote the proxy or obtain client consent for FI's vote. Other possible resolutions may include: (i) voting in accordance with the guidance of an independent consultant or outside counsel; (ii) designating a person or committee to vote that has no knowledge of any relationship between FI and the issuer, its officers or directors, director candidates, or proxy proponents; (iii) voting in proportion to other shareholders; or (iv) voting in other ways that are consistent with FI's obligation to vote in its clients' best interests.</p> <p>Clients may request a copy of FI's proxy voting policies and procedures, and a report on how their individual securities were voted, by calling FI's offices at (310) 734-1200. The report will be provided free of charge.</p> | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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| Schedule F of FORM ADV Continuation Sheet for Form ADV Part II | Applicant: Focused Investors LLC | SEC File Number: 801-66523 | Date: June 10, 2010 |
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

| 1. Full name of applicant exactly as stated in Item 1A of Form ADV: Focused Investors LLC | | IRS Empl. Ident. No.: 27-0138622 | | | | | | | | |
|---|--|--|---------------------|-------------------|--------------------|-------------------------|-------------------|--------|---------------------------|--------|
| Item of Form (identify) | Answer | | | | | | | | | |
| Item 1.D | <p>Services and Fees</p> <p>Focused Investors LLC ("FI") provides investment advisory services to institutional accounts and a private investment fund as described below:</p> <p><i>Separate Accounts</i></p> <p><u>General.</u> With respect to separately managed accounts, FI will not maintain custody or possession of the funds or securities of any such client. Clients typically deposit their funds in either a bank custodian account or brokerage account of their choosing and FI holds a limited power of attorney (i.e., limited power of trading authority) to act on a discretionary basis with respect to such funds.</p> <p><u>Investment Strategy.</u> FI seeks to invest client assets primarily in common stocks of companies that are trading at prices significantly below FI's estimate of their intrinsic values at the time of initial purchase. FI evaluates companies based on an analysis of the company's fundamentals (e.g., business franchise, financial statements, lines of business, management capability, etc.) and may determine intrinsic value based on discounted cash flows, corporate assets, earnings, and other factors. FI then constructs portfolios by investing in securities whose current prices, in FI's opinion, do not reflect the long-term intrinsic values of the companies' business enterprises.</p> <p>FI believes that concentrating a portfolio's assets in a select, limited number of securities allows its best ideas to have a meaningful impact on the portfolio's performance. Accordingly, client portfolios generally contain between 15 and 25 securities. Typically, a maximum of 10% of a portfolio's total market value will be invested in any one issuer and a maximum of 25% of its total market value will be invested in any one industry. However, depending upon where FI perceives value in the market, FI may significantly under or over-weight a security or an industry in the portfolio (i.e., beyond the aforementioned general limitations). While FI believes that this strategy has the potential to generate attractive returns over time, because of the strategy's concentrated nature, the performance of each holding will have a greater impact on a portfolio's total return, and may make the return more volatile than a more diversified account.</p> <p>FI generally intends to fully invest account assets. The cash position of a client's portfolio will generally be limited to 5% or less of the portfolio market value. However, cash may be allowed to rise to 10% of the portfolio market value during rebalancing or under other limited circumstances.</p> <p>FI has found that it generally takes several years for the gap between an undervalued security's price and FI's estimate of its intrinsic value to close, if at all. Accordingly, FI's investment strategy is intended for investors with a long-term investment horizon, i.e., no less than five years. There can be, of course, no assurance that FI will achieve its investment objectives.</p> <p>FI's standard fee schedule for separate accounts is as follows:</p> <table border="0"> <thead> <tr> <th><u>Account Size</u></th> <th><u>Annual Fee</u></th> </tr> </thead> <tbody> <tr> <td>First \$10,000,000</td> <td>90 Basis Points ("bps")</td> </tr> <tr> <td>Next \$10,000,000</td> <td>70 bps</td> </tr> <tr> <td>Balance over \$20,000,000</td> <td>50 bps</td> </tr> </tbody> </table> <p>The fee is payable quarterly in arrears. The minimum account size for a separate account is \$25 million. Management fees for all clients in this category will be based on FI's standard fee. FI will consider</p> | | <u>Account Size</u> | <u>Annual Fee</u> | First \$10,000,000 | 90 Basis Points ("bps") | Next \$10,000,000 | 70 bps | Balance over \$20,000,000 | 50 bps |
| <u>Account Size</u> | <u>Annual Fee</u> | | | | | | | | | |
| First \$10,000,000 | 90 Basis Points ("bps") | | | | | | | | | |
| Next \$10,000,000 | 70 bps | | | | | | | | | |
| Balance over \$20,000,000 | 50 bps | | | | | | | | | |

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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

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| 1. Full name of applicant exactly as stated in Item 1A of Form ADV: Focused Investors LLC | | IRS Empl. Ident. No.: 27-0138622 |
| Item of Form (identify) | Answer | |
| Item 1.D (continued) | <p>performance based fee arrangements if requested by clients</p> <p><u>Termination.</u> Separately managed account clients may terminate FI's services at any time, for any reason, upon providing written notice to FI. Upon termination of services, any earned, unpaid fees will be due and payable. There are no closing or penalty fees for terminating FI's services. FI reserves the right to terminate advisory services at any time, for any reason, upon not less than 30-days written notice to the client.</p> <p>Private Investment Fund</p> <p>FI manages the Focused Investors Fund LP (the Fund) using the same investment strategy noted above for separate accounts. As the General Partner and investment manager of the Fund, FI receives an investment management fee from each Limited Partner that is not a member of the General Partner. The annual investment management fee is approximately 1% and is deducted from each Limited Partner's account monthly in arrears. FI has agreed to manage the account of the widow of FI's co-founder at a rate less than the Fund's standard fee.</p> | |
| Item 2.G | <p>Focused Investors Fund LP</p> <p>FI has organized and serves as General Partner and discretionary investment adviser to a private investment fund, Focused Investors Fund LP, a Delaware limited partnership (the "Fund"). FI intends to offer the interests in the Fund only to qualified investors through non-public transactions in order to maintain the Fund's exclusion from "investment company" status under the Investment Company Act of 1940, as amended (the "Investment Company Act"). Details about the Fund, including its investment strategy, risks, and associated management fee are fully described in its private offering memorandum and charter documents.</p> | |
| Item 5 | <p>Education and Business Standards</p> <p>Employees involved in determining or giving investment advice to clients must have undergraduate and graduate degrees from accredited institutions in business, finance and/or related fields of study.</p> | |
| Item 6 | <p>Education and Business Background</p> <p><i>Bruce G. Veaco, Managing Member</i></p> <p>Year of birth: 1957</p> <p>Education: B.A., <i>summa cum laude</i>, Economics, University of California, Los Angeles; M.B.A., Harvard Business School</p> <p>Background: Principal, Chief Financial Officer, Vice President, and Portfolio Manager, Pacific Financial Research, Inc. (1986 – 2005), an investment management firm</p> <p><i>Nugroho ("Dédé") Soeharto, Managing Member</i></p> <p>Year of birth: 1960</p> <p>Education: B.S., Chemistry, Bates College; M.B.A., Babson College</p> <p>Background: Partner, Saddle Peak Asset Management, LLC (2006 – 2008); and Principal, Vice President, and Portfolio Manager, Pacific Financial Research, Inc. (1987 – 2005), both</p> | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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| Schedule F of FORM ADV Continuation Sheet for Form ADV Part II | Applicant: Focused Investors LLC | SEC File Number: 801-66523 | Date: June 10, 2010 |
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

| | | |
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| 1. Full name of applicant exactly as stated in Item 1A of Form ADV: Focused Investors LLC | | IRS Empl. Ident. No.: 27-0138622 |
| Item of Form (identify) | Answer | |
| | investment management firms. | |
| Item 8.D | <p>Solicitations for Investments in Affiliated Entities</p> <p>As noted in Item 2.G above, FI provides discretionary investment advice to a proprietary fund in which clients (investors) are solicited to invest – Focused Investors Fund LP (the “Fund”). The Fund is managed using the same strategy employed for FI’s separate account clients. FI has a financial interest in the Fund as its General Partner and investment adviser. However, other than the investment management fee, FI does not receive any separate compensation from the Fund.</p> | |
| Item 9 | <p>Code of Ethics</p> <p>FI has adopted a Code of Ethics (the “Code”) that sets forth FI’s standard of business conduct as a fiduciary and specifically requires employees to comply with the federal securities laws. FI recognizes that the personal investment transactions of its personnel demands the application of high ethical standards and FI requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, FI believes that if investment goals are similar for clients and for its personnel, it is logical and even desirable that there be a common ownership of some securities. Therefore, the Code implements policies and procedures designed to address conflicts that may arise from personnel individually investing in or trading the same securities in which FI invests client assets.</p> <p>Among other things, the Code generally prohibits FI personnel from trading in any security <i>simultaneously</i> being purchased or sold, or being considered for purchase or sale, by FI for any client account unless (1) any such trades are aggregated (i.e., “bunched”) with client orders for execution as a single transaction, (2) any such securities purchased or sold are allocated among all participating accounts pro rata, and (3) all such accounts participate at the average price and average commission. In addition, all personnel must pre-clear all non-exempt trades for personal securities accounts. The Code includes a prohibition against personally acquiring securities in an initial public offering, places limitations on participating in private placements, and prohibits personnel from simultaneously trading opposite to FI’s recommendations for its clients. While the Code prohibits FI personnel from trading securities for their personal accounts while any such security <i>is being considered for purchase or sale or is being purchased or sold for clients</i>, FI personnel may trade such securities <i>after</i> all client trades have been completed. Due to market movements, FI personnel may occasionally trade at prices more favorable than those received by clients.</p> <p>In order to monitor compliance with FI’s personal trading policy, all personnel are required to provide duplicate copies of trade confirmations and account statements to FI’s Chief Compliance Officer, who is responsible for monitoring compliance with the Code. The Code provides that the Chief Compliance Officer may grant exemptive relief from certain of the Code’s restrictions based on individual circumstances.</p> <p>In addition to setting forth FI’s personal trading policies, the Code sets forth FI’s policies and procedures with respect to material, non-public information and the fiduciary duties that FI and each of its employees has to its clients. The Code is circulated at least annually to all personnel, and each employee must annually certify in writing that he or she has received and complied with the Code. FI will provide a copy of the Code to any client or prospective client upon request, free of charge.</p> <p>Participation and/or Interest in Client Transactions</p> <p>FI’s portfolio managers are investors in FI’s proprietary fund, Focused Investors Fund LP (the “Fund”). To ensure the Fund does not receive favorable treatment over other client accounts, trade orders in any security simultaneously being purchased or sold for the Fund are aggregated with the orders for other client accounts as described above (see also <i>Aggregation of Orders</i> under Item 12, below).</p> | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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| Schedule F of FORM ADV Continuation Sheet for Form ADV Part II | Applicant: Focused Investors LLC | SEC File Number: 801-66523 | Date: June 10, 2010 |
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| Item 10 | <p>Conditions for Managing Accounts</p> <p>The minimum size for a separately managed account is \$25 million. However, FI may, in its discretion, accept smaller amounts from time to time.</p> <p>With respect to the Focused Investors Fund LP, subscriptions for Fund interests will only be accepted from “accredited investors” (as defined in the Securities Act of 1933, as amended), who are “qualified purchasers” (as defined in the Investment Company Act). The minimum subscription that will generally be accepted is \$5 million. FI may, in its sole discretion, waive the minimum subscription requirement for any investor.</p> | |
| Item 12 | <p>Investment and Brokerage Discretion</p> <p>FI has discretionary authority to make the following determinations without obtaining client consent before transactions are effected:</p> <ul style="list-style-type: none"> • the securities that are to be bought or sold; • the total amount of the securities to be bought or sold; • the brokers through which securities are to be bought or sold; and • the commission rates at which securities transactions for client accounts are effected. <p>FI’s authority may be subject to conditions imposed by the client, examples of which may include: (1) where a client restricts or prohibits transactions in securities of a specific industry, and/or (2) where a client directs that transactions be effected through specific broker-dealers. Consequences of the latter restriction are discussed in more detail below under <i>Brokerage Direction</i>.</p> <p><u>Execution Quality.</u> In placing trades for clients, FI’s policy is to seek best execution of orders at the most favorable price in light of the <u>overall quality</u> of brokerage and research services provided. In selecting brokers to execute securities transactions, the determination of what is expected to result in best execution involves a number of largely judgmental factors, including, among others, the broker’s reputation, experience and financial strength, the broker’s reliability and efficiency in executing and clearing transactions, the nature and frequency of the broker’s sales coverage and its responsiveness to FI, and the broker’s block trading and “step-out” capability. As discussed further under <i>Soft Dollars</i>, FI does not negotiate “execution only” commission rates at this time. In this regard, the quality of research provided and its usefulness in the management of client accounts is integral to FI’s execution analysis.</p> <p>In addition, most of the brokers with whom FI does business have made it possible for FI, at no cost to itself, to route orders electronically over their designated FIX network. In FI’s opinion, routing orders in this manner enhances the quality of execution in that it significantly reduces the possibility of trade errors, allows FI to view fills in real time and thus respond to any sudden market movements, and in this regard, provides FI with a means to more accurately measure a broker’s performance. Consequently, both access to and the reliability of a broker’s FIX network is also integral to FI’s evaluation of execution quality.</p> <p>In short, FI attempts to place client orders with those brokers who, in FI’s opinion, offer the best combination of brokerage and research services. In this regard, FI may pay a commission rate in excess of that which another broker might have charged for effecting the same transaction. This practice is discussed in further detail below under <i>Soft Dollars</i>.</p> <p><u>Soft Dollars.</u> Federal securities law provides a “safe-harbor” which allows an investment adviser to pay more than the lowest available commission for brokerage and research products or services if the adviser determines in good faith that the commission paid was reasonable in relation to the brokerage and research products or services provided. Selecting a broker in recognition of such other products or services is known as paying for such products or services with “soft dollars.” Full-service brokers typically provide a bundle of services, including research and execution of transactions. The research services provided can either be</p> | |

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| Item 12 (continued) | <p><i>proprietary</i> (created and provided by the executing broker, including tangible research products as well as access to analysts and traders – also known as “bundled” research) or <i>third-party</i> (created or provided by a third party, but paid for by the broker).</p> <p>FI does not have any arrangements or agreements in place to acquire <i>third-party</i> research products or services through the use of soft dollars. However, FI does pay a bundled commission rate in order to receive a broad range of <i>proprietary research</i>. As a result, FI does not pay the lowest commission rate available. Such arrangements benefit FI by allowing FI, at no cost to itself, to supplement its own research and analysis activities, to receive the views and information of individuals and research staffs of other securities firms, and to gain access to persons having special expertise on certain companies, industries, areas of the economy, and market factors. Research services (which may be in written or oral form or on-line) include, but are not limited to, reports/analyses on specific securities, companies, industries, or sectors; statistical information; market data analyses; credit analyses; financial and market database services; and other information relating to factors that may affect the economy and/or security prices.</p> <p>FI has implemented an internal procedure to evaluate the brokerage and research products or services being provided by its brokers on at least an annual basis. In performing this evaluation, FI considers the value of such products or services in the performance of its overall responsibilities to all of its clients. As FI generally manages all client accounts pursuant to its core investment strategy, brokerage and research products or services obtained by FI will generally be used to service all of FI’s clients.</p> <p>FI’s portfolio managers, based on their knowledge of the industry, will attempt to have FI’s brokerage arrangements be competitive with similarly situated companies. In addition to the formal evaluation described above, FI’s portfolio managers meet with the CCO on a periodic basis to review the trading performance of its brokers and to assess the efficacy of FI’s trading policies and procedures.</p> <p><u>Aggregation of Orders.</u> Because FI generally manages all accounts pursuant to the same core investment strategy, FI’s trade orders are generally executed as concurrent authorizations (i.e., aggregated orders) to purchase or sell the same security for most, if not all, accounts. Client orders are combined to increase efficiency and establish positions in an expedient manner. Shares are generally allocated on a pro-rata basis, subject to considerations such as minimum purchase/sale amounts to avoid odd-lots and excessive transaction costs, existing or targeted account weightings, account restrictions, the availability of cash, and, when relevant, directed brokerage. Each account that participates in an aggregated order shall do so at the average price for all transactions related to that order in that security on that business day, with transaction costs shared pro-rata based on the account’s participation in the transaction. Partially filled orders are generally allocated on a pro-rata basis. However, if a partial fill is so small such that a pro-rata allocation across all participating accounts is not practicable, FI allocates such shares in a manner it determines to be fair to all accounts over time. FI may deviate from pro-rata allocation when making initial investments for newly established accounts for the purpose of seeking to fully invest such accounts as promptly as possible. While FI believes combining orders in this way will, over time, be advantageous to all participants, in particular cases the price could be less advantageous to a participating account had such account been the only account effecting the transaction or had completed its transaction before the other participants.</p> <p><u>Brokerage Direction.</u> In some instances, because of a prior relationship between a client and one or more brokers, or for other reasons, a client may instruct FI to execute some or all securities transactions for its account with or through one or more designated brokers. In such cases, the client is responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by any such broker. The client must recognize that it may not obtain rates as low as it might otherwise obtain if FI had discretion to select brokers other than those chosen by the client. This notwithstanding, in connection with trading programs, FI will “step-out” trades when possible so that directed clients may participate together with non-directed clients. In some instances, however, directed accounts may be traded after non-directed accounts have received their initial allocation in a trading program. In such cases, the directed accounts may receive better or worse prices. Any client providing</p> | |

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| | instructions to FI regarding direction of brokerage transactions must notify FI in writing if the client desires FI to cease executing transactions with or through any such broker. | |

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