



Form ADV Part 2A
Brochure
Financial Alternatives, Inc.

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La Jolla, CA 92037
financialalternatives.com

July 27, 2021

This Brochure provides information about the qualifications and business practices of Financial Alternatives, Inc. (the "Registrant"). If you have any questions about the contents of this brochure, please contact James A. Freeman, Chief Compliance Officer at (858) 459-8289 ext. 302 or jim@financialalternatives.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 Financial Alternatives, Inc. (CRD# 108245 / SEC# 801-57864) is also available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Financial Alternatives, Inc. as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 | Material Changes

The following change had been made to this since the last Form ADV Part 2A update filing dated *March 1, 2021*:

On July 1, 2021, registrant closed an acquisition of the assets of Essential Planning Services, LLC (“EP”), a Registered Investment Advisor (CRD# 271037), and Fox College Funding, LLC (“FCF”), a specialty late-stage college planning provider, both entities are owned and managed by Deborah S. Fox and located in San Diego, CA. This brochure has been updated to address changes related to that transaction.

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Item 4 | Advisory Business

- A. *Firm Description.* Financial Alternatives, Inc. (the “Registrant”) is a corporation formed on January 16, 2001 in the State of California. The Registrant became registered as an Investment Adviser Firm in August 1991. The Registrant is owned by shareowners: James A. Freeman, Chief Compliance Officer/President, Christopher E. Jaccard, Chief Operating Officer, and Ellen Li, Lead Advisor.
- B. *Description of Services Offered.* As described below, the Registrant offers to its clients (individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations, etc.) investment advisory services, and, to the extent specifically requested and agreed, wealth advisory services, which may include financial advice, financial planning, and/or related consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee-only* basis. The Registrant’s standard annual investment advisory fee shall be based a percentage (%) of the market value of the assets placed under the Registrant’s management as follows:

<u>Tier</u>	<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$500,000	\$0-\$500,000	1.00%
Next \$500,000	\$500,001-\$1,000,000	0.875%
Next \$500,000	\$1,000,001-\$1,500,000	0.825%
Next \$500,000	\$1,500,001-\$2,000,000	0.75%
Next \$500,000	\$2,000,001-\$2,500,000	0.65%
Next \$500,000	\$2,500,001-\$3,000,000	0.55%
Remaining Assets	\$3,000,001 and up	0.50%

*Client accounts may be subject to a minimum annual fee. Standard fees and minimums may be subject to negotiation or exceptions in some cases.

Registrant’s annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested and agreed, wealth advisory services, which may include financial advice, financial planning, and/or consulting services. These services may vary widely in scope, depth, and impact. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of the Registrant), the Registrant may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

WEALTH ADVISORY SERVICES (STAND-ALONE)

To the extent specifically requested by a client, the Registrant *may* determine to provide wealth advisory services, which may include financial advice, financial planning, late stage college funding, and/or other consulting services (including investment and non-investment related matters, including estate planning, retirement planning, etc.) on a stand-alone separate fee basis. These services may vary widely in scope, depth, and impact.

Wealth advisory and/or consulting engagements often begin with a written financial assessment process, the fee for which is generally \$500. Typically, the late stage college funding service is provided on a project basis under the DBA, Fox College Funding, with flat fees that often range from \$1,500 to \$5,500, but may be more or less in some cases.

Registrant's wealth advisory and consulting fees are negotiable, but generally are assessed at a \$300 hourly rate or flat fee basis, depending upon the complexity, level, and scope of the service(s) required and the professional(s) rendering the service(s).

Prior to engaging the Registrant to provide wealth advisory services (stand-alone), clients are generally required to enter into a *Wealth Advisory and Consulting Agreement (formerly Financial Planning and Consulting Agreement)* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services.

In cases where the Registrant has succeeded another registered investment advisor ("predecessor"), Registrant may assist in or provide continued services and/or assess agreed upon fees during a transition period depending on the client agreement and other facts and circumstances. Agreements between the client and the predecessor may allow for assignment to the successor by positive or negative consent of the client. The fees and services by the predecessor may vary substantially from those typically provided by the Registrant.

Depending on the needs and circumstances of a client, the registrant may recommend the portfolio management services of an unaffiliated Third Party Asset Manager ("TPAM"). Generally, the client will enter into a separate agreement which describes the services, affected accounts, and fees of the TPAM. Any fees related to such services are separate and in addition to those of the Registrant. There may be circumstances where the TPAM arrangement is maintained, transitioned, or replaced with services provided by another TPAM or the Registrant.

If requested by the client, Registrant may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

MISCELLANEOUS

Non-Investment Consulting/Implementation Services. To the extent requested and agreed, the Registrant *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, retirement, etc. Neither the Registrant, nor any of its representatives, serves as an attorney, accountant, or licensed insurance agent, and no portion of the Registrant's services should be construed as same. To the extent requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion and responsibility over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. The client is further responsible for the monitoring and updating (to the Registrant) of all relevant aspects of non-investment implementation (e.g. from decisions to outcomes). **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It

remains the client's responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

Private Investment Funds. Registrant may provide investment advice regarding private investment funds. The Registrant's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of Registrant calculating its investment advisory fee. Registrant's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Please Note: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike other liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Account/Asset Valuation. In the event that the Registrant references private investment funds or accounts with limited data access that are owned by the client on any supplemental account reports prepared by the Registrant, the value(s) for all such private investment funds or accounts shall reflect either the initial purchase and/or the most recent valuation provided by the issuer/manager, program sponsor, and/or data provider. A generally accepted or prudent valuation method may be adopted in lieu of these if deemed more accurate. The current value(s) - to the extent ascertainable - could be ***significantly more or less*** than the original purchase price or most recent valuation.

Retirement Plans and IRAs. If Client is: (1) a participant or beneficiary of a Retirement Plan subject to Title I of the Employee Retirement Income Security Act ("ERISA") or described in section 4975(e)(1)(A) of the Internal Revenue Code (the "Code"), with authority to direct the investment of assets in his or her Plan account or to take a distribution; (2) the beneficial owner of an Individual Retirement Account ("IRA") acting on behalf of the IRA; or, (3) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Code, then the Registrant represents that it and its investment adviser representatives are fiduciaries under ERISA or the Code, or both, with respect to any investment advice provided by the Registrant or its investment adviser representatives or with respect to any investment recommendations regarding a Retirement Plan subject to ERISA or participant or beneficiary account.

Independent Managers. The Registrant may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the *Independent Manager[s]* shall have day-to-day responsibility for the active discretionary management of the allocated assets. The Registrant shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which the Registrant shall consider in recommending *Independent Manager[s]* include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

Online Platforms. Registrant may provide clients or other persons with access to online data or reporting platforms such as that hosted by eMoney Advisor. Platforms like these may provide the ability to aggregate data such as assets, liabilities, transactions, performance and other information from disparate sources that may not be complete or accurate. The Registrant may or may not provide investment supervisory or other services for the accounts or other items on the eMoney Advisor site or other online platforms.

Disclosure Statement. A copy of the Registrant's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Wealth Advisory and Consulting Agreement (formerly Financial Planning and Consulting Agreement)*. Any client who has not received a copy of Registrant's written Brochure at least 48 hours prior to executing the *Investment Advisory Agreement or Wealth Advisory and Consulting Agreement (formerly Financial Planning and Consulting Agreement)* shall have five business days subsequent to executing the agreement to terminate the Registrant's services without penalty.

- C. *Specificity of Services.* The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will establish each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on the Registrant's services. It is critical that clients promptly notify the Registrant if there is any change in their financial situation or investment objective(s).
- D. *Wrap-Fee Programs.* The Registrant does not participate in a wrap fee program.
- E. *Assets Under Management.* As of **June 30, 2021**, the Registrant had **\$274,533,512** in assets under management (**\$269,880,235** on a discretionary basis; and **\$4,653,277** on a non-discretionary basis).

As a result of the acquisition of the assets of Essential Planning Services, LLC ("EP"), Registrant expects to have approximately \$47,000,000 in assets either in transition or outside of its standard management platform during a transition period. These assets are not included in the above calculation.

Item 5 | Fees and Compensation

- A. *Compensation for Advisory Services.* The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee-only* basis.

INVESTMENT ADVISORY SERVICES

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advisory fee shall be based upon a percentage (%) of the market value of assets placed under the Registrant's management as follows:

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In cases where the Registrant has succeeded another registered investment advisor ("predecessor"), Registrant may assist in or provide continued services and/or assess agreed upon fees during a transition period depending on the client agreement and other facts and circumstances. Agreements between the client and the predecessor may allow for assignment to the successor by positive or negative consent of the client. The fees and services by the predecessor may vary substantially from those typically provided by the Registrant.

Depending on the needs and circumstances of a client, the registrant may recommend the portfolio management services of an unaffiliated Third Party Asset Manager ("TPAM"). Generally, the client will enter into a separate agreement which describes the services, affected accounts, and fees of the TPAM. Any fees related to such services are separate and in addition to those of the Registrant. There may be circumstances where the TPAM arrangement is maintained, transitioned, or replaced with services provided by another TPAM or the Registrant.

Potential conflicts of interest arise depending on how advisory fees are assessed. If fees are based on a percentage of assets under management, any advice or activity that increases assets under management will increase the fee, and the opposite will decrease the fee. If fees are based on time charged at an hourly rate, any advice or activity that requires more billable time and/or a higher hourly rate will increase the fee, and the opposite will decrease the fee. If the fee is based on a fixed or flat amount, any advice or activity that overestimates or increases the fee, relative to the service provided, will improve the economics of the fee for the Registrant, and the opposite will worsen the economics of the fee.

- B. *Billing Method.* Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter, unless an exception is detailed in the *Investment Advisory Agreement or related addenda*.
- C. *Other Types of Fees or Expenses.* As described below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that Charles Schwab and Co., Inc., Fidelity Investments, and/or Equity Trust Company serve as the broker-dealer/custodian (referred to as "Applicable Custodians") for client investment management assets. During a transition or succession, alternate custodians may be included for a period of time. *Applicable Custodians* may charge brokerage commissions and/or transaction fees for effecting certain securities transactions (e.g. transaction fees are charged for certain no-load mutual funds, redemption fees may be charged for certain short-term mutual fund transactions, and commissions are often charged for individual equity and fixed income securities transactions). Certain account types and/or holdings may be subject to set up and annual maintenance fees (e.g. custodian fees). Certain account servicing or cashiering activity such as wire transfers or margin loans may generate additional charges. Account "termination" or similar fees may be incurred as a result of the closure or transfer of an account from one broker-dealer/custodian to another.

For accounts managed on a strict non-discretionary basis or where the client directs the broker-dealer/custodian, trades may occur separately from discretionary accounts at generally recommended broker-dealers/custodians; thus, execution and performance may be effected.

In addition to Registrant's investment management fee, brokerage commissions, redemption fees, holdings, servicing, and/or transaction fees, clients will also incur, relative to all underlying managed investment fund purchases, charges imposed at the fund level. For example, mutual fund or exchange traded fund management, administrative/operations, distribution fees and other fund expenses (some or all of these charges may be represented by a fund expense ratio).

Some mutual funds or other securities may offer different share classes of the same fund – where share classes are subject to varying fees and expenses. The Registrant may not have access to or the ability to transact all share classes due to many factors such as minimum investment requirements. This may result in a higher cost incurred than may otherwise be available to the client.

The availability to transact certain mutual funds, securities, or investment products may be limited or restricted by the issuer/manager or broker-dealer/custodian to certain advisors that are approved or have met respective aggregate investment minimums, such as the Registrant; thus, the client may be subject to additional future costs. For example, if a client moved a mutual fund subject to such limitations to another broker-dealer/custodian or unapproved Registrant, additional purchases may not be allowed, and transactions could be subject to an alternative fee schedule.

- D. *Service Terminations and Refunds.* Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter, unless an exception is detailed in the *Investment Advisory Agreement*. The Registrant generally requires a minimum annual fee for the first year of a new client engagement. The Registrant, in its sole discretion, may reduce its investment management fee and/or reduce or waive its minimum annual fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter, or another agreed upon method/amount.

- E. *Compensation for Securities Sales.* Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

Item 6 | Performance-Based Fees and Side-by-Side Management

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

Item 7 | Types of Clients

The Registrant's clients shall generally include individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations. The Registrant generally requires a minimum annual fee for the first year of a new client engagement. The Registrant, in its sole discretion, may reduce its investment management fee and/or reduce or waive its minimum annual fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. *Methods of Analysis and Investment Strategies Used.* The Registrant may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)
- Margin Transactions (use of borrowed assets to purchase financial instruments)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. *Material Risks with Methods and Strategies Used.* The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

In addition to the fundamental investment strategies described above, the Registrant may also implement and/or recommend – short selling, use of margin, and/or options transactions. Each of these strategies has a high level of inherent risk. (See discussion below).

Short selling is an investment strategy with a high level of inherent risk. Short selling, involves the selling of assets that the investor does not own. The investor borrows the assets from a third party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price

of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please Note:** To the extent that a client authorizes the use of margin, and margin is thereafter employed by the Registrant in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to the Registrant may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential **conflict of interest** whereby the client's decision to employ margin *may* correspondingly increase the management fee payable to the Registrant. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by the Registrant shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio. **Please Note:** Although the intent of the options-related transactions that may be implemented by the Registrant is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.

- C. *Material Risks with Primarily Recommended Securities.* Currently, the Registrant primarily allocates client investment assets among various mutual funds and/or exchange traded funds, as well as private investment funds on a discretionary basis in accordance with the client's designated investment objective(s). Refer to Item 4.B for a description of material risks involved with private investment funds.

Investing involves a wide range of investment risks, and investments may lose a large amount, or all of their value. There is no guarantee that a client will meet their investment goals.

Item 9 | Disciplinary Information

The Registrant has not been the subject of any disciplinary actions.

Item 10 | Other Financial Industry Activities and Affiliations

- A. *Broker-Dealer Registration.* Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

- B. *Futures Merchant or Commodity Operator/Advisor Affiliation.* Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. *Material Relationships.* The Registrant does not have any relationship or arrangement that is material to its advisory business or to its clients with any related person.
- D. *Compensation from Other Investment Advisors.* The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

Item 11 | Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- A. *Code of Ethics.* The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

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

- B. *Financial Interest in Recommended Securities.* Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. *Investment in Recommended Securities.* The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons". The Registrant's securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant

selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. *Timing of Securities Transactions.* The Registrant and/or representatives of the Registrant may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

Item 12 | Brokerage Practices

- A. *Criteria for Broker-Dealer Selections or Recommendations.* In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at Charles Schwab and Co., Inc., Fidelity Investments, and/or Equity Trust Company (referred to as "Applicable Custodians"). Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending *Applicable Custodians* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. *Research and Additional Benefits.* Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from *Applicable Custodians* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant 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, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at *Applicable Custodians* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *Applicable Custodians* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

The Registrant's Chief Compliance Officer, James A. Freeman, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

2. *Brokerage for Client Referrals.* The Registrant does not receive referrals from broker-dealers.
3. *Directed Brokerage.* The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant.

The Registrant's Chief Compliance Officer, James A. Freeman, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. *Aggregating Purchases or Sales of Securities.* To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have

been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 | Review of Accounts

- A. *Periodic Reviews.* For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial advisory and/or planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. *Other-than-Periodic Reviews.* The Registrant **may** conduct account reviews on an other-than-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market conditions, and client request.
- C. *Regular Reports.* Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian, issuer/manager, and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account holdings, activity, and/or performance.

Item 14 | Client Referrals and Other Compensation

- A. *Economic Benefits from Non-Clients.* As referenced in Item 12.A.1 above, the Registrant may receive an indirect economic benefit from *Applicable Custodians*. The Registrant, without cost (and/or at a discount), may receive support services and/or products from *Applicable Custodians*.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at *Applicable Custodians* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *Applicable Custodians* or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

The Registrant's Chief Compliance Officer, James A. Freeman, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. *Referral Compensation to Unsupervised Persons.* The Registrant does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

Item 15 | Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. The Registrant may have the ability to direct client funds to a third party via a Standing Letter of Authorization (SLOA) held by an independent qualified custodian. The Registrant does not intend to maintain custody beyond the ability to debit advisory fees or maintain SLOAs that meet all conditions of the SEC's No-Action Letter dated 2/21/2017.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian, issuer/manager, and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

Item 16 | Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming the Registrant as the client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at anytime, impose restrictions, **in writing**, on the Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

Item 17 | Voting Client Securities

- A. *Voting Policies and Procedures.* The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. *Voting Authority.* Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

Item 18 | Financial Information

- A. *Fee Prepayments.* The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.

- B. *Financial Conditions and Client Commitments*. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. *Bankruptcy History*. The Registrant has not been the subject of a bankruptcy petition.

ANY QUESTIONS: The Registrant's Chief Compliance Officer, James A. Freeman, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.



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James A. Freeman

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July 27, 2021

This Brochure Supplement provides information about James A. Freeman that supplements the Financial Alternatives, Inc. Brochure. You should have received a copy of that Brochure. Please contact James A. Freeman, Chief Compliance Officer, at (858) 459-8289 ext. 302 or jim@financialalternatives.com if you did *not* receive Financial Alternatives, Inc.'s Brochure or if you have any questions about the contents of this supplement.

Additional information about James A. Freeman (CRD# 1397759) is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 | Education Background and Business Experience

James A. Freeman was born in 1960. Mr. Freeman graduated from Point Loma Nazarene University, *magna cum laude*, in 1982, with a Bachelor of Arts degree in Psychology. Mr. Freeman is a Founding Principal, President and an investment adviser representative of Financial Alternatives, Inc. since 1991.

Mr. Freeman has held the designation of Certified Financial Planner (CFP®) since 1987. The CFP® designation identifies individuals who have completed the mandatory examination, education, experience, and ethics requirements mandated by the CFP Board. Candidates must have at least three years of qualifying work experience that relates to financial planning. Candidates are required to hold a bachelors degree from an accredited university. CFP® candidates must pass an examination that covers

over 100 financial planning topics, which broadly include: general principles of financial planning, insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning. Finally, candidates have ongoing ethics requirements and oversight by the CFP Board.

Item 3 | Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the client's evaluation of each supervised person providing investment advice. Information about this advisor is available at <https://adviserinfo.sec.gov>.

Item 4 | Other Business Activities

- A. *Other Investment-Related Activity.* The supervised person is not actively engaged in any other investment-related businesses or occupations.
- B. *Other Non-Investment-Related Activity.* The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

Item 5 | Additional Compensation

None.

Item 6 | Supervision

The Registrant provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act ("Act"). The Registrant's Chief Compliance Officer, James A. Freeman, is primarily responsible for the implementation of the Registrant's policies and procedures and overseeing the activities of the Registrant's supervised persons. Should an employee or investment adviser representative of the Registrant have any questions regarding the applicability/relevance of the Act, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant's supervision or compliance practices, please contact Mr. Freeman at (858) 459-8289.



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Christopher E. Jaccard

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July 27, 2021

This Brochure Supplement provides information about Christopher E. Jaccard that supplements the Financial Alternatives, Inc. Brochure. You should have received a copy of that Brochure. Please contact James A. Freeman, Chief Compliance Officer, at (858) 459-8289 ext. 302 or jim@financialalternatives.com if you did *not* receive Financial Alternatives, Inc.'s Brochure or if you have any questions about the contents of this supplement.

Additional information about Christopher E. Jaccard (CRD# 4381151) is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 | Education Background and Business Experience

Christopher E. Jaccard was born in 1975. Mr. Jaccard graduated from San Diego State University, in 1999, with a Bachelor of Science degree in Finance and a Certificate in Personal Financial Planning. Mr. Jaccard has been an investment adviser representative of Financial Alternatives, Inc. since 2002.

Mr. Jaccard has held the designation of Certified Financial Planner (CFP®) since 2001. The CFP® designation identifies individuals who have completed the mandatory examination, education, experience, and ethics requirements mandated by the CFP Board. Candidates must have at least three years of qualifying work experience that relates to financial planning. Candidates are required to hold a

bachelors degree from an accredited university. CFP® candidates must pass an examination that covers over 100 financial planning topics, which broadly include: general principles of financial planning, insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning. Finally, candidates have ongoing ethics requirements and oversight by the CFP Board.

Mr. Jaccard has held the designation of Chartered Financial Analyst (CFA®) since 2009. CFA® designates an international professional certificate that is offered by the CFA Institute. Candidates that pursue the certification have in-depth knowledge of securities types and investment vehicles. In order to qualify for a CFA®, candidates must meet standards for examination, education, experience, and ethics. First, candidates must possess a bachelor's degree from an accredited school, or its equivalent. Second, candidates must have completed 48 months of qualified professional work experience, generally related to evaluating or applying financial, economic, and/or statistical data as part of the investment decision-making process involving securities or similar investment. Third, candidates must pass a series of three six-hour exams that covers ethics, quantitative methods, economics, corporate finance, financial reporting and analysis, security analysis, and portfolio management. Finally, candidates must meet and continue to adhere to a strict Code of Ethics and Standards governing their professional conduct, as reviewed by the CFA Institute.

Item 3 | Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the client's evaluation of each supervised person providing investment advice. Information about this advisor is available at <https://adviserinfo.sec.gov>.

Item 4 | Other Business Activities

- A. *Other Investment-Related Activity.* The supervised person is not actively engaged in any other investment-related businesses or occupations.
- B. *Other Non-Investment-Related Activity.* The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

Item 5 | Additional Compensation

None.

Item 6 | Supervision

The Registrant provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act ("Act"). The Registrant's Chief Compliance Officer, James A. Freeman, is primarily responsible for the implementation of the Registrant's policies and procedures and overseeing the activities of the Registrant's supervised persons. Should an employee or investment adviser representative of the Registrant have any questions regarding the applicability/relevance of the Act, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant's supervision or compliance practices, please contact Mr. Freeman at (858) 459-8289.



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Pei-Shan Ellen Li

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July 27, 2021

This Brochure Supplement provides information about Pei-Shan Ellen Li that supplements the Financial Alternatives, Inc. Brochure. You should have received a copy of that Brochure. Please contact James A. Freeman, Chief Compliance Officer, at (858) 459-8289 ext. 302 or jim@financialalternatives.com if you did *not* receive Financial Alternatives, Inc.'s Brochure or if you have any questions about the contents of this supplement.

Additional information about Pei-Shan Ellen Li (CRD# 5902854) is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 | Education Background and Business Experience

Pei-Shan Ellen Li was born in 1980. Mrs. Li graduated from National Chengchi in 2004, with a Bachelor of Arts degree in English Literature. Mrs. Li also graduated in 2007, from San Diego State University with two Master of Science degrees, Financial and Tax Planning and International Business. Mrs. Li has been an investment adviser representative of Financial Alternatives, Inc. since May 2010. From March 2008 through May 2010, Mrs. Li was a Financial Paraplanner/Account Administrator with Hokanson

Associates. From November 2007 through February 2008, Mrs. Li was an Intern with Financial Alternatives, Inc.

Mrs. Li has held the designation of Certified Financial Planner (CFP®) since 2011. The CFP® designation identifies individuals who have completed the mandatory examination, education, experience, and ethics requirements mandated by the CFP Board. Candidates must have at least three years of qualifying work experience that relates to financial planning. Candidates are required to hold a bachelors degree from an accredited university. CFP® candidates must pass an examination that covers over 100 financial planning topics, which broadly include: general principles of financial planning, insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning. Finally, candidates have ongoing ethics requirements and oversight by the CFP Board.

Item 3 | Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the client's evaluation of each supervised person providing investment advice. Information about this advisor is available at <https://adviserinfo.sec.gov>.

Item 4 | Other Business Activities

- A. *Other Investment-Related Activity.* The supervised person is not actively engaged in any other investment-related businesses or occupations.
- B. *Other Non-Investment-Related Activity.* The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

Item 5 | Additional Compensation

None.

Item 6 | Supervision

The Registrant provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act ("Act"). The Registrant's Chief Compliance Officer, James A. Freeman, is primarily responsible for the implementation of the Registrant's policies and procedures and overseeing the activities of the Registrant's supervised persons. Should an employee or investment adviser representative of the Registrant have any questions regarding the applicability/relevance of the Act, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant's supervision or compliance practices, please contact Mr. Freeman at (858) 459-8289.



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Deborah S. Fox

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July 27, 2021

This Brochure Supplement provides information about Deborah S. Fox that supplements the Financial Alternatives, Inc. Brochure. You should have received a copy of that Brochure. Please contact James A. Freeman, Chief Compliance Officer, at (858) 459-8289 ext. 302 or jim@financialalternatives.com if you did *not* receive Financial Alternatives, Inc.'s Brochure or if you have any questions about the contents of this supplement.

Additional information about Deborah S. Fox (CRD# 1359232) is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 | Education Background and Business Experience

Deborah S. Fox was born in 1959. Ms. Fox graduated from UC Santa Barbara in 1981 with a BA in Aquatic Biology. Ms. Fox has been an investment adviser representative of Financial Alternatives, Inc. since 2021, and her business background and experience include:

Essential Planning Services, LLC, 2007 to 2021, Managing Member

Fox College Funding, LLC 1999 to 2021, College Planning Consultant

AdvisorTouch (formerly Fox Financial Planning Network), 2009 to present, Founder

Securities America Advisors, Inc., 2003 to 2017, Investment Advisor Representative
Securities America, Inc., 2003 to 2017, Registered Representative
Quality Funding Group, LLC, 1993 to 2009, Mortgage Loan Referring Agent
Sentra Securities Corporation, 1998-2003, Registered Representative

Item 3 | Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the client's evaluation of each supervised person providing investment advice. Information about this advisor is available at <https://adviserinfo.sec.gov>.

Item 4 | Other Business Activities

A. *Other Investment-Related Activity*. The supervised person is not actively engaged in any other investment-related businesses or occupations.

B. *Other Non-Investment-Related Activity*.

Ms. Fox also is the Founder of AdvisorTouch (formerly Fox Financial Planning Network), which is a business consulting company for financial advisors and financial institutions; however, Ms. Fox is not involved in the day to day business of this company, but she does perform consulting and monthly educational webinars.

Ms. Fox also maintains an insurance license; however, she does not maintain her licenses with any insurance companies or receive any compensation for the sale of insurance products. The license is maintained so that she can make specific insurance recommendations to financial planning clients.

Ms. Fox spends approximately 10% of her time on these outside business activities.

Item 5 | Additional Compensation

None.

Item 6 | Supervision

The Registrant provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act ("Act"). The Registrant's Chief Compliance Officer, James A. Freeman, is primarily responsible for the implementation of the Registrant's policies and procedures and overseeing the activities of the Registrant's supervised persons. Should an employee or investment adviser representative of the Registrant have any questions regarding the applicability/relevance of the Act, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant's supervision or compliance practices, please contact Mr. Freeman at (858) 459-8289.



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Andrew R. Hoffarth

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July 27, 2021

This Brochure Supplement provides information about Andrew R. Hoffarth that supplements the Financial Alternatives, Inc. Brochure. You should have received a copy of that Brochure. Please contact James A. Freeman, Chief Compliance Officer, at (858) 459-8289 ext. 302 or jim@financialalternatives.com if you did *not* receive Financial Alternatives, Inc.'s Brochure or if you have any questions about the contents of this supplement.

Additional information about Andrew R. Hoffarth (CRD# 5816151) is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 | Education Background and Business Experience

Andrew R. Hoffarth was born in 1987. Mr. Hoffarth graduated from San Diego State University, in 2010, with a Bachelor of Science degree in Finance and a Certificate in Personal Financial Planning. Mr. Hoffarth has been an investment adviser representative of Financial Alternatives, Inc. since 2021 and his business background and experience include:

Essential Planning Services, LLC, 2010 to 2021, Investment Advisor Representative
Fox College Funding, LLC, 2010 to 2021, College Funding Consultant
Securities America Advisors, Inc., 2013 to 2016, Investment Advisor Representative

Securities America, Inc., 2012 to 2016, Registered Representative
CBIZ, Inc., 2010, Intern

Mr. Hoffarth has held the designation of Certified Financial Planner (CFP®) since 2013. The CFP® designation identifies individuals who have completed the mandatory examination, education, experience, and ethics requirements mandated by the CFP Board. Candidates must have at least three years of qualifying work experience that relates to financial planning. Candidates are required to hold a bachelors degree from an accredited university. CFP® candidates must pass an examination that covers over 100 financial planning topics, which broadly include: general principles of financial planning, insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning. Finally, candidates have ongoing ethics requirements and oversight by the CFP Board.

Item 3 | Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the client's evaluation of each supervised person providing investment advice. Information about this advisor is available at <https://adviserinfo.sec.gov>.

Item 4 | Other Business Activities

- A. *Other Investment-Related Activity.* The supervised person is not actively engaged in any other investment-related businesses or occupations.
- B. *Other Non-Investment-Related Activity.* The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

Item 5 | Additional Compensation

None.

Item 6 | Supervision

The Registrant provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act ("Act"). The Registrant's Chief Compliance Officer, James A. Freeman, is primarily responsible for the implementation of the Registrant's policies and procedures and overseeing the activities of the Registrant's supervised persons. Should an employee or investment adviser representative of the Registrant have any questions regarding the applicability/relevance of the Act, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant's supervision or compliance practices, please contact Mr. Freeman at (858) 459-8289.