

Albion Financial Group
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This Brochure provides information about the qualifications and business practices of Albion Financial Group. If you have any questions about the contents of this Brochure, please contact us at 801-487-3700 or info@albionfinancial.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Albion Financial Group is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications from an Adviser provide you with information which may assist you in determining whether to hire or retain an Adviser.

Additional information about Albion Financial Group also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Brochure dated 10-23-2024 is a revised document prepared according to the SEC's rules and requirements for Form ADV Part 2. Only material changes are discussed in this section. Our last annual update was on 03-29-2024.

Since the filing of our last amendment, we have the following material changes to report:

- We have updated Item 5 to include information on fees for held away accounts. These fees only pertain to non-public and other third-party investments which we may recommend to certain clients on an ad hoc basis. For more information on fees, refer to Item 5.
- We have updated Item 10 of the Brochure to disclose that as part of our investment advisory services, we may recommend certain clients use the services of a third-party money manager or other investment advisor to manage a portion of your investment portfolio. See Item 10.D. for more information on the selection of other advisors or managers.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting us at 801-487-3700 or by email at info@albionfinancial.com.

Additional information about Albion Financial Group (Albion) is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Albion who are registered, or are required to be registered, as investment adviser representatives of Albion.

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Item 4 – Advisory Business

A. Description of Firm

Albion Financial Group is a Registered Investment Advisory Firm founded in 1982 and is privately held by William T. Levitt, John Bird, and Doug Wells.

B. Description of Services

Asset Management Services

Albion offers discretionary management of investment accounts and financial planning for individuals and institutions, specializing in equity and debt securities including but not limited to domestic and foreign common stocks, exchange traded funds, no-load mutual funds, closed end mutual funds, convertible securities, corporate and municipal bonds, and U.S. Government securities.

Retirement Plan Services

Albion Financial Group offers retirement plan services to retirement plan sponsors and to individual participants in retirement plans. For a corporate sponsor of a retirement plan, our retirement plan services can include, but are not limited to, the following services:

Fiduciary Services

Albion Financial Group provides the following Fiduciary Retirement Plan Services:

- **Investment Policy Statement Preparation** - Albion Financial Group will help you develop an investment policy statement. The investment policy statement establishes the investment policies and objectives for the Plan. You will have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- **Investment Monitoring** - Albion Financial Group will assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement
- **Discretionary Investment Selection Services** - Albion Financial Group will monitor the investment options of the Plan and add or remove investment options for the

Plan. Albion Financial Group will have discretionary authority to make all decisions regarding the investment options that will be made available to Plan participants.

If you elect to utilize any of Albion Financial Group's Fiduciary Management Services, then Albion Financial Group will be acting as an Investment Manager to the Plan, as defined by ERISA section 3(38), with respect to our Fiduciary Management Services, and Albion Financial Group hereby acknowledges that it is a fiduciary with respect to its Fiduciary Management Services.

Albion Financial Group acknowledges that in performing the fiduciary services listed above that it is acting as a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of Employee Retirement Income Security Act of 1974 ("ERISA") for purposes of providing discretionary investment advice only. Advisor will act in a manner consistent with the requirements of a fiduciary under ERISA for all services for which Advisor is considered a fiduciary under ERISA.

Albion Financial Group (a) has responsibility for and (i) will exercise discretionary authority respecting management of Client's retirement plan's assets, and (ii) **will not** have any discretionary authority or discretionary responsibility in the administration of Client's retirement plan or the interpretation of Client's retirement plan documents, (b) is an "investment manager" as defined in Section 3(38) of ERISA and does have the power to manage, acquire or dispose of any plan assets, and (c) is **not** the "Administrator" of Client's retirement plan as defined in ERISA.

Albion Financial Group will disclose, to the extent required by ERISA Regulation Section 2550.408b-2(c), to you any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclose as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the Qualified Retirement Plan Agreement and any compensation or fees received in connection with the Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learn of such error or omission.

Private Fund Management

Albion also manages Albion Fund I, LP, Albion Fund II, LP, and Albion Fund III, LP, private investment funds, according to the investment objectives and investment guidelines set forth in the funds' offering memorandums. See Item 6 for further details of these funds and service.

C. Client Tailored Services and Client Imposed Restrictions

Albion offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation and may include information such as cash distribution requirements, time horizon, tax situation, and risk tolerance. The Investment Policy Statement serves as guidance in constructing a client specific investment portfolio appropriate for the client restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent Albion from properly servicing the client account, or if the restrictions would require Albion to deviate from its standard suite of services, Albion reserves the right to end the relationship.

D. Wrap Fee Programs

Albion is an investment manager in the Wells Fargo Private Advisors Network Wrap program and in the RBC Dain Rauscher MAP program. Accounts in these programs are treated no differently than other Albion client accounts. Trades are pre-allocated according to Investment Policy, and trades are placed in blocks so that all clients receive similar trade executions. Albion's fees for our investment management services are separate and distinct from the fees of the sponsor of the Wrap program.

E. Amounts Under Management

Discretionary Amounts:
\$ 1,480,441,706

Non-discretionary Amounts:
\$ 117,241,412

Date Calculated:
December 31, 2023

Item 5 – Fees and Compensation

A. Asset Management Fee Schedule

Fees for Albion’s services may be charged on a percentage of assets under management, hourly rate, fixed rate, or performance-based fee structure. See Item 6 for performance-based fees specifics.

Fees for assets under management are listed at:

Investment Management Equity Account Fee:

<u>Plan Assets</u>	<u>Annual Fees</u>
\$0 – \$2,500,000	1.50%
\$2,500,001 – \$5,000,000	1.00%
Over \$5,000,000	0.75%

Investment Management Balanced Account Fee:

<u>Plan Assets</u>	<u>Annual Fees</u>
\$0 – \$2,500,000	1.25%
\$2,500,001 – \$5,000,000	0.95%
Over \$5,000,000	0.65%

These fees are negotiable in certain circumstances and the final fee schedule is part of the signed Management Agreement for each client.

The agreement may not be modified or amended except in writing and signed by both the advisor and the client. Advisor and client may terminate the agreement within five days of the date of acceptance with no penalty to the client. After the five day recession period, either party may terminate the agreement at any time, effective upon the receipt of written notice, and the advisor will return to the client the unused portion of prepaid management fees.

Retirement Plan Services

For retirement plan sponsors, the Plan will be charged an annual fee based upon the amount of Plan assets in accordance with the schedule referenced above.

This annual fee is negotiable based upon the complexity of the plan, the size of the plan assets, the actual services requested and the potential for additional deposits.

Albion Financial Group does not reasonably expect to receive any other compensation, direct or indirect, for its Services. If we receive any other compensation for such services, we will (i) offset that compensation against our stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

B. Payment of Fees

All management fees are billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the current billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period.

Clients can elect to have the fee deducted from their account or billed directly and due upon receipt of the billing notice. All Direct Bill clients will be required to sign a Fee Deduction Authorization for the sole purpose of allowing the Advisor to collect past due accounts. Advisor will notify the client prior to the deduction of any delinquent fee payments from their managed accounts. If clients elect to have the fee automatically deducted from an existing account, they are required to provide the custodian with written authorization to deduct the fees from the account and pay the fees to Albion Financial Group. We will provide the custodian with a fee notification statement.

Either party may terminate services by providing written notice of termination to the other party. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

C. Clients Are Responsible for Third Party Fees

Albion's 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 Albion's fee, and Albion shall not receive any portion of these commissions, fees, and costs.

Item 12 describes the factors that Albion considers in selecting or recommending broker- dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Additional Fees and Expenses

For certain clients, Albion charges an advisory fee for services provided to the held away accounts mentioned below in Item 10. This fee is typically deducted from an account under Albion's management on a quarterly basis. Fees are based on the assets within these held away accounts and are charged according to the valuation of the accounts at the close of the quarter as valued by the third-party advisor or private fund administrator. Fees will typically be based on the client's full portfolio value, including the held away accounts. The specific fee schedule is established in a client's written agreement with Albion.

D. Prepayment of Fees

Albion collects fees in advance and in arrears. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will either be credited to the account or mailed via check.

E. Outside Compensation for the Sale of Securities to Clients

Neither Albion nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6 – Performance-Based Fees and Side-By-Side Management

Albion Financial Group manages Albion Fund I, LP, Albion Fund II, LP, and Albion Fund III, LP, private equity funds, according to the investment objectives and investment guidelines set forth in the funds' offering memorandums. Albion Financial Group serves as the investment manager to Albion Fund I, LP, and Albion Fund II, LP, and Albion Fund III, LP, all Delaware limited partnerships. These privately offered funds pay Albion Financial Group a management fee of 1.0% per annum of all capital commitments. In addition, Albion Financial Group is entitled to receive 10% of the returns in excess of

investors' returned initial capital contributed.

Where fund investors pay for services by means of performance-based compensation there is an incentive for Albion Financial Group to make investments that are riskier or more speculative than would be the case in the absence of the performance-based compensation. Clients may be solicited by Albion Financial Group to invest in the funds. To the extent clients make an investment in the funds; Albion will waive its advisory fees charged with respect to such assets. Albion Fund I, Albion Fund II, and Albion Fund III invest in investments not available to Albion's regular clients.

Item 7 – Types of Clients

Albion generally provides portfolio management services to individuals, families and corporate or business entities.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analysis and Investment Strategies

Albion's methods of analysis include fundamental analysis, technical analysis, and cyclical analysis.

- **Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.
- **Technical analysis** involves the analysis of past market data; primarily price and volume.
- **Cyclical analysis** involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Investing in securities involves risk of loss that clients should be prepared to bear.

B. Material Risks Involved

Albion uses Long Term Trading Strategies but should material events with a specific company or economic environment arise, trades may be short term.

Albion utilizes investment strategies that are designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Albion generally seeks investment strategies that do not involve significant or unusual

risk beyond that of the general domestic and/or international equity markets.

Investing in securities involves risk of loss that clients should be prepared to bear.

C. Risks of Specific Securities Utilized

Past performance is not a guarantee of future returns. Investing in securities involves risk of loss that clients should be prepared to bear. Further, depending on the different types of investments there may be varying degrees of risk. Clients and investors in the Private Funds (Albion Fund I, LP, Albion Fund II, LP, and Albion Fund III, LP) should be prepared to bear investment loss, including loss of original investment.

Because of the inherent risk of loss associated with investing in securities, Albion is unable to represent, guarantee, or even imply that its services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients or investors from losses due to market corrections or declines. For the three Private Funds, there are a number of risk factors disclosed in the Funds' Offering Materials that relate to the Funds specifically; prospective investors are urged to review such risk factors carefully prior to making an investment. In addition, the primary risk factors applicable to Albion's investment programs for its client accounts generally include:

- Market Risk – The markets, as a whole, could collapse, resulting in a decrease in the value of client investments. This is also referred to as systematic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company and Industry Risk - When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees

go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

- Management Risk – Albion’s investments will be subject to investment management risk. The success and failure of Albion’s investment strategies, research, analysis and determination of portfolio securities will affect the value of Albion’s investments for our clients.
- Small Company Risk - Investments in small companies may be riskier than investments in larger, more established companies. Small companies may be more vulnerable to economic, market and industry changes. Because smaller companies may have limited product lines, markets, or financial resources, or may depend on a few key employees, they may be more susceptible to particular economic events or competitive factors than larger companies.
- Concentration Risk – In the event that Albion is instructed by a client to manage an account that is relatively concentrated, a loss in any single position could have a more severe adverse impact on the performance of the client’s portfolio overall than it would in a more diversified portfolio.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Albion or the integrity of Albion’s management. Albion has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither Albion nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither Albion nor its representatives are registered as a FCM, CPO, or CTA.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

The principals of Albion Financial Group are shareholders of National Advisors Holdings, Inc. ("NAH"), a Delaware corporation organized in August of 1998. Such persons hold a minority interest (less than 1.0%), in the aggregate, of the outstanding stock of NAH. NAH has formed a federal trust company known as National Advisors Trust Company ("NATC"). NATC provides trust and custodial services to clients of investment advisory firms, such as Albion, across the United States.

Albion receives referrals from Eide Bailly, LLP, an Accounting Firm. Albion is independent and unaffiliated with Eide Bailly, LLP. Albion pays Eide Bailly, LLP 20% (twenty percent) of the investment management fees collected from referred clients. Albion will not charge any fees or costs higher than the standard fee schedule offered to other advisory clients or otherwise pass referral fees paid to Eide Bailly, LLP to Albion clients. Albion also refers clients to Eide Bailly, LLP on occasion.

Albion Financial Group (Albion) receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through Albion's participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Albion. Schwab does not supervise Advisor and has no responsibility for Albion's management of clients' portfolios or Advisor's other advice or services. Albion pays Schwab fees to receive client referrals through the Service. Albion's participation in the Service may raise potential conflicts of interest described below.

Albion pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Albion is a percentage of the fees the client owes to Albion or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Albion pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to Albion quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by Albion and not by the client. Albion has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Albion charges clients with similar portfolios who were not referred through the Service.

Albion generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, Albion will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Albion's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Albion will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Albion's fees directly from the accounts.

For accounts of Albion's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody, but Schwab will receive compensation from Albion's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Albion may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Albion, nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Albion's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

Albion Financial Group is the General Partner of the Albion Fund I, LP, Albion Fund II, LP, and Albion Fund III, LP. From time-to-time Albion Financial Group may discuss investing in the funds with clients for which such an investment may be suitable. Any such decision to invest in the funds will be solely in the client's discretion after receipt and review of the funds' offering memorandum and the client's completion of the subscription documents. To the extent clients make an investment in the funds, Albion will waive its advisory fees charged with respect to such assets.

D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

As part of our investment advisory services, we may recommend certain clients use the services of a third-party money manager or other investment advisor to manage a portion of your investment portfolio. After gathering information about your financial situation, we may recommend that you invest in a specific private fund or other non-public investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the private fund's performance and fees, your specific investment goals, risk tolerance, desired asset allocation and overall investment objectives. Albion Financial Group has no discretionary authority over the third-party manager or private funds that we may recommend. Furthermore, we do not have any discretionary authority in the decision of whether to invest in the recommended non-public investment. Such discretion is exclusively yours.

The advisory fee you pay to the third-party is established and payable in accordance with the brochure provided by each third-party advisor to whom you are referred. These fees may or may not be negotiable. Albion is not compensated by any third-party investment advisor or private fund that we refer clients to. As such, no conflict of interest exists where our firm, or any related person associated with our firm, has an incentive to recommend one third-party advisor over another.

Albion may or may not charge a separate, assets under advisement fee (AUA) for the selection and asset allocation advice. In the event we do charge a separate AUA fee, we also provide administrative reporting services. The fees that you pay to our firm for AUA are separate and distinct from the fees and expenses charged by the third-party manager or private fund (described in each fund's offering documents) to their investors. Investors in private funds will receive a separate quarterly statement prepared by the private fund or third-party administrator, and may receive an additional statement from a custodian, if applicable.

If you elect to invest in a recommended non-public investment, you will be required to sign an agreement directly with the recommended third-party adviser or private fund. You may terminate your advisory relationship with the other advisor according to the terms of your agreement with them. You should review each third-party's offering documents for specific information on how you may terminate your advisory relationship and how you may receive a refund, if applicable. There may be instances where you will have no discretion to exit the third-party investment management relationship.

Item 11 – Code of Ethics

A. Code of Ethics

We follow the written Code of Ethics as defined in the Standards of Practice Handbook published by the Chartered Financial Analyst Institute (CFAI). This Code of Ethics covers the following areas: Use of Material Nonpublic Information, Market Manipulation, Fair Dealing, Preservation of Confidentiality, Priority of Transactions, among other topics. Clients or prospective clients may request a copy of our Code of Ethics from management.

B. Recommendations Involving Material Financial Interests

Albion does not recommend that clients buy or sell any security in which a related person to Albion has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, employees of Albion may buy or sell securities for themselves that they also recommend to clients. Albion will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, employees of Albion may buy or sell securities for themselves at or around the same time as clients. If purchased at the same time as clients, purchase is part of a block purchase, and employees and clients receive the same price with no priority of either over the other. If purchased separately from clients, an Employee Trade Form is filled out and approved by a senior member of the trading team or management. Employee accounts are reviewed by management on a regular basis to monitor for inappropriate activity.

Item 12 – Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Albion manages client accounts on a discretionary basis. These discretionary accounts are held at the custodians, which may be suggested by Albion and where Albion's right of withdrawal is limited to payment of advisory fees where prior client consent has been obtained. The limitations on the authority of Albion Financial Group to determine the securities or the amount of securities to be bought or sold on behalf of the client are:

- Trading authorization which is specifically limited to the purchase, sale and exchange of securities per the management agreement signed by the client; and
- Albion works to invest each client account consistent with the objectives outlined in the client investment policy statement.
- Clients wishing to implement Albion's advice may select any broker they choose. However, Albion may also suggest a specific broker or brokers. Brokers are suggested on the basis of executions, service to clients, and commission rates.
- Albion follows a best execution policy for suggesting brokerage firms to clients. For those clients who choose their own broker with whom they may have an established relationship, we cannot and will not negotiate commission rates on their behalf.
- Albion receives research material both from brokers that we suggest and brokers that we do not suggest.

Some brokers may provide software to Albion Financial Group for downloading client account information into Albion's data management system. Additionally, many brokerage firms, including those suggested by Albion Financial Group and those not suggested by Albion Financial Group may provide compliance newsletters and other types of market and investment information at no cost. Receipt of these services by Albion Financial Group does not result in higher commission costs than otherwise available to Albion clients.

1. Research and Other Soft-Dollar Benefits

Albion receives no research or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits"). Albion does receive newsletters from various custodians, but this does not constitute soft dollar benefits.

2. Brokerage for Client Referrals

Albion is part of a referral program for a few custodians. See Item 10 for details of these relationships. These relationships bear no weighting in our recommendation of a custodian, and there is no conflict of interest.

3. Clients Directing Which Broker/Dealer/Custodian to Use

Clients are free to use any custodian they wish. Albion may or may not be able to manage an account at a custodian we do not already have a relationship with. For those clients who choose their own broker with whom they may have an established relationship, we cannot and will not negotiate commission rates on their behalf.

B. Aggregating (Block) Trading for Multiple Client Accounts

On large trades, Albion will block trade purchases across accounts at the same custodian. Blocking trades involves pooling shares together in a larger block of shares at the same custodian. This allows all clients at one custodian to receive the same price on a trade. On smaller trades, Albion will make every effort to pool shares into a block for these accounts. If smaller trades are not blocked, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodians.

Item 13 – Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

The Investment Management team reviews all managed positions in client accounts on an ongoing basis. Positions are reviewed for individual potential as well as fit into the portfolio as a whole. Members of the Financial Advisory team monitor individual client accounts for client specific suitability on an as needed basis. We ask that clients inform us as soon as possible if there are changes in their circumstances that may affect their investment policy. Such changes may necessitate an immediate review.

Individual Securities and their allocation within a portfolio are reviewed in a team environment. The Investment Management Team performing these ongoing reviews includes:

John Bird, CEO and Chairman
Jason Ware, Chief Investment Officer
Danielle Gregory, Senior Wealth Advisor
Michael Kessler, Portfolio Manager
Walter Joseph, Associate Portfolio Manager

Client specific account suitability is performed in a team environment with two or more of the following team generally involved for each client:

John Bird, CEO and Chairman
Debbie Knotts, Vice President
Sarah Bird, Senior Wealth Advisor
Elizabeth Bernhard, President and Senior Wealth Advisor
Michelle Buxton, Senior Wealth Advisor

Danielle Gregory, Senior Wealth Advisor
Patrick Lundergan, Senior Wealth Advisor
Brad Curtis, Senior Wealth Advisor
Anders Skagerberg, Senior Wealth Advisor

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in a client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Clients receive monthly statements from their custodial firm and quarterly statements from Albion Financial Group. Albion also provides interim reports to clients as required.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

Albion does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Albion clients.

B. Compensation to Non-Advisory Personnel for Client Referrals

Albion does not directly or indirectly compensate any person for client referrals. See Item 10 for details about custodial referral programs and compensation.

Item 15 – Custody

Albion Financial Group is deemed to have custody of Albion Fund I, LP, Albion Fund II, LP, and Albion Fund III, LP assets, securities and cash because Albion serves as the General Partner of the Funds, and, as such has access to the Funds' securities and other funds. As a result, Albion will maintain the Funds' accounts at National Advisors Trust which serves as the Funds' "qualified custodian" for purposes of Albion's compliance with the applicable requirements under the SEC's custody rule.

For accounts in which Albion is deemed to have custody for reasons other than the ability to withdrawal fees, Albion undergoes an annual surprise audit pursuant to rule 206(4)-2, the "custody rule" under the Investment Advisers Act of 1940 and Form ADV-E is filed by the auditing CPA firm. With respect to accounts for which the Firm does not have custody (such as Managed Accounts), clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are

aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, Managed Account clients will receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Albion urges our clients to carefully review such statements and compare such official custodial records to the account statements that Albion may provide. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. When investors have questions about their account statements/reports, they should contact Albion or the custodian.

Item 16 – Investment Discretion

Albion usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Discretion only allows us to make trades on the client's behalf, and withdrawal management fees. We are not able to withdraw other funds to us or other third parties without client's signature.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Albion does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

Item 18 – Financial Information

A. Balance Sheet

Albion does not require nor solicit prepayment of fees six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither Albion nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

Albion has not been the subject of a bankruptcy petition in the last ten years.

Item 19 – Requirements for State-Registered Advisers

Not applicable because Albion is an SEC registered Adviser.