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**5/31/11**

**FORM ADV PART 2**

**BROCHURE**

This brochure provides information about the qualifications and business practices of Focus Point Capital LLC. If you have any questions about the contents of this brochure, please contact us at (303) 381-2264. 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 Focus Point Capital LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Focus Point Capital LLC is 155819.

Focus Point Capital LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **ITEM 2**

### ***MATERIAL CHANGES***

Focus Point's most recent update to Part 2 of Form ADV was made in May 2011. Focus Point's activities have not changed materially since the time of that update. However, in 2010 the SEC required significant changes to the content and format of Part 2 of Form ADV. As a result, this brochure, which reflects those changes, is materially different from brochures used by Focus Point in prior years.

### ITEM 3

#### TABLE OF CONTENTS

ITEM 1: <i>Cover Sheet</i> .....	1
ITEM 2: <i>Material Changes</i> .....	2
ITEM 3: <i>Table of Contents</i> .....	3
ITEM 4: <i>Advisory Business</i> .....	4
ITEM 5: <i>Fees and Compensation</i> .....	6
ITEM 6: <i>Performance-Based Fees and Side-by-Side Management</i> .....	9
ITEM 7: <i>Types of Clients</i> .....	9
ITEM 8: <i>Methods of Analysis, Investment Strategies and Risk of Loss</i> .....	10
ITEM 9: <i>Disciplinary Information</i> .....	13
ITEM 10: <i>Other Financial Industry Activities and Affiliations</i> .....	13
ITEM 11: <i>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</i>	13
ITEM 12: <i>Brokerage Practices</i> .....	15
ITEM 13: <i>Review of Accounts</i> .....	16
ITEM 14: <i>Client Referrals and Other Compensation</i> .....	16
ITEM 15: <i>Custody</i> .....	17
ITEM 16: <i>Investment Discretion</i> .....	17
ITEM 17: <i>Voting Client Securities</i> .....	18
ITEM 18: <i>Financial Information</i> .....	19

## ITEM 4

### ***ADVISORY BUSINESS***

Focus Point Capital LLC (“Focus Point”) has been in business and registered as an investment advisor since January of 2011. Focus Point’s principle owner is Caleb S. Sevia who also serves as the Chief Executive Officer and Chief Investment Officer of the firm.

We offer investment advisory services to high net worth and institutional clients. We also serve as the discretionary investment advisor to NexEvo DMA LP, an investment limited partnership (referred to as the “Fund”). In addition, we manage assets for clients who are not invested in the Fund (referred to as “Clients”). The following is a description of the services we provide to the Fund and our other Clients, although we may provide other services depending on the specific needs of our Clients:

#### **Consulting**

Consult with Clients on a discretionary or non-discretionary basis. Services offered include, but are not limited to duties such as increasing organizational efficiencies related to asset management, reviewing and recommending managers or strategies, suggesting, creating and implementing strategic or tactical asset allocations and constructing individualized portfolios of managers or securities based on specific client requests.

#### **Multi-Asset Class Plus+**

Multi-Asset Class Plus+ is a proprietary blend of ETFs that together combine to represent a broadly diversified portfolio across multiple asset classes including, U.S. equities, international developed equities, emerging market equities, commodities, MLPs, precious metals, real estate investment trusts, and U.S. Treasury securities. Allocations among asset classes are driven by a proprietary market indicator which measures fundamental market valuation, volatility and technical measures.

#### **NexEvo DMA, LP**

NexEvo DMA, LP is a limited partnership established to distribute assets to external managers. The objective of the partnership is to generate high compounded and consistent returns on a risk-adjusted basis over the long-term. The Partnership intends to do this by attempting to create a portfolio of external managers, whose combined holdings represent a broadly diversified portfolio across asset classes, and whose strategies may to benefit from multiple market environments.

Our investments are tailored to comply with the investment guidelines disclosed in the offering materials for the Fund. Each potential investor in the Fund receives a complete set of offering documents prior to investing in the Fund

Focus Point has full discretionary authority to make all trading and investment decisions for the Multi-Asset Class Plus+ and the Fund. Focus Point is not required to obtain, and does not seek to obtain, approval from Clients or the investors in the Fund with respect to its trading decisions for Multi-Asset Class Plus+ or the Fund. Focus Point also

has full discretionary authority to make all trading and investment decisions for any separately managed accounts which it manages via consulting or separately negotiated investment advisory agreements, subject to any investment restrictions or limitations that a managed account owner may negotiate with Focus Point. Clients may be permitted to impose restrictions on investing in certain securities or types of securities in a managed account.

#### Sub-Advisory Relationship

Focus Point also manages certain accounts in a sub-advisory capacity for Fortuna asset Management, LLC. These accounts are handled on a discretionary basis.

Focus Point may also provide Investment Management Services as a sub-adviser; in other words, a client may engage an independent investment adviser (the "Sponsor") which, in turn, will engage Focus Point to provide portfolio management services to all or part of its clients' portfolios. In this situation, Focus point will receive a portion of the fee charged by the independent adviser to the client, typically ranging from 50% to 75% of the client's managed assets, based on the size and complexity of the client's account and the agreement between Focus Point and the Sponsor. Clients should refer to the Sponsor's disclosure documents for full information on the Sponsor's advisory services.

We do not participate in wrap fee programs.

As of May 31, 2011, we manage approximately \$33,000,000 in client assets on a discretionary basis and \$56,000,000 on a non-discretionary basis.

## ITEM 5

### ***FEES AND COMPENSATION***

#### **Consulting**

Consulting services are provided for an hourly fee of \$300. We may negotiate a fixed fee or retainer in lieu of the hourly fee arrangement. In either case, Clients will receive an invoice at the end of each month that is payable upon receipt. Fees for this service are payable by check or wire.

Fees may be negotiated depending on the scope of the project.

Clients may cancel consulting engagement at any time by providing written notice. Upon cancellation, we will present Clients with an invoice for time spent, which is payable upon receipt.

#### **Multi-Asset Class Plus+**

Fees are generally 0.75% per year of the assets under management, billed on a monthly basis. The fee is billed in advanced, based on the value of the assets under management as of the first day of the month. We may negotiate lower fees based on amount of managed assets. You may provide authorization for us to deduct our fees directly from your investment account.

Important information about the deduction of management fees:

- You must provide authorization for us to deduct fees by initialing the appropriate section of our contract.
- You will receive a statement from your custodian which shows your holdings.
- You are responsible for reviewing the accuracy of the fees being billed, as the custodian will not do so.
- You may elect to pay by check rather than having payment deducted directly from your account.
- You may end our advisory relationship by providing 30 days written notice. We will prorate the advisory fees earned through the termination date and send you a refund of the prepaid, unearned portion of your fee.

We process refund payments within 30 days of the termination date and will send you a check or refund your investment account. In either case we will provide a final invoice detailing the calculation of the refund.

### **NexEvo DMA, LP**

Fees are generally 0.75% per year of the assets under management, billed on a monthly basis. The fee is billed in advanced, based on the value of the assets under management as of the first day of the month. We may negotiate lower fees based on amount of managed assets. Investors in the Fund are required to invest for a period of one year before making any withdrawals. After one year, investors may make withdrawals as of the last day of any calendar quarter by providing 90 days written notice.

### ***Other Costs Involved***

In addition to our advisory fees shown above, expenses associated with making investments on behalf of the Fund will also be incurred. These fees include:

- Management fees for ETFs, ETNs, ETPs, mutual funds and other similar securities with third party managers. These are fees charged by the managers of the ETF, ETN, ETP or mutual fund and are a portion of the expenses of the ETF, ETN, ETP or mutual fund.
- Brokerage costs and transaction fees for any securities or fixed income trades. These are generally charged by your custodian and/or executing broker.
- Management and/or incentive fees paid to managers of the underlying investments in which the Fund invests

Additional information about brokerage costs and services is provided in “Item 12: Brokerage Practices.”

### ***Limited Negotiability of Advisory Fees***

Although Focus Point has established the above fee parameters, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition and reports, among other factors. The specific annual fee schedule will be identified in the contract between the adviser and each client.

Discounts and account minimums are not generally available and/or applicable to our advisory clients, but we retain the discretion to offer discounts and reduced account minimums to family members and friends of associated persons of our firm and sometimes to others.

### ***Termination of the Advisory Relationship***

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in arrears of services provided.

### ***Billing Practices***

*We invoice the custodian of the client's account and, once authorized by the client, the custodian deducts the amount stated in the invoice from the client's account.*

### ***Mutual Fund Fees***

All fees paid to Focus Point for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund or ETF directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual

funds or ETFs are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the mutual funds, the ETFs and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

#### ***Additional Fees and Expenses***

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the Brokerage Practices section (Item 12) of this Brochure for additional information.

#### ***Grandfathering of Minimum Account Requirements***

Pre-existing advisory clients are subject to Focus Point's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements may differ among clients.

#### ***Advisory Fees in General***

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

#### ***Pre-Paid Fees***

Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.



## ITEM 6

### ***PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT***

We do not typically receive performance fees for managing accounts, though we reserve the right to negotiate a lower management fee in lieu of performance based compensation. Any such arrangement will be on a case by case basis and is not generally part of our compensation program.

#### **Sub-Advisory Relationship**

Focus Point had a sub-advisory relationship with Fortuna Asset Management, LLC, and Focus Point receives a performance fee equal to 10% of profits above an 8% return hurdle in connection with these services.

## ITEM 7

### ***TYPES OF CLIENTS***

Focus Point offers investment advisory services to high net worth and institutional clients, including but not limited to trusts, endowments, foundations, investment advisors and pension funds. We also provide investment advice to the Fund, which is a pooled investment vehicle.

Generally investors in the Fund are required to maintain a minimum of \$1,000,000.00 invested with the Fund. We require a minimum investment commitment of \$1,000,000.00 to manage assets in a separate account. These minimums may be waived at our sole discretion.

## ITEM 8

### ***METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS***

#### **Investment Philosophy**

Focus Point's core beliefs can be summarized in the following statements:

- Preserve capital and focus on downside mitigation and above all else, we try to construct portfolios that plan for market downturns and incorporate strategies that are hedged, or immediately compensate for market turmoil as a systematic part of our process
- Focus on liquidity and matching our needs for capital with our ability to extract capital based on the terms of our investments
- Integrity and intellectual honesty – most of these asset classes and strategies can be complex so we are committed to helping our clients try to understand the potential upsides and downsides in each strategy

#### **Our Method for Constructing Portfolios of Securities**

Focus Point Capital utilizes a proprietary risk model to measure variables commonly associated with market turmoil and valuation. The model combines measures of technical and volatility analysis as well as fundamental research to create a simple risk-on/off switch used to gauge the relative attractiveness of having exposure to risk assets in different environments.

#### ***Fundamental Indicator***

The Fundamental Indicator attempts to determine the long-term trend of the equity markets by evaluating intrinsic valuation versus relative liquidity while factoring in current economic momentum. Simply speaking, our model signals to buy when fundamental valuations are low or reasonable and liquidity is high, and sell when fundamental valuations are high and liquidity is low.

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

#### ***Volatility Indicator***

The Volatility Indicator measures changes in volatility in the equity, fixed income, commodity, currency and options markets in an attempt to look for directional moves and relationships that might indicate the markets are under stress. Frequently, in times of market turbulence, volatility spikes. When this happens simultaneously across many asset classes it generally signals extreme levels of stress that may lead to a significant sell off in equity prices.

A risk of this approach is that volatility may increase in conjunction with, or after, a downturn is in process rather than in advance, limiting volatility's effectiveness as a forward looking indicator.

#### ***Technical Indicator***

The Technical Indicator combines both mean reverting and trend following technical analysis tools to determine optimal times to own the equity markets. Generally speaking, the Indicator is long-term, looking for entry points when the market is extremely oversold and has begun to trend up. It then continues to indicate a long trade until the trend is clearly broken.

Technical analysis does not consider the underlying financial condition of a company or the markets in general. This presents a risk in that a poorly-managed or financially unsound company may under-perform regardless of market movement.

We may also construct individualized portfolios for clients based on specific requests, or that incorporate only portions of our overall process.

### **Our Methods for Constructing Portfolios of Managers**

Our methods and process can be broken down into three distinct categories: Portfolio Construction, Portfolio Monitoring, and Risk Management.

#### ***Portfolio Construction***

Focus Point constructs the portfolios with the goal of broad diversification among asset classes, strategies and investment philosophies. Each asset class will typically have a minimum and maximum allocation the Client or Fund's overall strategic asset allocation, but this allocation may change from time to time based on the needs of the Client or Fund and Focus Point's assessment of market conditions and its subjective judgment. Focus Point will attempt to further diversify the portfolio by including Portfolio Fund managers who tend to focus on and have philosophies consistent with long-term investing and those who tend to be oriented more towards short-term trading. Focus Point maintains a database of managers that it monitors regularly via correspondence with such managers, ad hoc phone calls and meetings and on-site visits. Focus Point then ranks such managers by both qualitative and quantitative factors. The managers with the highest rankings in each asset class comprise the short list from which the Focus Point ultimately selects managers after completing due diligence, which may include further analysis of the manager's process, meetings with key portfolio managers, operational due diligence and reference and background checks.

#### ***Portfolio and Manager Risk Monitoring***

Focus Point monitors the managers to assure they are within the our risk and return expectations. Where possible, we monitor managers' asset allocations, risk exposures, and holdings for compliance with stated investment objectives and style drift. Focus Point may also routinely monitor managers by conducting ad hoc conversations with members of its management team, site visits, regulatory filing reviews and media searches.

#### ***Risk Management***

Focus Point separates risk management into three categories: (1) market risk, (2) manager risk (discussed in the preceding paragraph) and (3) portfolio risk.

*Market Risk.* Market Risk is monitored through the Focus Point's proprietary equity market risk indicators discussed above that monitor equity market attractiveness based on three indicators: technical, volatility, and fundamental. During portfolio construction, we will attempt to carefully build the portfolio with the goal of performing well in a variety of market environments, but may also use its proprietary equity market risk indicators

to make tactical adjustments perceived to enhance the probability of meeting the Client or Fund's investment objectives. These adjustments may include but are not limited to: increasing or decreasing allocations to managers or making investments in individual securities to increase or decrease equity market exposure.

*Portfolio Risk.* Focus Point monitors portfolio risk by conducting Monte Carlo simulations based on ongoing and historical performance provided by managers. Allowable tolerances for confidence intervals and probable outcomes will be routinely compared to expectations and may result in increases, decreases or termination of managers. However, there can be no assurance that risk management systems or quantitative measures will accurately reflect all probable outcomes and effectively monitor Clients or Fund's investments or reduce the chances of loss.

All investments involve different degrees of risk. Clients should be aware of their risk tolerance level and financial situation at all times. We cannot guarantee the successful performance of an investment and we are expressly prohibited from guaranteeing accounts against losses arising from market conditions.

## ITEM 9

### ***DISCIPLINARY INFORMATION***

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to their evaluation of the investment advisor and each investment advisor representative providing investment advice to Clients. We do not have, nor have we ever had, any legal or disciplinary events to disclose, including any criminal or civil actions, administrative proceedings before the SEC or any other regulatory agencies, or proceedings before any self-regulatory organization.

## ITEM 10

### ***OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS***

We serve as the general partner and investment advisor to the Fund. We do not expect to be engaged to advise investors as to the appropriateness of investing in the Fund, and we will not receive any compensation for doing so, or for selling interests in the Fund.

## ITEM 11

### ***CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING***

#### **Code of Ethics**

Our personnel owe a fiduciary duty to all of our clients. We have adopted a Code of Ethics that governs the professional conduct of our managers, members, and associates. Our Code of Ethics provides, among other things, that (1) all Focus Point personnel must put the interests of the firm's clients ahead of their own; (2) all personal securities transactions engaged in by firm personnel must be conducted in such a manner as to be consistent with the firm's Code of Ethics regarding personal securities transactions and to avoid any actual or potential conflicts of interest or any abuse of the person's position of trust and responsibility; (3) any person acting in the capacity of an investment adviser must not take inappropriate advantage of his/her position of trust; (4) all information regarding firm clients must be kept strictly confidential; (5) all personnel must adhere to the principle that independence in the investment decision-making process is paramount; and (6) each person in the firm bears ultimate responsibility for acting with honesty, integrity, and professionalism in conducting firm business. A copy of our Code of Ethics is available to clients and prospective clients upon request.

### **Personal Trading for Associated Persons**

We may buy or sell some of same securities for Clients that we already hold in our personal account. We may also buy for our personal account some of the same securities that Clients already hold in their account. Our associated persons may also invest directly in the Fund. It is our policy not to permit our associated persons (or their immediate relatives) to trade in a way that takes advantage of price movements caused by Client transactions.

We may restrict trading for a particular security for our accounts or those of our associated person if there is a pending trade in that security in a client account. Trades for our accounts (and those of our associated persons) will be placed as part of a block trade with client trades, or individually after client trades have been completed. Additional information about block trades is provided in "Item 12: Brokerage Practices." When our trades are placed after our client trades, we may receive a better or worse price than that received by the client.

Focus Point and its associated persons may purchase or sell specific securities for their own account based on personal investment considerations without regard to whether the purchase or sale of such security is appropriate for Clients. All persons associated with us are required to report all personal securities transactions to us quarterly. We are the general partner of, and investment advisor to, the Fund. We do not expect to be engaged to advise investors as to the appropriateness of investing in the Fund, and we will not receive any compensation for doing so, or for selling interests in the Fund.

## ITEM 12

### ***BROKERAGE PRACTICES***

#### **Selection of Brokers**

In selecting brokers to execute portfolio transactions, we make a good faith judgment of about which broker would be appropriate. We take into consideration not only the available prices and rates of brokerage commissions, but also other relevant factors that may include (without limitation):

- The execution capabilities of the broker/dealer
- Research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis)
- Custodial and other services provided by the broker/dealer that are expected to enhance our general portfolio management capabilities
- The size of the transaction
- The difficulty of execution
- The operational facilities of the broker-dealers involved
- The risk in positioning a block of securities
- The quality of the overall brokerage and research services provided by the broker/dealer.

When we select the broker/dealer for a transaction, we may cause Clients and/or the Fund to pay a higher commission for effecting a transaction than another broker/dealer would have charged for effecting that transaction. We do this if we determine in good faith that the amount of the commission is reasonable in relation to the value of the brokerage and research services provided by the broker/dealer. The determination is viewed in terms of either the particular transaction or our overall responsibilities with respect to Clients and/or the Fund.

#### **Aggregation of Orders**

There are occasions on which portfolio transactions will be executed as part of concurrent authorizations to purchase or sell the same security for a Client, the Fund, a separately managed account and/or one or more of our associated persons.

We may choose to block (aggregate) trades for Client accounts with those of other Client accounts (including the Fund) and personal accounts of persons associated with Focus Point. When we place a block trade, all participants included in the block receive the same price per share on the trade. The price is calculated by averaging the price of all of the shares traded. Due to the averaging of price over all of the participating accounts, aggregated trades could be either advantageous or disadvantageous. Commission costs are not averaged. Client will pay the same commission whether Client trades are placed as part of a block or on an individual basis. The objective of the aggregated orders will be to allocate the executions in a manner that is deemed equitable to the accounts involved.

### **Directed Brokerage**

Clients may instruct us to execute any or all securities transactions for account(s) with or through one or more broker/dealers designated by Client. 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 the broker/dealers and Clients are satisfied with the terms and conditions. We have no responsibility for obtaining the best prices or any particular commission rates for transactions with or through the broker/dealer in these situations. In such cases, the Client should recognize that they may not obtain rates as low as they might otherwise obtain if we had discretion to select broker/dealers other than those chosen by them. If the Client would like us to cease executing transactions with or through the designated broker/dealer they must notify us in writing.

## **ITEM 13**

### ***REVIEW OF ACCOUNTS***

Focus Point's minimum reporting requirement includes monthly reports provided to Client or Limited Partners of the Fund send directly from the custodian or Fund administrator. In addition, Focus Point provides weekly performance estimates for Multi-Asset Class Plus+ and the Fund as well as other information Focus Point believes Clients would find appropriate or informational. In addition, the Fund's administrator provides each investor in the Funds with a written monthly statement detailing the increase or decrease in the net asset value of such investor's investment during the preceding month. In addition, as soon as practicable after the end of each fiscal year, and no later than 180 days after the end of the fiscal year, the Fund furnishes to each investor its audited annual financial statements as of the end of that fiscal year. In addition, from time-to-time, as determined by Focus Point, may provide to Clients or investors in the Fund additional information regarding current investment themes and other matters that Focus Point feels may be of interest to investors. Reports for Managed Account investors are determined on a case-by-case basis but generally include, monthly reports provided by the custodian directly to the Client.

Caleb Sevan, our Chief Investment Officer, is responsible for all account reviews.

## **ITEM 14**

### ***CLIENT REFERRALS AND OTHER COMPENSATION***

We currently do not have any arrangements in place whereby someone who is not a client provides an economic benefit to us for providing investment advice or other advisory services to our clients.

We may, from time-to-time, enter into arrangements with one or more third party solicitors to solicit qualified clients for, or refer qualified clients to, Focus Point. Such arrangements may vary on a case-by-case basis. When Focus Point enters into an arrangement with a solicitor, the terms of the arrangement are set forth in a written agreement between Focus Point and the solicitor that, among other things, (i) describes the solicitor's activities and the compensation to be paid for those activities, (ii) contains the solicitor's undertaking to perform those duties under the agreement consistent with Focus Point's instructions as well as the Investment Advisers Act and



the rules thereunder, and (iii) requires the solicitor, at the time of any solicitation, to provide the prospective client with a copy of Focus Point's brochure and a separate written disclosure document prescribed by the Securities and Exchange Commission under the Investment Advisers Act for such solicitation arrangements. Prior to entering into an advisory contract with the prospective client, Focus Point will obtain from such prospective client a signed and dated acknowledgement of receipt of Focus Point's brochure and the solicitor's written disclosure document. In all cases involving solicitors, the compensation to be paid to a solicitor will be paid solely by Focus Point, and the amount and level of advisory fees charged by Focus Point to any client solicited or referred by a solicitor will not be different from the amount and level of advisory fees charged by Focus Point to other clients. Referral practices will be disclosed in writing to Clients and we will comply with the requirements of Rule 206(4)-3, under the Investment Advisers Act of 1940, as amended, and any similar state rule or statute.

## **ITEM 15**

### ***CUSTODY***

As the general partner for the Fund, we are deemed to have custody of the Fund's assets. In order to comply with the regulatory requirements, we provide all investors in the Fund with audited financials. The audited financial statements are sent to investors within 180 days of the Fund's fiscal year-end.

In cases where Clients grant Focus Point authority to deduct our fees directly from their separately managed account, we are deemed to have custody of those assets. In order to avoid additional regulatory requirements in these cases, we follow the procedures outlined in "Item 5: Fees and Compensation." Clients will also receive monthly statements directly from custodian of the account that details all transactions in the account.

## **ITEM 16**

### ***INVESTMENT DISCRETION***

We manage the Fund on a discretionary basis and do not allow for any limitations to be placed on our investment authority. Our investment philosophy is summarized above, and more completely described in the offering materials for the Fund. In order to invest in the Fund, Clients must:

Review the offering materials we provide. This Part 2A and the Part 2B for Caleb Sevan are included with the offering materials.

- Sign a copy of the limited partnership agreement for the Fund.
- Complete subscription documents for the Fund. These provide information about Client qualifications to invest in the Fund.

As one of the conditions of managing a separately managed account, Clients are required to provide discretionary authority for us to manage assets. Discretionary authority means that Clients are giving us a limited power of attorney to place trades on their behalf. This limited power of attorney does not allow us to withdraw money from Client accounts, other than advisory fees if Clients agree to give us that authority. A Client may grant us discretionary authority by completing the following items:

- Sign a contract with us that provides a limited power of attorney for us to place trades on the Client's behalf. Any limitations to the trading authorization will be added to this agreement.
- Provide us with discretionary authority on the new account forms that are submitted to the broker/dealer acting as custodian for Client account(s).

We also offer non-discretionary advisory services for separately managed accounts. If a Client elects to engage us to manage assets on a non-discretionary basis, we will contact the Client before each trade is placed in an account.

All accounts are managed using the investment strategy described in the "Methods of Analysis, Investment Strategies and Risk of Loss" section above. We may allow Clients to limit investments we make that fall within the parameters of the investment strategy described.

## **ITEM 17**

### ***VOTING CLIENT SECURITIES***

As a matter of policy and as a fiduciary to our clients, we have responsibility for voting proxies for Client portfolios securities consistent with the Client's best economic interests. We maintain policies and procedures as to the handling, research, voting and reporting of proxy voting and make appropriate disclosures about our proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. Clients may provide direction regarding any particular proxy solicitation. Clients may elect to retain the authority to vote the proxies themselves. In this case, you will receive proxies and other related paperwork directly from your custodian. Upon request we will provide guidance about voting a specific proxy solicitation. You may request a copy of our Proxy Policies and Procedures and/or information about how a proxy was voted at any time.

## **ITEM 18**

### ***FINANCIAL INFORMATION***

As a registered investment advisor, we are required to provide Clients with certain financial information or disclosures about our financial condition. Focus Point has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

We do not require or solicit prepayment of fees six months or more in advance and, as a result, are not required to include with this brochure a balance sheet for our most recent fiscal year.