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An SEC-registered advisory firm<sup>1</sup>

**FIRM BROCHURE, MARCH 2024**

This brochure provides information about the qualifications and business practices of Alpha Fiduciary, Inc. (“Alpha Fiduciary”). If you have any questions about the contents of this brochure, please contact us at (480) 505-4033 or the website at [www.alphafiduciary.com](http://www.alphafiduciary.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.

Additional information about Alpha Fiduciary is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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<sup>1</sup> SEC or State registration does not and should not imply any certain level of skill or training.

**Item 2.**

**MATERIAL CHANGES**

In 2023, Alpha Fiduciary engaged Pontera, an unaffiliated third-party platform that enables the Firm to provide investment management to “Held Away” assets (e.g., 401(k), 403(b) plans) For more information please refer to items 4 and 10 regarding this relationship.

There have not been any other material changes to the Firm’s advisory services or personnel since the filing of its most recent ADV annual amendment.

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**Item 4. ADVISORY BUSINESS**

Alpha Fiduciary was founded in 2006 by president and owner Arthur Doglione after working for more than 20 years with high-net-worth clients and building the largest Merrill Lynch practice in the Arizona territory. An industry veteran who deeply understands affluent clients' needs, Art has assembled a team of professionals with experience in wealth management, portfolio management, financial planning, and alternative investments to help clients build and maintain their financial wealth. Clients of Alpha Fiduciary undergo a discovery process to identify their goals and needs, and advisors work with the clients and in certain cases, outside professionals, to match investment strategies and planning vehicles to their needs.

Alpha Fiduciary has under management approximately \$124 million in client assets, primarily on a discretionary basis.

**Investment Management Services**

Alpha Fiduciary generally provides investment management services on a discretionary basis according to the investment objectives of clients and in accordance with the terms and conditions of the Investment Advisory Agreement between Alpha Fiduciary and each client. The Alpha Fiduciary investment management process focuses on an in-depth client discovery meeting as well as several internally developed asset allocation models and custom portfolios in order to provide investment returns consistent with clients' investment goals and objectives. Alpha Fiduciary will invest clients' accounts in certain percentages across numerous asset classes (e.g., stocks, corporate and government bonds, managed futures, and other "alternative" investments) in order to target desired investment returns while achieving lower volatility through the use of asset allocation and, in some cases, liquid alternative investment products. Tactical allocation may form part of our defensive or opportunistic strategies.

Prior to engaging Alpha Fiduciary to provide any investment management services, each client will be required to enter into a formal *Investment Advisory Agreement* with Alpha Fiduciary. This agreement sets forth the terms and conditions under which Alpha Fiduciary will manage client assets. Clients will also sign separate custodial/clearing agreements with each designated broker-dealer/custodian.

**Investment Management Services for "Held Away" Accounts**

Alpha Fiduciary offers an additional investment management service for "Held Away accounts," such as 401(k), 403(b) plan accounts. These accounts are not opened at Charles Schwab & Co. Inc., ("Schwab"). We use a third-party platform, Pontera, to leverage an Order Management System to implement asset allocation and opportunistic rebalancing strategies on behalf of clients. We regularly review the available investment options in these accounts, monitor them, and rebalance and implement our strategies in the same way we do other accounts, though using different tools, as necessary.

A link will be provided to Clients allowing them to connect account(s) to the platform. Once a client's account is connected to the platform, we will review the current account allocations. When deemed necessary, we will rebalance the account considering the Client's investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal

is to improve account performance over time, minimize loss during difficult markets, and manage internal fees that harm account performance. Client account(s) will be reviewed and allocation changes will be made as deemed necessary. The Pontera's platform allows us to avoid having custody of Clients' funds since we do not have direct access to Client log-in credentials. We are not affiliated with Pontera and receive no compensation from Pontera for using their platform. Pontera charges Alpha Fiduciary an annual fee of 0.30% of the assets on their platform.

### **Financial Planning Services**

Alpha Fiduciary provides its clients with financial planning and consultation services (*e.g.*, review of goals and objectives, analysis and recommendations for cash flow planning, asset allocation/investment planning, income tax planning, insurance planning, estate planning, retirement planning, education planning, real estate/mortgage planning, etc.). Prior to engaging Alpha Fiduciary to provide financial planning or consulting services beyond those included at no charge with our investment management services, clients may be required to enter into a *Financial Planning and Consulting Agreement* with Alpha Fiduciary. This agreement sets forth the terms and conditions of the engagement.

Based upon the potential for additional management fees, there does exist a conflict of interest in the event Alpha Fiduciary recommends its investment management services. To mitigate such conflict, no financial planning or consulting client is obligated to utilize Alpha Fiduciary's investment management services. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Alpha Fiduciary.

### **Advisor to Mutual Fund**

Alpha Fiduciary serves as the investment adviser of the Alpha Fiduciary Quantitative Strategy Fund, a mutual fund registered under the Investment Company Act of 1940 ("the Fund"). The Fund seeks to generate long-term capital appreciation. The Fund seeks to achieve its investment objective by investing primarily in a portfolio of exchange-traded funds ("ETFs") and equity index futures. The prospectus for the Fund contains a complete description of the Fund, its strategies, objectives, costs, and risks. Before investing clients in the Fund, Alpha Fiduciary will make a good faith determination about whether an investment in the Fund would be appropriate by considering several relevant factors applicable to the client's financial situation and goals, but the preference will be to invest in the Fund.

### **Other Terms & Conditions**

Both the Alpha Fiduciary Investment Advisory Agreement and the custodial/clearing agreements authorize the custodian to debit client accounts for the amount of the Alpha Fiduciary investment advisory fee and to directly remit that management fee to Alpha Fiduciary. In the event that Alpha Fiduciary bills the client directly, payment is due upon receipt of the invoice. The Investment Advisory Agreement between Alpha Fiduciary and the client will continue in effect until terminated by either party. In the event the client terminates investment management services, the balance of any unearned fee, if any, shall be refunded to the client.

**Item 5. FEES AND COMPENSATION****Investment Management Fees**

Alpha Fiduciary will provide discretionary investment management services pursuant to the Advisory Fee Schedule set forth below.

<u>Advisory Account Assets Under Management</u>	<u>Annual Fee</u>
Up to \$3 million	1.15%
Over \$3 million but under \$5 million	0.95%
Over \$5 million but under \$10 million	0.85%
Over \$10 million but under \$20 million	0.75%
Over \$20 million but under \$50 million	0.60%
Over \$50 million	0.40%

Advisory Fees are generally prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. (In certain cases, for existing client relationships, fees may be paid monthly and/or in arrears.) Actual fees may be negotiated, and a client may pay more or less than similar clients depending on the particular circumstances of the client, which may include considerations related to size of the client's account, additional and/or differing levels of service, limited discounted promotional periods, or as negotiated. Clients that negotiate fees may end up paying a higher fee than that set forth in the fee schedules above as a result of fluctuations in the client's assets under management and/or account performance.

Alpha Fiduciary will generally recommend a broker-dealer/custodian for client's investment management assets. In addition to the investment management fee, the client may incur brokerage commissions and/or transaction fees for effecting certain securities transactions (*i.e.*, transaction fees are charged for certain no-load mutual funds, commissions are charged for individual securities transactions). In addition, the client will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses). Client may also incur additional investment management fees assessed by independent managers.

**Mutual Fund Fees & Expenses**

As described in the Fund's prospectus, Alpha Fiduciary receives a 1.00% management fee from the Fund based upon the amount of assets invested in the Fund. Additionally, the Fund has a Services Agreement with Alpha Fiduciary (the "Services Agreement"). Under the Services Agreement the Adviser receives an additional fee of 0.70% of the Fund's average daily net assets up to \$25 million, 0.35% of the Fund's average daily net assets from \$25 million to \$100 million, and 0.25% of such assets in excess of \$100 million and is obligated to pay the operating expenses of the Fund excluding management fees, brokerage fees and commissions, 12b-1 fees (if any), taxes, borrowing costs (such as (a) interest and (b) dividend expenses on securities sold short), ADR fees, the cost of acquired funds and extraordinary expenses. Additionally, under the Services Agreement the Adviser supervises the Fund's business affairs.

Alpha Fiduciary will waive its regular investment advisory fee described in the fee table with respect to any client assets invested in the Fund. Accordingly, Alpha Fiduciary will receive the management

fee from the Fund as well as the Services Fee to cover the Fund's expenses. Alpha Fiduciary's Chief Compliance Officer remains available to address any questions regarding the above and any perceived conflict of interest.

### **Financial Planning Fees**

Fees for financial planning and consulting through Alpha Fiduciary (beyond those included at no charge with our investment management services) are negotiable but are generally \$350 per hour on an hourly rate basis or from \$1,000 to \$10,000 on a fixed-fee basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

### **Item 6. PERFORMANCE-BASED FEES and SIDE-BY-SIDE MANAGEMENT**

Alpha Fiduciary does not assess any performance fees in its advisory accounts.

### **Item 7. TYPES OF CLIENTS**

Alpha Fiduciary provides investment advisory services to the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates, Charitable Organizations;
- Pooled investment vehicles.

Alpha Fiduciary generally requires an account minimum of \$1,000,000 in order to provide investment management services.

### **Item 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Alpha Fiduciary will invest client accounts in certain percentages across multiple asset classes (*e.g.*, stocks, corporate and government bonds, managed futures, and other "alternative" investments) in order to target desired investment returns while achieving lower volatility through the use of asset allocation and, in some cases, liquid alternative investment products and/or tactical asset management.

To identify suitable investment products and strategies for clients, the Investment Committee discusses research, academic theory, our own investment philosophy, and current market conditions on approximately a weekly basis. In light of this information, the Committee constructs and modifies portfolios across multiple asset classes to achieve proper diversification as well as to take advantage of trends which may result in superior returns. Depending on client needs and risk comfort level, different mixes of the same investments might be used in a given portfolio. Individual investments undergo a rigorous research process that may include comparison with other available options, review of the regulatory literature, returns data, and fees/costs.

Alpha Fiduciary does not guarantee the future performance of any account or any specific level of performance, the success of any investment decision or strategy that Alpha Fiduciary may use, or the success of overall investment management. All investment decisions are subject to various market, currency, economic, political, and business risks, and investment decisions may not always be profitable. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Alpha Fiduciary if there is ever any change in his/her/its financial situation or investment

objectives for the purpose of reviewing/evaluating/revising any previous recommendations and/or services.

Risk Factors relevant to specific securities that may be utilized include:

Equity Securities: The value of the equity securities are subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and riskier than some other forms of investment.

Mutual Fund Shares: Some of the risks of investing in mutual fund shares include: (i) the price to invest in mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads), (ii) investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs, and (iii) investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.

Fixed Income Securities: Prices of fixed income securities tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect fixed-income security prices. The longer the effective maturity and duration of the client's portfolio, the more the portfolio's value is likely to react to interest rates. For example, securities with longer maturities sometimes offer higher yields but are subject to greater price shifts as a result of interest rate changes than debt securities with shorter maturities. Some fixed income securities give the issuer the option to call, or redeem, the securities before their maturity dates. If an issuer calls its security during a time of declining interest rates, we might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates. During periods of market illiquidity or rising interest rates, prices of callable issues are subject to increased price fluctuation.

Real Estate Related Securities: Investing in real estate related securities includes, among others, the following risks: possible declines in the value of real estate; risks related to general and local economic conditions, including increases in the rate of inflation; possible lack of availability of mortgage funds; overbuilding; extending vacancies of properties; increases in competition, property taxes and operating expenses; changes in zoning laws; costs resulting from cleanup of, and liability to third parties for damages resulting from environmental problems; casualty or condemnation losses; uninsured damages from floods, earth quakes or other natural disasters; limitations on and variations in rents; and changes in interest rates. Investing in Real Estate Investment Trusts ("REITs") involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs are dependent upon management skills, are not diversified, and are subject to heavy cash flow dependency, default by borrowers and self-liquidation.

Exchange Traded Funds ("ETFs"): Investment in an ETF carries security-specific risk and market risk. Also, if the area of the market representing the underlying index or benchmark does not perform as expected for any reason, the value of the investment in the ETF may decline. In addition, due to transactions via market prices rather than at net asset value, the performance of an ETF may not completely replicate the performance of the underlying index. The Fund will indirectly



pay its proportionate share of any fees and expenses paid by the ETF in which it invests in addition to the fees and expenses paid directly by the Fund, many of which may be duplicative. The Fund also will incur brokerage costs when it purchases ETFs. As a result, the cost of investing in the Fund generally will be higher than the cost of investing directly in ETFs. Additionally, ETFs are subject to the following risks: (i) the market price of an ETF's shares may be above or below its net asset value; (ii) an active trading market for an ETF's shares may not develop or be maintained; (iii) the ETF may employ an investment strategy that utilizes high leverage ratios; (iv) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate; and (v) underlying ETF shares may be de-listed from the exchange or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) temporarily stop stock trading.

**Risk of Non-Diversification.** The Fund is a non-diversified portfolio, which means that it has the ability to take larger positions in a smaller number of securities than a portfolio that is "diversified." Non-diversification increases the risk that the value of the Fund could go down because of the poor performance of a single investment. The Fund may invest a significant percentage of its assets in a single ETF, ETN and/or money market fund, and at times may hold only one such position along with a cash or cash equivalent position.

**Futures Contract Risk.** The successful use of futures contracts draws upon Alpha Fiduciary's skill and experience with respect to such instruments and is subject to special risk considerations. The primary risks associated with the use of futures contracts, which may adversely affect the Fund's net asset value and total return, are the imperfect correlation between the change in market value of the futures contract held by the Fund and the price of the futures contract; (b) possible lack of a liquid secondary market for a futures contract and the resulting inability to close a futures contract when desired; (c) losses caused by unanticipated market movements, which are potentially unlimited; (d) Alpha Fiduciary's inability to predict correctly the direction of securities prices; (e) the possibility that the counterparty will default in the performance of its obligations; and (f) if the Fund has insufficient cash, it may have to sell securities from its portfolio to meet daily variation margin requirements, and the Fund may have to sell securities at a time when it may be disadvantageous to do so. The Fund's use of futures contracts for the purpose of increasing the Fund's long and/or short exposure creates leverage, which can magnify the Fund's potential for gain or loss and therefore amplify the effect of market volatility on the Fund's share price.

**Leveraging Risk.** The Fund's use of futures contracts will have the economic effect of financial leverage. Financial leverage magnifies exposure to the swings in prices of an asset class underlying an instrument and results in increased volatility, which means the Fund will have the potential for greater gains, as well as the potential for greater losses, than if the Fund does not use instruments that have a leveraging effect. Leveraging tends to magnify, sometimes significantly, the effect of any increase or decrease in the Fund's exposure to an asset class and may cause the Fund's net asset value to be volatile. For example, if Alpha Fiduciary seeks to gain enhanced exposure to a specific asset class through an instrument providing leveraged exposure to the class and that instrument increases in value, the gain to the Fund will be magnified; however, if that investment decreases in value, the loss to the Fund will be magnified. A decline in the Fund's assets due to losses magnified by the instruments providing leveraged exposure may require the Fund to liquidate portfolio positions to satisfy its obligations, to meet redemption requests or to meet asset segregation requirements when it may not be advantageous to do so. There is no assurance that the Fund's use

of instruments providing enhanced exposure will enable the Fund to achieve its investment objective.

**Item 9. DISCIPLINARY INFORMATION**

Registered Advisors are required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of Alpha Fiduciary or its management.

On November 30, 2015, the US Securities and Exchange Commission (“SEC”) entered administrative and cease-and-desist proceedings et al, against Alpha Fiduciary and Art Doglione. Alpha Fiduciary and Art Doglione agreed to settle the proceedings without admitting or denying the SEC’s findings. Specifically, Alpha Fiduciary prepared and distributed marketing materials that contained back-tested hypothetical performance investment models. Additionally, these materials included several profitable investments without disclosing all investments during this time period, including unprofitable ones. The SEC determined that these marketing materials contained insufficient disclosures to prevent misleading clients and prospective clients regarding the investment performance of the firm.

In addition, throughout the relevant time period, Alpha Fiduciary failed to implement written compliance policies and procedures reasonably designed to prevent its employees from presenting marketing materials to clients that may be misleading.

As part of the settlement, Alpha Fiduciary and Doglione were jointly fined, subject to a cease-and-desist order, and Alpha Fiduciary was required to engage an independent consultant to review its policies and procedures.

**Item 10. OTHER FINANCIAL INDUSTRY AFFILIATIONS**

Alpha Fiduciary serves as the investment adviser to the Alpha Fiduciary Quantitative Strategy Fund (“the Fund”). Because Alpha Fiduciary receives compensation from its clients as well as from the Fund and can benefit in other ways from increasing assets in the Fund, Alpha Fiduciary has a conflict of interest when choosing to invest its clients into the Fund. In order to address this conflict, Alpha Fiduciary waives its investment advisory fee described in the fee table with respect to any client assets invested in the Alpha Mutual Fund. Accordingly, when clients are invested in the Fund, Alpha Fiduciary will receive its management fee from the Fund, as well as the Services Fee for Fund Expenses. The existence of the Services Fee arrangement could be deemed a conflict to the extent that such fee is in excess of Fund expenses. However, to date, the Fund expenses have exceeded the Services Fee arrangement and have not resulted in any additional compensation to Alpha Fiduciary.

Alpha Fiduciary maintains policies and procedures that are aimed at mitigating its conflicts of interest. For example, clients have the unrestricted right to decline any recommendation we provide, except in situations where we have discretionary authority with respect to the client’s account. We also require employees to act in accordance with applicable federal and state laws, rules and regulations governing investment advisory practices. Finally, we provide disclosure in our investment management agreement regarding the fund and allow clients the opportunity to decline the Fund for their account(s).

**Retirement Account Rollovers/Transfers (e.g., 401(k) and IRAs)**

When recommending that a client rollover his or her account from current retirement plan to an IRA, Alpha Fiduciary and its financial advisors are “fiduciaries” for purposes of Title I of the Employee Retirement Income Security Act (ERISA) and/or the Internal Revenue Code (IRC). Alpha Fiduciary and its financial advisors have a conflict of interest in this recommendation since they earn investment advisory fees by recommending that a client rollover his or her account at the retirement plan to an IRA; however, Alpha Fiduciary and its investment adviser representatives will not earn any investment advisory fee if client does not rollover the funds in the retirement plan (unless a client retained Alpha Fiduciary to provide advice about the client’s retirement plan account). Thus, Alpha Fiduciary and its financial advisors have an economic incentive to recommend a rollover of the retirement plan account, which is a conflict of interest. Alpha Fiduciary has taken steps to manage this conflict of interest arising from rolling over funds from an ERISA covered retirement plan to an IRA and has adopted written policies and procedures whereby Alpha Fiduciary and its financial advisors will disclose the advantages/disadvantages of the retirement plan/IRA rollover options available to the client and will only recommend rollover if in the best interest of the client.

**Pontera Platform**

Alpha Fiduciary is not affiliated with Pontera in any way and receives no compensation from Pontera in connection with our use of the Pontera Platform. Clients are advised that our management of accounts via the Pontera Platform is subject to the limitations and restrictions imposed by the underlying sponsor, issuer, and/or custodian of the client’s held-away assets. For example, our instructions to rebalance holdings within your held-away account through the Pontera Platform may not be implemented by the account sponsor, issuer, or custodian for up to one (1) business day or more following entry. We may also not be able to view real-time account value and holdings data over the Pontera Platform. Clients understand that our investment of the assets held within such accounts is limited to allocation of the client’s assets among the various investment options made available by the account sponsor, issuer, or custodian.

Upon entering into an agreement for advisory services with us, clients authorize us to use unrelated third-party service providers (including Pontera) to service their account, including billing and the deduction of fees from client accounts. We require unrelated third-party service providers to execute a confidentiality agreement and not share client information with any unauthorized person or entity. The use of unrelated third-party service providers will not cause the client to incur any additional fees. We pay unrelated third-party service providers (including Pontera) for services out of the total advisory fee charged to the client.

**Item 11. CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Alpha Fiduciary or related persons may own an interest in, or buy and sell for their own account, the same securities that may also be held, purchased, or sold in client accounts. In some cases, the adviser may buy or sell a specific security for his own account which the adviser does not consider appropriate for client accounts. If an employee participates in a block trade with clients, in no case shall the adviser or associate receive a better price or more favorable circumstance than a client. If an employee trades for his/her own account on the same day that the firm executes trades for

clients in the same security, the employee is prohibited from using that knowledge to obtain a better price or more favorable circumstances than clients. The CCO will regularly review employee trades to ensure this policy is being followed.

Alpha Fiduciary has implemented a policy relative to personal securities transactions. This policy is part of the Alpha Fiduciary Code of Ethics, which serves to establish a standard of business conduct for all associated persons and is based upon fundamental principles of openness, integrity, honesty, and trust. A copy of the Code of Ethics is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Alpha Fiduciary also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Alpha Fiduciary or any person associated with Alpha Fiduciary.

Alpha Fiduciary has adopted procedures to implement the firm's policy on personal securities transactions and reviews such trading to ensure that the firm's policy is observed, implemented properly, and amended or updated, as appropriate.

## **Item 12.      BROKERAGE PRACTICES**

### **Research and Other Soft Dollar Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian or purchase a particular mutual fund, Alpha Fiduciary may receive from a broker-dealer/custodian or mutual fund company, without cost and/or at a discount, support services and/or products, certain of which assist Alpha Fiduciary to better monitor and service client accounts maintained at such institutions/within such funds. Included within the support services that may be obtained by Alpha Fiduciary may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or *gratis* consulting services, discounted and/or *gratis* attendance at conferences or on-site due diligence meetings (including lodging and airfare), meetings, and other educational and/or social events, marketing support, computer hardware, and/or software or other products used by Alpha Fiduciary in furtherance of its investment advisory business operations.

Alpha Fiduciary may recommend Schwab, an independent and unaffiliated SEC registered, FINRA and SIPC Member broker-dealer to its clients for custody and brokerage services. There is no direct link between the firm's participation in the program and the investment advice it gives to its clients, although Alpha Fiduciary receives economic benefits that are typically not available to Schwab retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Alpha Fiduciary participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Alpha Fiduciary by third party vendors. Some of the products and services made available by Schwab may benefit Alpha Fiduciary but may not benefit its

client accounts. These products or services may assist Alpha Fiduciary in managing and administering client accounts, including accounts not maintained at Schwab. Other services made available by Schwab are intended to help Alpha Fiduciary manage and further develop its business enterprise. The benefits received by Alpha Fiduciary or its personnel do not depend on the number of brokerage transactions directed to Schwab. As part of its fiduciary duties to clients, Alpha Fiduciary endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Alpha Fiduciary or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the choice of Schwab for custody and brokerage services.

Certain of the support services and/or products that *may* be received assist Alpha Fiduciary in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Alpha Fiduciary to manage and further develop its business enterprise. Clients of Alpha Fiduciary do not pay more for investment transactions effected and/or assets maintained at a particular broker-dealer/custodian as a result of this arrangement. There is no corresponding commitment made by Alpha Fiduciary to any particular broker-dealer/custodian or to any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

#### **Brokerage for Client Referrals**

Alpha Fiduciary does not participate or receive client referrals based upon any brokerage arrangement.

#### **Directed Brokerage**

The client may direct Alpha Fiduciary to use a particular broker-dealer (subject to the right of Alpha Fiduciary to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such event, the client will negotiate terms and arrangements for the account with that broker-dealer, and Alpha Fiduciary will be unable to seek better execution services or prices from other broker-dealers or be able to "bunch" the client's transactions with orders for other clients' accounts managed by Alpha Fiduciary. As a result, clients may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for their accounts than would otherwise be the case.

Alpha Fiduciary seeks to execute orders for its clients fairly and equitably. Alpha Fiduciary follows written procedures pursuant to which it may, and to the extent consistent with best execution, combine purchase or sale orders for the same security for multiple clients so that they can be executed at the same time. The procedures for "bunching" trades may differ depending on the particular strategy or type of investment. Alpha Fiduciary is not required to bunch or aggregate orders if it determines that bunching or aggregating is not practical.

When client orders are bunched by Alpha Fiduciary, the order will be placed with the broker-dealer custodian for execution. When a bunched order is completely filled, Alpha Fiduciary generally will allocate the securities purchased or proceeds of sale among participating accounts based on the purchase or sale order. Adjustments or changes may be made by Alpha Fiduciary under certain circumstances, such as to avoid odd lots or excessively small allocations. If the bunched order is filled at different prices through multiple trades, generally all such participating accounts will receive

the average price. When a bunched order is partially filled, trade allocation procedures provide that the securities are to be allocated in a manner deemed fair and equitable to clients.

**Item 13. REVIEW OF ACCOUNTS**

Account reviews are conducted on an ongoing basis by the firm's principal, Arthur Doglione, or those qualified staff members to whom he may delegate this responsibility for a particular client. All investment management clients are encouraged to discuss with Alpha Fiduciary their investment objectives, needs and goals and to keep them informed of any changes. All clients are encouraged to meet at least annually with Alpha Fiduciary to comprehensively review financial planning issues, including investment objectives and performance.

**Item 14. CLIENT REFERRALS AND OTHER COMPENSATION**

Alpha Fiduciary currently does not have any solicitor arrangements. Under these agreements, Alpha Fiduciary would pay the solicitor a percentage of the advisory fees paid by referred clients to Alpha Fiduciary. The percentage of the advisory fee to be paid to the solicitor is jointly determined by Alpha Fiduciary and the solicitor. Advisory fees do not differ between referred and non-referred accounts but are determined based on the level of assets managed. Certain terms of the agreement with the solicitor are disclosed in writing to referred clients in a Solicitor's Disclosure Statement Pursuant to Rule 206(4)-3 of the Investment Advisors Act of 1940, as amended.

Alpha Fiduciary formerly participated and received client referrals from its former custodian's AdvisorDirect (the "referral program"). Although no longer a participant, Alpha Fiduciary maintains some legacy clients from this referral program in which it pays Schwab an ongoing referral fee. This fee is a percentage (not to exceed 25%) of the advisory fee that the client pays to Alpha Fiduciary. Alpha Fiduciary does not charge these legacy AdvisorDirect referred clients any fees or costs higher than its standard fee schedule offered to its clients. For more information, please refer to AdvisorDirect's Disclosure and Acknowledgement Form.

**Item 15. CUSTODY**

For its liquid assets, Alpha Fiduciary does not maintain custody of client assets. Instead, all client assets are custodied with nationally recognized, SEC-registered and FINRA member broker-dealer/custodians and/or nationally chartered trust companies. Clients are provided with transaction confirmation notices and regular summary account statements directly from the custodians of the client accounts. Alpha Fiduciary provides a quarterly report summarizing account activity, positions, and performance.

In 2015, Alpha Fiduciary acquired a number of illiquid partnerships, many of which they manage. Alpha Fiduciary maintains custody of client assets, including cash, for 14 illiquid partnership investments and provides clients reports on current net asset values, holdings, transactions, and performance. All partnerships are audited annually by a PCAOB auditor as per rule 206(4)-2 of the Advisor Act. Certain partnerships that do not receive unqualified opinions have their interests maintained with a qualified custodian, Midland Trust Company. All of these partnerships are in the wind down phase and will be managed until they are fully distributed. Alpha Fiduciary does not solicit any new investments in these partnerships or to invest in any other illiquid holdings.

**Item 16. INVESTMENT DISCRETION**

Alpha Fiduciary primarily provides advisory services on a discretionary basis. As such, prior to engaging Alpha Fiduciary to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Alpha Fiduciary setting forth the terms and conditions which under which Alpha Fiduciary shall manage client's assets on a discretionary basis.

**Item 17. VOTING CLIENT SECURITIES**

As a courtesy, Alpha Fiduciary will vote proxies on behalf of clients if they have provided authorization to their custodial brokerage firm for such an arrangement. Proxies will be voted according to the organization's recommendations and against shareholder resolutions except in cases where Alpha Fiduciary feels it has an obvious conflict of interest. In such cases, Alpha Fiduciary may go to the client or the board of directors (in the case of a fund) for direction.

With respect to shareholder class action litigation and similar matters, Alpha Fiduciary generally will not make any filings in connection with any shareholder class action lawsuits involving securities currently or previously held in clients' accounts but will forward these notices to clients when received. Alpha Fiduciary recommends that its clients promptly review such materials, as they identify important deadlines and may require action on the client's part. Alpha Fiduciary will not be required to notify third party custodians or clients who utilize third party custodians of shareholder class action lawsuits and similar matters.

Information regarding Alpha Fiduciary's proxy voting practices and voting record (available to clients holding affected securities) is available upon request.

**Item 18. FINANCIAL INFORMATION**

Based upon the firm's business practices, the use of a qualified custodian, and the firm's advisory fee procedures, the SEC does not require the disclosure of financial information. Please be advised that there are no known financial conditions that would impair the ability of Alpha Fiduciary to meet contractual commitments to clients.

Alpha Fiduciary has not been the subject of a bankruptcy petition or filing.