

## Customer Relationship Summary ("CRS") Form ADV Part 3 Update of February 7th, 2024

### Item 1. INTRODUCTION

LFA – Lugano Financial Advisors SA ("LFA"), with CRD 152864, is a registered investment adviser with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. LFA is wholly-owned by LFG Holding SA. The principal owners of LFG Holding SA are Siro Spellini and Francesco Bernasconi.

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

### Item 2. RELATIONSHIPS AND SERVICES

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

LFA offers discretionary and non-discretionary investment advisory services to retail investors. For retail investors entering into a discretionary contract, LFA is granted the authority to make the investment decisions on the client's behalf without prior consultation with the client.

With a non-discretionary contract, LFA offers investment advice but the ultimate decision to buy or sell any security is made exclusively by the client. LFA will monitor and supervise each client's account on a regular and continuous basis consistent with the client's investment objectives and risk tolerance.

LFA's client portfolios are diversified across a variety of asset classes, including cash, US dollar and non-US dollar currencies, defensive strategies in marketable securities, growth strategies in marketable securities, and, in certain cases, private investments. Accounts may include, without limitation: equity securities, fixed income securities, limited partnership interests, mutual funds, exchange traded funds, hedge funds, options, structured product investments and other alternative investments consistent with your suitability, your overall investment strategy and your risk tolerance.

**Account Opening Requirements:** LFA requires you to sign a written Discretionary or Advisory Asset Management Agreement which authorizes us to manage/execute investments on your behalf. You may cancel the Discretionary or Advisory Asset

Management Agreement at any time. LFA's minimum account size is CHF 1 million, but we will accept accounts of lower value at our discretion.

Please see Item 4 and 7 in our ADV Part 2 for additional details.

**Additional Information:** Additional information on client relationships, fees and services can be found in the LFA's Form ADV, Part 2A (items 4-7) which is available at the following link: <https://adviserinfo.sec.gov/firm/summary/152864>

**Conversation Starter:** *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?*

### Item 3. FEES, COSTS, CONFLICTS AND STANDARD OF CONDUCT

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

LFA's fees generally are charged as a percentage of the market value of assets under management ("AUM"). LFA's fee is charged quarterly in arrears as follows:

Discretionary		Non-Discretionary	
1,000,000 –	1.20% p.a.	1,000,000 –	1.20% p.a.
5,000,000		5,000,000	
500,001 –	0.80% p.a.	500,001 –	1.00% p.a.
10,000,000		10,000,000	
10,000,001 –	0.60% p.a.	10,000,001 –	0.80% p.a.
15,000,000		15,000,000	
From	Negotiable	From	Negotiable
15,000,001		15,000,001	

There is a minimum annual fee of CHF 5,000 or equivalent in foreign currency. LFA may charge additional fees for services outside the scope of the services described above. Any additional fees are disclosed and agreed to by the client.

LFA may enter into performance-based fee arrangements with qualified clients holding at least CHF 1,000,000 AUM/AUA with LFA and subject to individualized agreements with each client in

accordance with Section 205(a)(1) of the Advisers Act and Rule 205-3.

### **Third Party Costs:**

In addition to the fees charged directly to each client's account described above, LFA may receive a *one-time* "entry fee" from an issuer of any structured products invested into by LFA clients.

LFA is aware that this practice may result in a conflict of interest and therefore provide the clients with the opportunity to *opt-out* of investing in any of these structured products to reduce or eliminate the potential conflict. LFA does not participate in wrap-free programs.

Fees charged by LFA do not include custodial fees, fees for trade settlement, brokerage commissions, or any other fee imposed by the custodian bank or the broker. The fees also do not include management or other fees charged by funds or other products that client accounts may be invested in from time-to-time.

You will pay LFA's fees 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. Additional Information can be found on LFA's Form ADV Part 2A (Items 5 and 6) available at the following site:

<https://adviserinfo.sec.gov/firm/summary/152864>

### **Conversation Starter:**

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

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

***When we act as your investment adviser***, we have to act in your best interest and not put our interests ahead of yours. By contrast to the *one-time* entry fee described above related to structured products, LFA does not accept any retrocessions, kickbacks or so-called 12b-1 fees from any fund invested in by any client of LFA.

LFA does not manage or advise accounts based on commissions or subscription fees.

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

**Additional Information:** For a complete description of our conflicts of interest and how we manage them, please see our ADV Part 2 and/or request our Code of Ethics.

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

Our employees are paid an annual salary and a bonus based on the overall financial performance of LFA, including the degree of retention and the quality of services provided to our clients. The annual bonus will fluctuate from year-to-year without regard to the number of security transactions or the performance associated with any client's portfolio.

### **Item 4. Disciplinary History**

LFA has not been subject to any disciplinary events by regulators nor is it a party to any legal events that are material to client evaluation of our advisory business. You can visit [investor.gov/CRS](https://investor.gov/CRS) for free and simple search tools to research us and our financial professionals.

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

### **Item 5. Additional information**

If you have any questions about our services or if you wish to request a copy of the latest relationship summary, please contact us at +41 91 921 37 52 or at [info@lfa.ch](mailto:info@lfa.ch). For additional information about our investment advisory business, please refer to our ADV Part 2 about the qualifications and business practices of LFA: [www.lfa.ch](http://www.lfa.ch).

**Conversation Starter:** *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?*